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I should like to begin by welcoming you to the twelfth session of ECLA and would ask you all to join me in a round of applause for Barbados, a new member of the Commission, and for Guyana, which, now that it has attained independence, is becoming a full member after a period of associate membership.

I should also like, through our Chairman, Mr. Luis Hernández Solís, Minister for Development, to express our gratitude for the hospitality that Venezuela is extending to the Economic Commission for Latin America on the occasion of its twelfth session. For all of us it is a matter of deep significance that only a few days after a Conference of Heads of State resembling the one organized by the great Venezuelan, Simón Bolívar, we should be meeting in his native land to discuss matters similar to those with which he was concerned. The example of solidarity offered by our Presidents, and their optimism with respect to the future of our countries, reminds me of a paragraph in a letter from Bolívar to General Santander which might have been written today. Referring to the conference he intended to convene in the Isthmus of Central America, he said: "Only this will keep me in America for a while: the prospect of holding the Congress of America, which should at least serve us for the first ten or twelve years of our infancy even if it may later be dissolved for ever, because I believe that we shall survive for centuries, provided we can successfully weather the first twelve years of our existence". Translated into terms of our times, Bolívar's words imply that if we make a real effort during the next few years to implement the proposals formulated

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some days ago at Punta del Este, we shall be able to break the vicious circle that has hampered the region's development, and perhaps turn it - to use the phrase coined by the Japanese economist Saburo Okita - into a "virtuous circle" consisting mainly of Latin America's wealth of material and human resources.

When I accepted the honour which the United Nations conferred upon me by appointing me Executive Secretary of the Economic Commission of Latin America, I was prompted to do so precisely by the challenge implicit in the tremendous effort that our region will be called upon to make, if it is to attain the proposed development targets. Much of the distance has already been covered, as a result of the effort initiated by ECLA and later shared by other international agencies which several countries are continuing to support.

Once again I would thank the Secretary-General of the United Nations for the confidence he has placed in me giving me this opportunity of fighting in so noble a cause; and I should like to assure the Governments of the States members of the Commission that I will unremittingly strive to keep ECLA in the vanguard of the struggle, as did my predecessors.

THE RATE OF GROWTH AND DEVELOPMENT POLICY

It is the usual practice at ECLA Conferences to analyse recent trends of the Latin American economies and the short-term and structural internal and external factors affecting them.

For many Latin American countries, the salient features of the economy in 1966 were unfavourable. A new slackening in the rate of economic growth dispelled the hopes of maintaining relatively satisfactory rates of economic expansion which had been aroused by more favourable conditions in 1964 and 1965. In fact, in 1966 there was no improvement in the per capita gross product for the region as a whole, since overall growth scarcely kept pace with the increase in population.

Although this situation did not affect all the countries, and a few were able to maintain or even improve their previous rates of growth, it is sufficiently serious to warrant a detailed examination of the determining factors, with a view to strengthening those elements of development policy which might help to overcome the unfavourable situation.

It would be an illusion to believe that the slow pace and irregularity of economic growth in Latin America during the present decade - features that were even more apparent in 1966 - are the result of temporary circumstances. Despite the efforts made and the satisfactory progress achieved in certain fields, there has not been a sufficiently drastic change in some of the fundamental factors which determine the development of Latin America.

Within the countries, the proportion of funds allocated to capital formation has not increased sufficiently. Consequently, productive capacity has been slow to expand and it has not been possible to increase output at a much faster rate, despite efforts to make more effective use of existing capacity. Fortunately, in 1966 there was some increase in both private and public investment. Public investment was encouraged by the progress made in several countries in fiscal policy, with the introduction of administrative and economic reforms.

The obstacles encountered in enforcing the policy of import substitution as the chief lever of industrial development in our countries are only too well known. The rapid expansion of the chemical, motor-vehicle and other industries, and the initiation of new activities, cannot hide the fact that so far in the 1960's the growth rate of manufacturing as a whole does not equal that of the fifties. It is therefore particularly urgent that decisions should be taken to provide new stimuli for industrial development, both through Latin American economic integration schemes and the export of manufactures to other regions, and through fuller exploitation of the potentialities of domestic markets.

The relative stagnation of agricultural production, which was even more apparent in 1966 with a drop in the absolute levels of production for the region as a whole, is particularly serious, since it is not only a significant obstacle to development, but it intensifies inflationary pressures and creates acute balance of payments difficulties. In the effort to cope with this situation, land reform schemes are making very little progress, particularly because it is taking so long to adopt legislative and administrative measures and to activate the economic programmes which must accompany land reform.

In addition to those and other problems of an internal nature, external factors are creating no less serious difficulties. Although in the past year, Latin America's foreign trade was generally favourable to the region, it failed to keep pace with the rate of growth of international trade. Consequently, Latin America continued to lose ground in world trade and the adverse trend which began in 1962 persisted. The reduction in Latin America's share of United States imports is particularly serious, notwithstanding the considerable expansion of that country's foreign purchases, the proportion imported from Latin America dropped from 22 per cent in 1961 to below 16 per cent in the first nine months of 1966. Those and other factors more than justify Latin America's concern over trade policy and international commodity trade arrangements. Although considerable headway has been made in defining problems and identifying measures for promoting exports from the developing countries, practical action has not gone forward in the same way, and a world trade policy which will give effect to the general principles and recommendations adopted has yet to be worked out. Unless a determined effort is made in the relatively near future to change trade policy in most of the developed countries, Latin America will find it difficult to go on harbouring reasonable hopes for a faster expansion of its exports.

In the meantime, the export-import ratio has changed considerably, with the growth in imports lagging far behind that of exports. In 1960 they were practically the same in current values (about 8,600 million dollars), but since then, particularly from 1963 onwards, the gap between the value of imports and the value of exports has widened, and by 1965 exports totalled over 11,200 million dollars compared with 9,850 million dollars for imports. The position in 1966 improved somewhat, but even so imports were about 1,200 million dollars below exports. That gap means, in the last analysis, that the region is being deprived of resources which could have increased the domestic supply of essential consumer goods and production machinery and equipment.

This uneven development of imports and exports has resulted from various factors. Outstanding among these is the substantial increase in net external factor payments. While profits of foreign firms amounted to a little over 900 million dollars in 1960, they come to almost 1,600 million in 1966, and remittances of interest on foreign loans increased from 280 to 570 million over the same period. On the other hand, the need to bring international reserves of the Latin American countries up to a reasonable level and to reduce the liabilities of the monetary authorities has meant that the purchasing power of exports was reduced by a total of 1,500 million dollars between 1962 and 1965.

The events described call for careful consideration of the role of external financing now and, above all, of the contribution it can make in the near future. There is no doubt that gross external financing has increased appreciably in recent years, to the extent that the public foreign debt alone for the whole of Latin America has risen from 6,100 million dollars in 1960 to over 12,000 million in 1966. However the very nature of the process of external financing, the amortization terms and interest rates which have governed this type of loans, added to remittances of profits on direct investments, has meant a persistent decline in its net contribution to development. Furthermore, taking into account net autonomous and compensatory external financing, less interest payments on foreign loans, profits and other remuneration of direct foreign investment, the net external contribution to the region's purchasing power abroad has been negative since 1962 in an amount which exceeded 950 million dollars in 1965. Various Latin American countries have been forced to seek renegotiation of the accumulated debt in order to reduce its immediate effects on the balance of payments and ensure that the effort to boost exports will enable the countries to increase the flow of imported goods.

SOCIAL PROBLEMS

The slow pace of overall economic growth, together with the other factors outlined, indicate that in most of the countries of the region the living conditions of the population are not improving rapidly enough. With few exceptions, the slow growth of income has not been accompanied by significant changes in its distribution by socio-economic strata. This is due, among other things, to the fact that wage policy has in many cases had to continue to be governed more by anti-inflationary aims and strategies than by deliberate attempts to decrease the regressiveness in the distribution of income.

In this connexion special mention should be made of the problem of employment not only because it is becoming increasingly serious, but because it has a direct impact on broad sectors of the Latin American population. While the data are not conclusive, it has been estimated that between 1960 and 1965 agriculture absorbed 28 per cent of the increase in the active population and the sector producing other basic goods and services absorbed 22 per cent. Only 7.5 per cent was taken up by manufacturing industry in the strict sense of the term, a smaller proportion than the 10 per cent absorbed by manufacturing in the 1950's. Other services and unspecified activities absorbed practically half of the total increase in the active population, with more than 12 per cent employed in services which were predominantly marginal. Thus visible unemployment, as well as disguised unemployment in the form of services of this kind are estimated to have affected more than 3 million persons in 1966, as compared with 2 million in 1960.

These factors have created a paradoxical situation where the modernization of the economy, as it is being carried out, brings with it the marginality of part of the population and nullifies or at least undermines the effort made in other fields to raise consumer living levels. An immediate result of this phenomenon is a pattern of income distribution which impedes economic diversification of production because while it creates a highly diversified structure of consumption, the individual components of that structure are small. Thus, there is a tendency to

perpetuate the disparity between the need for modern production to take advantage of scale economies, and the slow rate of expansion of the market. This is particularly true for production sectors where advanced technology is concentrated.

Although it is true that an acceleration of the process of economic growth would considerably alleviate employment and income distribution problems, it is equally true that existing development mechanisms create obstacles, the impact of which has not yet been properly evaluated.

It must be acknowledged that attempts by the countries to raise the standard of living of the population are being brought into line with the theoretical assumptions underlying the methodology of socio-economic analyses, with the incorporation of specific targets and programmes for education, public health, social security and housing in development plans. Progress has also been made, although to a lesser extent, in questions relating to income distribution, employment, urbanization and the migration of rural labour to the cities. There is therefore no doubt that the objective of extending the benefits of progress to the majority groups of the population is one of the premises on which Government programmes have been implicitly or explicitly based.

However, this summary evaluation of the progress achieved in the last few years clearly demonstrates that the effort made has not been sufficient, judged in terms of both absolute progress and the rate of improvement in the living conditions of the population. There is still a great deal of room for increasing State participation in social services programmes, and much can be achieved by channelling into these programmes funds now allocated to lower priority projects. In any event, it is also clear that there are several factors which severely limit the results that can be obtained from present policies in this field. They include, in the first place, slowness in carrying out basic structural reforms, particularly as regards land tenure and the reorganization of agriculture. However, it should be emphasized that industrial production has also generally continued to follow an antiquated pattern of development; it has preserved a defective structure, characterized by low productivity and slow expansion in the more dynamic industries, while concentrating

on industries which are more labour-intensive but unfortunately have insufficient growth potential to absorb the increased labour supply resulting from the population explosion. All this has had a marked influence on individual earnings and on the distribution of the product among the biggest population groups.

This does not mean that increased productivity and urban and industrial development are no longer important, particularly in strengthening the middle-income groups, and that they have not increased the degree of social mobility by providing fairly large groups of the population with new opportunities for improving their social status. It should be stressed, however, that in spite of these processes, there are fundamental deficiencies which can only be remedied by adopting a broader approach to the problems as a matter of urgency.

PROGRESS OF PLANNING

The complexity of the issues which must be considered in the context of development policy enhances the importance of planning as an instrument for giving directions to the many measures that have to be taken. Appreciable progress has been made in planning during the past six years. Governments have recognized that planning is the basic instrument for developing the Latin American countries through the mobilization of domestic resources, economic and social structural reforms and improvement of economic efficiency and productivity. They also realize that the process of development cannot go forward unless there is a new world trade and economic policy and far-reaching changes are made in the external financial and technical co-operation required by the developing countries. After the Conference at Punta del Este in 1961, there was a more receptive atmosphere and the Latin American countries and the new regional agencies which had been created took concerted action. As a result, great hopes and legitimate aspirations for economic and social progress were aroused.

In most countries planning machinery has been created and development plans drawn up, although planning has often differed both in nature and in scope from country to country. The effectiveness of the Latin American Institute for Economic and Social Planning, which works closely with ECLA, has been recognized throughout the region. The Inter-American Committee on the Alliance for Progress (ICAP), the Panel of Nine and the Inter-American Development Bank (IDB) have done excellent work in reviewing plans, analysing economic and social measures and arranging and extending external financing. Many countries have initiated reforms in agriculture, land settlement, public administration and tax systems, adopted more vigorous educational, housing and health programmes and enforced stronger anti-inflationary policies. Much has also been done in the important task of training government officials. In short, a comparison of the present situation with conditions at the end of the 1950's shows that marked progress has been made at the national and regional level, in the theoretical aspects of the organization of development planning and the establishment of planning machinery.

The impetus has been lost and the Latin American countries, with few exceptions, have failed to consolidate their planning systems. A variety of factors limit and obstruct the institutional, economic and social changes which are essential in a development process, and the new attitudes have often failed to generate the vigorous practical decisions which must be taken urgently to ease the social tensions prevailing in the region.

Planning has therefore reached a kind of plateau which sometimes assumes the dangerous aspect of a sense of frustration. I think that a comprehensive review of development planning problems in Latin America can no longer be postponed. Experience in recent years affords valuable criteria which should be utilized in determining how to give new impetus to government planning and improve the terms of external financial and technical aid. The secretariat has accordingly proposed that special attention should be focussed on planning at this session.

The secretariat has prepared a working document which is mainly an analysis of plan implementation problems, since it is at the implementation stage that planning efforts have run into most difficulty. The document which was submitted to the United Nations Committee for Development Planning established by the Economic and Social Council, deals with the various internal and external obstacles to development plan implementation. The Committee, which is composed of top-level international experts and has just held its second session at ECLA Headquarters in Santiago, discussed plan implementation problems in the developing countries and decided to begin its study with Latin America. I should like to stress that the proceedings of this Committee were distinguished by the exceptional candour and impartiality with which it considered Latin America's problems and by the importance of the practical recommendations it adopted for improving planning in the region. The secretariat has decided to circulate the section of the Committee's report which concerns Latin America because it believes that it provides a useful basis for ECLA's discussions on the subject.

ECLA ACTIVITIES DURING THE PAST TWO YEARS

(a) Economic development

Directly or indirectly, ECLA's activities and work programmes have been concerned with the problems I have described. The annual Economic Survey, with its continuing review of recent trends and events, provides recent information on the progress made and the obstacles encountered, on changes in the incidence of factors traditionally affecting the development of Latin America, and on the emergence of new influences of a favourable or unfavourable nature. At the same time, due regard has been given to the differences in the growth rates and patterns of individual countries, with the result that the Survey devotes increasing attention to country studies, besides analysing trends which are common to the region as a whole.

The need for a closer examination of basic aspects of Latin America's development process, which must be understood for the proper interpretation of short-term changes, accounts for the emphasis which is still being placed on research in greater depth. A case in point is afforded by the studies on

income distribution: some partial findings and preliminary conclusions on that subject are submitted to the present session. The conclusions confirm the necessity of giving higher priority to this aspect of the region's development policy, not only in view of its importance as a social factor, but also because of the strictly economic effects of maintaining unsatisfactory patterns of income distribution.

As regards human resources in general, an attempt has been made to respond to the growing and justifiable concern shown by the Latin American countries. They are concerned not only with the basic problems of employment, employment policy and the assimilation of technology, but also with crash programmes for manpower training at all levels and educational planning. ECLA's work on human resources included its participation in the Conference of Ministers of Education and Ministers in charge of Planning in Latin America and the Caribbean, held at Buenos Aires in June 1966, which it sponsored jointly with UNESCO, and in a seminar on investment in education subsequently organized by UNESCO. ECLA has also viewed with satisfaction the International Labour Organisation's decision to strengthen its activities in Latin America, under the programme known as the Ottawa Plan. The secretariat intends to co-operate energetically in the implementation of this programme.

In close collaboration with the Latin American Institute for Economic and Social Planning, ECLA has carefully followed the achievements and setbacks of the planning effort, particularly at the stage of plan implementation. Probably one reason for the difficulties which persist is that the various sectors of public opinion do not know enough about the plans and do not participate in the planning process, or that their essential interests and aims are not expressed in time, or that they lack the essential channels of communication which would ensure that those interests were taken into account in the plans drawn up. In an effort to improve that situation, ECLA joined forces with the Institute and the International Labour Organisation at the beginning of 1966 in organizing what became the first course on economic development for trade union leaders in the Latin American countries.

In the context of the broader and deeper understanding of development problems, the various aspects of economic policy - financing, foreign trade, anti-inflationary measures, and so forth - have been steadily gaining in

consistency and continuity in the Latin American countries. A rich and varied stock of experience is thus being built up, on which individual countries will be able to draw for guidance in the establishment or reorientation of their own programmes. Consequently, the secretariat has made the review of economic policy one of its permanent subjects of study, and some of its findings in this connexion have already been published. Research has also been started on the development of different regions within individual countries. Its purpose is to shed light on the factors that have in many cases aggravated regional disparities in economic growth - with significant economic and social repercussions - to evaluate the results obtained so as to make the necessary adjustments and to determine the best ways of reconciling the aims of increasing the growth rate and integrating the national economy with more rapid technological progress in the various economic sectors.

(b) Economic projections

ECLA's studies of the factors hampering Latin America's development and its evaluations of future development prospects are widely known. To illustrate this research, secretariat studies often include economic projections for Latin America as a whole, and for individual countries, sectors and activities.

The quantitative assessment of the potential shortage of domestic and external investment resources, and of external trade requirements in relation to the development targets which the Latin American countries should achieve is a particularly interesting subject to which the secretariat has devoted special attention during the past year. It has sought to systematize the tremendous task of preparing economic projections for every Latin American country, and preliminary estimates are ready for Argentina, Chile, Colombia, Ecuador, Mexico, Uruguay and Venezuela. The research has been extended in some cases to a more detailed study of the evolution of the economic structure, saving and investment trends and the pattern of external trade and financing, this last project being carried out under a joint programme of work with the secretariat of UNCTAD. ECLA intends to proceed with its economic projections by countries and to publish the results in order to help Governments to analyse their development policies and formulate plans.

(c) Social questions

ECLA's work on social development is by no means separate from its activities in the economic field, since the two types of development cannot be considered independently. The Commission is seeking a better understanding of the processes of social change under prevailing conditions of rapid population growth combined with uneven economic development and only fitful progress in instituting the major structural reforms to which the Latin American countries are pledged. One of the most conspicuous processes of change is the accelerated concentration of the population in the urban centres, which are being transformed as a result of technological innovations and new communications and consumption patterns. For some years ECLA has co-operated with other agencies in urbanization studies and it has now reached the half-way mark in a critical review of theories and policy recommendations relating to this subject. ECLA's current studies suggest that it is not enough, as a guide to policy-making, to consider the growth of cities as an isolated problem which must be solved by more effective town planning, more housing, or perhaps by discouraging internal migration. Urban agglomerations are only the visible expression of a series of changes affecting rural society as a whole, which result in what seems to be a paradox, namely, rural impoverishment at the same time as the rural society comes into closer contact with the cultural, political, technological and consumption stimuli of the towns. Whether or not the urban and rural sectors are defined for development purposes, the barriers which have always separated them must be swept away by clear-cut and well co-ordinated policies. Where such policies do not exist, the changes are followed by the rapid growth of a stratum of the population with no steady means of livelihood in the country, which participates in the urban economy only on the insecure basis of under-employment, and thus becomes "marginal".

ECLA is also seeking practical principles for embodying social programmes and policies in overall development plans and policies, and is endeavouring to determine what public action and social measures should be taken in the various sectors in terms of such principles. The social services - primarily education, public health, social security and housing - have expanded considerably in Latin America during the past few years. This expansion has

not been governed by any comprehensive system of policies and priorities. It has been forced partly by the irresistible pressures created by the needs of various population groups, partly by the widespread belief that it will contribute to the development of human resources, and partly by the imitation of the social service models and standards applied in countries with high income levels. While it has now become obvious that the Latin American countries can no longer go on indefinitely expanding their social services in this way, it is equally clear that those services have failed to satisfy the demands that should have top priority. It is generally agreed that greater internal efficiency must be achieved, the links with development policies more clearly defined, and the services themselves more fairly distributed, within the framework of an overall strategy for income distribution. In particular, the educational services will have to shoulder most of the responsibility for helping the marginal population to take an active part in the development process, as producers and as citizens.

ECLA has prepared comprehensive study of social development and social planning problems in education, social welfare, housing and community development. The findings, which represent different stages of the research, are published in the Economic Bulletin for Latin America.

(d) Foreign trade and trade policy

ECLA's work in foreign trade and trade policy covered two major subjects, over the past two years: Latin America's trade relations with the rest of the world and the economic integration of the region. Work on the first question has centred on the description and analysis of the evolution of the external sector and the problems created by the development of the Latin American economies. Specifically, the work prepared for the first session of UNCTAD has been continued, with priority being given to aspects relating to the expansion and diversification of Latin American exports and securing the external financing necessary for adequate and sustained rates of economic development.

Aside from these tasks, the secretariat has continued to study developments in international trade policy - for example, those relating to GATT and the European Economic Community - and to evaluate their possible impact on the external sector of the region.

All these activities have been directed towards helping the Ad Hoc Committee on Latin American Coordination (CECLA) to identify possible forms of joint action in matters of trade policy.

In preparation for the second meeting of UNCTAD, the secretariat has drafted a document entitled Latin America and international trade policy, which is being submitted for consideration at this twelfth session of the Commission.

The secretariat likewise took part in the preparation of draft proposals on foreign trade which were considered by the group of experts invited by the preparatory committee of the Meeting of Presidents, and has been working on trade aspects of the promotion of exports of manufactures and semi-manufactures, rendering assistance to countries at their request through a group of regional advisers in trade policy.

In accordance with a resolution of this Commission, the secretariat convened a meeting of governmental experts at the end of 1965 to discuss various formulas and alternatives referring to different aspects of the economic integration of Latin America. The discussion was based on a document prepared by the secretariat. The results of the meeting were useful for the first meeting of Ministers of Foreign Affairs of the ALALC, held at Montevideo in November 1966 and was in effect a continuation of assistance to ALALC.

Finally, in compliance with a resolution of this Commission, the secretariat prepared the document entitled The economically relatively less developed countries and Latin American integration, which is being submitted in preliminary form to this session.

In that connection, the secretariat has already held its first trade policy course, which was attended by officials of almost all the Latin American countries. A second course will be given from 3 July to 16 August and will include the very important subject of techniques of negotiation.

(e) Industrial development

The activities of ECLA relating to industry have been carried out jointly with ILPES and the IDB and have proceeded along parallel, but closely interrelated lines. The general work on industrialization has been concerned with the transfer of technical knowledge from abroad, technological research, the role of small industry, etc. - while the sectoral activities have dealt with specific branches of industry, such as iron and steel, non-ferrous metals, pulp and paper, chemicals, metal-working and textile industries. Both types of work are directed towards the same goal, namely to establish new paths for the future industrial development of Latin America. In these tasks, increasing emphasis has been placed on the definition of policies adapted to the new conditions prevailing in the Latin American countries and in world markets. Consequently, in general studies of industrial economy increasing attention is being paid to problems that impede the more effective utilization of existing productive resources, particularly capital, i.e., to the adaptation of production techniques and procedures to Latin American conditions by transferring of know-how from abroad or providing incentives for well-oriented local technological research that would complement imported techniques, to the proper definition of the role of small industry in the development process, and to other related subjects. Moreover, in the sectoral studies by branches of industry, consideration is being given to projections of demand and forecasts of investment and other resources required to expand supply with particular attention to the analysis of efficiency and productivity in current industrial activities, proposals for improving them and the programming of the future development of industry with a view to deriving maximum benefit from the economies of scale characteristic of each branch.

From both the general and sectoral viewpoint, Latin American integration has ceased to be merely an added dimension of research and has become the predominant and central focus of the analysis of industrial development problems.

Most of the work relating to industry accomplished since the last session was presented to the Latin American Symposium on Industrial

Development held in Santiago in March 1966 in which ECLA worked in co-operation with the Centre for Industrial Development, now the United Nations Industrial Development Organization (UNIDO). Among the many conclusions reached at the Symposium, it was agreed that while protectionism played an important role in the past industrial development of the Latin American countries, it will henceforth have to be supplanted by programmed industrial development which takes into account the competition which will be produced by Latin American integration and by the need to compete with the more industrialized countries in selling manufactures on foreign markets. In short, what is required is a new industrial policy, some of the elements of which are known but many of which require further investigation.

ECLA's work in technological research sought to elucidate, in a preliminary way, the main types of problems that should be investigated in the economic branches most vital to the economic development of the region, and to identify those common to several countries, so that they might be tackled by applying the machinery of regional co-operation. Research on the pulp and paper and the iron and steel industries proceeded on that basis.

Considerable effort has been devoted to studies of development possibilities for small and medium-scale industry. The results were presented to the Seminar organized jointly with the Centre for Industrial Development, and held at Quito at the end of 1966. This technical meeting reached a number of important conclusions. It was decided that official policy has been concerned with adopting measures to protect small industry rather than to encourage it to modernize its operations and to compete with larger firms under better conditions. To achieve that objective, it is necessary to formulate a concrete development policy that can be integrated with general industrialization plans. The Seminar discussed the conditions under which sound development strategy might promote complementarity of small and large industries. It further agreed that the promotion of small industry could not be achieved on the basis of strictly economic criteria of maximization of output, but that with economic and social interests in each country would have to be reconciled in order to avoid acute unemployment. It might therefore become necessary to promote labour-intensive industries.

Work on industrial sectors has been mainly concerned with iron and steel, transformation of copper and its alloys, aluminium, pulp and paper, the chemical industry in general and the petrochemical categories of fertilizers and sodium alkalis, various categories of the metal-transforming industries and the textile industry.

It is not possible to present a comprehensive view of all that has been included in the sectoral studies, since their scope is much broader than that of the general studies. However, it may be said that the studies have dealt with development possibilities of intra-regional exports and exports to world markets, economies of scale, the influence of technological advances on investments and production costs, present demand and supply and anticipated future trends and the relative advantages of different geographical locations for new industries, from the standpoint of probable production and transport costs.

Research on some of these topics had to break new ground as there had been virtually no previous data, and has yielded results which might provide very useful instruments for dealing with the practical problems of Latin American industrialization. This is true, for example, of studies on small-scale integrated iron and steel installations, which are especially useful in analysing the development prospects of the steel industry in economically relatively less developed countries of Latin America. It also applies to work on optional techniques of production in the textile industry, which will help to clarify the very important problem of replacing the enormous amount of obsolete equipment and machinery in accordance with criteria for the best possible combination of productive factors available in the region.

(f) Transport

On questions of transport, the secretariat, in co-operation with the OAS and the ALALC, is engaged in an intensive study of all aspects related to regional motor vehicle transport. As is well known, the short-term prospects for this form of transport are more promising than those for rail transport, because most Latin American countries lack the material, technical and financial resources required for its expansion.

In co-operation with UNCTAD and the OAS, the secretariat is also working on problems related to the level and structure of shipping rates and their

incidence on regional and world trade. It should be emphasized here that shipping is of vital importance to Latin American trade, but shipping services are handicapped by inefficient and slow handling in the ports, a problem of concern to various countries of the region.

(g) Agriculture

ECLA works in conjunction with FAO on agricultural questions. Its regular task is to keep abreast of the overall situation in the agricultural sector within the framework of Latin America's economic and social development. Its findings for 1966 are included in the Economic Survey which is before the Commission at the present session. The analysis shows that two lines of action must be followed in order to solve the strictly internal problems: land tenure systems and land distribution patterns must be radically reformed, and agricultural activities must be metamorphosed and modernized by the introduction of new techniques on a large scale techniques which have been mastered and applied in other regions, and even, to a limited extent, in Latin America itself.

With this objective in mind, ECLA and FAO have devoted much of their joint effort to the preparation of studies on the use of fertilizers, pesticides and agricultural machinery in various Latin American countries. As a result, the information now available on the use of those inputs is sufficient to provide a sound basis for the programmes to modernize agriculture and improve agricultural productivity envisaged by the American Presidents at the Punta del Este Conference. Obviously, an expansion of production such as Latin America will require - i.e., 100 per cent in the next fifteen years - is inconceivable unless yields are substantially and that will not be possible without increasing use of those industrial inputs.

The ECLA and FAO studies on agricultural integration show that it can and must be achieved. Although there are areas whose natural resources would permit of a much higher degree of complementarity than exists at present, most of the Latin American countries have been drawing up their agricultural development plans on the basis of eminently autarchic principles. This means inefficient utilization of resources, redounding to the disadvantages of the region as a whole. However, the agricultural integration process will have to be conducted with extreme care, for unduly abrupt changes in the existing set of relationships - artificial as many of them are - might cause upheavals that would very seriously affect the large population groups engaged in agricultural activities.

(h) Natural resources and energy

In close co-operation with the United Nations Development Programme, FAO, the World Health Organization and the World Meteorological Organization, ECLA has expended a good deal of effort on the study of the region's water resources. So far, the research on Latin America's total gross surface potential, which will provide a frame of reference for future utilization studies, has been completed, and a start has been made on a detailed analysis of the use of water resources in relation to national development plans, which will cover the whole of South America, with the exception of Brazil, French Guiana, Guyana and Surinam. A similar study for Central America is in course of preparation.

Apart from this research being carried out in the context of national development plans, ECLA is engaged in studies on the development of water resources in multinational river basins, like that of the River Plate, for which virtually all the basic hydrological data are already available.

In addition, the water resources group has recently given several countries technical assistance in allied fields, such as the supply of piped water, research on underground waters, irrigation, livestock, watering facilities, drainage, and navigation conditions on the main waterways.

A few months ago ECLA organized a seminar on petroleum, the results of which are reported in an information document submitted to this session. For the first time, at that seminar, twenty-six distinguished Latin American and international experts discussed subjects bearing on the development of petroleum resources in Latin America. Special attention was devoted to State action, co-operation with private enterprise, investment, sources of financing, prices of crude petroleum and petroleum products on the export-import and domestic markets, and hydrocarbon reserves and their rational development.

With respect to electric power, ECLA has continued to give advisory assistance to some of the Latin American Governments, and to organize meetings such as those on rural electrification, the second of which was held not long ago in Santiago. With a view to the solution of certain crucial development problems in Chile and Peru, the secretariat, in collaboration with the International Atomic Energy Agency and the Resources and Transport

Economics Branch at Headquarters, has carried out technico-economic studies on the possibilities of using atomic energy in arid regions for the simultaneous production of electricity and desalinated water.

THE ECONOMIC INTEGRATION OF LATIN AMERICA

It is common knowledge that for more than fifteen years ECLA has been doing systematic and extensive work in connexion with the economic integration of Latin America and the establishment of a regional common market. It has prepared technical studies on the various aspects, implications and problems of such an undertaking, and proposed measures for overcoming those problems and going forward to the more advanced stages of integration. Thus, ECLA has directly participated in promoting and shaping the two regional integration movements: the Central American Common Market and the Latin American Free-Trade Association (ALALC). In addition to its continuing and active co-operation with both these organizations - which will continue in future - in the attainment of their objectives and the implementation of their programmes of work, it has continued to evaluate the results achieved, to identify the obstacles blocking a common market, and to formulate proposals for expediting and expanding the integration process.

ECLA has earmarked a substantial share of its resources for technical advisory services to assist the organs of ALALC in virtually all aspects of the Association's activities, and particularly in trade policy, industrial development, transport and statistics. For these purposes, it has maintained constant liaison with ALALC's secretariat and its Standing Executive Committee. It has participated in meetings of advisory committees and working groups where it has presented many studies and a great deal of other background information, as well as in ad hoc advisory groups. This has not prevented it from undertaking other studies and activities, more general in character, but invariably relating to the full implementation of the principles and objectives of the Treaty of Montevideo.

The subject of Central American integration should perhaps be dwelt on in greater detail, because ECLA's work during recent years is a typical example of what can be done to establish sub-regional areas as part of Latin America's general integration process.

Central America's economic integration movement had its origin in a resolution adopted by ECLA at its fourth session (Mexico, 1951). As a result, the Central American Economic Co-operation Committee was set up to study and define principles for a programme that would amalgamate the five economies. Ten years later, the basic integration instruments had already been established, both in respect of free trade and a common external tariff, and for the purposes of developing the area's industry and infrastructure. Concurrently, improvements were introduced in the institutional machinery, which had to cope with a growing complex of problems created by the new regional bonds forged and the need to launch programmes in fields not previously covered.

One of the steps taken to bring the common market into full operation was the Central American Standard Customs Code (CAUCA), which has been in force in Costa Rica, Guatemala and Nicaragua since 1965. Consideration has been given to the regional agreements required for the equalization of customs duties applicable to third countries on certain items not yet negotiated, mainly vehicles, petroleum products, electrical appliances and products subject to special exemption régimes under the free-trade system. Procedures for adapting uniform tariffs to the changing requirements of economic development policy have also been considered. More recently, the ECLA secretariat, in conjunction with the Permanent Secretariat of the General Treaty on Central American Integration (SIECA), has initiated the preparatory studies for the adoption of a common trade policy vis-à-vis third countries, and for the establishment of a joint negotiation unit and an export promotion agency.

At the end of 1965, the Mexico Office of ECLA was the venue for a first meeting of representatives of the integration agencies with the Mexican Government, to study the possibilities of expanding reciprocal trade flows and concluding economic complementarity agreements. Similarly, SIECA has begun negotiations with Panama with a view to the conclusion of an economic association agreement between Panama and the Central American Common Market. Similarly, the ECLA secretariat has prepared a document reviewing the position of British Honduras (Belize) in relation to the Central American countries.

With regard to industrial integration, since the Protocol on Integration Industries was signed, efforts have been channelled towards the identification and promotion of regional projects, and the common market organs have outlined Central American policy with respect to foreign investment and assembly industries.

The Central American Agricultural Development Sub-Committee, set up in 1964, established guiding principles for action to encourage production of basic foods, promote exports, develop livestock production and improve marketing and price stabilization systems. As a result of the meetings of Ministers of Agriculture and Ministers for Economic Affairs, the Central American Marketing and Price Stabilization Committee was established, and the organization of a Central American committee for agricultural research was approved. Furthermore, with the co-operation of several international institutions, studies and projects have been undertaken, including research on land tenure systems, development of forest and fisheries resources, identification of new crops that could be exported on a large scale, agricultural credit facilities and basic grain production policy.

In the infrastructure sectors, besides stepping up the construction of highways in the Central American road network, studies are under way to shape a regional policy for the organization of transport services, and there is a broad programme dealing with construction techniques, highway maintenance, the extension of the regional road network and the development of ports.

The Electrification Sub-Committee has continued work on the interconnection of electrical systems and the joint development of water resources. The original work programme has been considerably expanded in the past year to include a general interconnection plan for the whole integration area, as well as such related questions as the establishment of uniform rates, production costs and the standardization of statistical and accounting systems. The Central American Governments signed a telecommunications agreement to construct and operate a regional network, for which technical studies have been prepared and financial resources are available.

As regards financing and monetary policy, the Central American Bank for Economic Integration has steadily increased the credit granted for regional projects. The Central American Economic Integration Fund was created in 1965 for the sole purpose of promoting infrastructure projects. Efforts have continued to be made to co-ordinate and harmonize monetary and credit policies in keeping with the broad

lines of action established in the charter of the Central American Clearing-House and in the agreement formally setting up the Central American Monetary Council signed by the Central Banks in 1964.

Furthermore, the Governments have decided to channel the development of their own countries through national programmes co-ordinated at the regional level. The Joint Central American Programming Mission was established at the end of 1963. It has provided technical advisory assistance in organizing central and sectoral programming offices, preparing national plans and establishing targets and procedures for the gradual elaboration of a single regional plan.

Lastly, at the request of the First Meeting of Ministers for Economic Affairs and Ministers of Finance in April 1965, the secretariat of ECLA prepared a document on the regional institutionalization of planning, on the basis of which the Central American Economic Council incorporated the Joint Programming Mission as an organ of the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA).

The Central American Economic Co-operation Committee, at its last session in January 1966, evaluated the economic integration process and established policy guidelines for the area's future development. This appraisal, which was undertaken by the ECLA secretariat at the Economic Council's request, included a review of regional sectoral programmes and the adoption of measures to overcome the obstacles to the expansion of intra-area trade and of regional production activities. It was recognized that the application of the principle of balanced development entails the adoption of a vigorous regional policy which will eliminate the disadvantages suffered by certain relatively less developed areas or countries. In that connection it was decided to give Honduras preferential treatment in industry and to supplement its development efforts by broad co-operation from the remaining Common Market countries.

The secretariat of ECLA has taken part in most of these activities either through the Central American Economic Co-operation Committee and its subsidiary organs, or by providing Governments and integration institutions with technical advisory services. Naturally, the areas of collaboration have gradually changed with the emergence of different problems and the expansion of the economic integration programme. Thus, while efforts were concentrated during the first stage on advisory assistance in setting up the legal and institutional framework of the Central American Common Market, they are now aimed at working out a regional development approach, the study and promotion of multi-national productive activities and the general problems of bringing the Common Market instruments into full operation.

OUTLINE OF ECLA'S FUTURE WORK PROGRAMME

The Declaration of the Presidents of America and the Prime Minister of Trinidad and Tobago at Punta del Este last month confirms the relevance of ECLA's development, trade and integration action and represents a sound and lasting basis for the Commission's future programme of work.

The Heads of State undertook to establish a common market within a specific period, to lay the physical foundation for the economic integration of Latin America through multi-national projects, to pool efforts to increase foreign trade earnings, to modernize the living conditions of the rural population and at the same time raise agricultural productivity and food production, to take decisive steps to expand education, science and technology, and to eliminate unnecessary military expenditure in order to use the resulting savings for Latin America's economic and social development.

The significance of this undertaking is that integration has now become irreversible, although the Declaration in itself cannot be regarded as a magic formula for the region's advancement henceforth. It is a splendid political basis, but it involves a commitment on the part of Governments and international agencies to make a tremendous and unremitting effort, since integration is an arduous process calling for energetic government action, new institutions and new legislation and the mobilization of resources to link and integrate the various countries physically by means of highways, power transmission lines and telecommunications systems. It might almost be called a process of trial and error or successive approximations, since Latin America has had no experience in this type of development and has had to work it out step by step. The gap between the formulation of planning targets and project implementation, which is typical of Latin America's efforts, illustrates this process, since, in the first place, plans cannot simply be superimposed on existing administrative structures and, secondly, political support for each and all of the projects envisaged must be enlisted and received from top-ranking government officials, private enterprise and the workers.

The results of the meeting of Heads of States affords ECLA an excellent opportunity to restate its main objectives more clearly and to define precisely what its functions are within the family of international organizations striving for the region's development.

In this connection, a radical change has taken place since the time when ECLA was practically alone in its efforts to promote development and had simultaneously to develop ideas and theories, take action and even provide technical assistance to countries in the form of missions, experts and training courses. Today there are many specialized institutions operating in specific fields not only within the United Nations family but also in the inter-American system and in each individual country. The establishment of many of these agencies was proposed and even promoted by ECLA. The advent of the two newest international agencies - the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO) - has considerably strengthened the machinery for multi-lateral action in fields where ECLA used to be the only organization at the regional level and had to operate with its own limited resources.

These most recent events provide ECLA - now in a stronger position and with more resources at its disposal - with an opportunity to concentrate its efforts in three areas which are crucial if the proposals of the Heads of State are to materialize and if their implementation is to lead to satisfactory economic and social development and to structural, institutional, trade and integration reforms, which are some of the instruments required to attain that development.

The first of these areas would be more intensive research to elucidate the relative importance of various factors in economic and social development which have only been appraised in vague terms thus far. For this purpose it should be borne in mind that the idea of Latin America as a whole is more in the nature of a statistical concept, and while perfectly clear in a political sense, it is meaningless when attempting to explain the reasons for past under-development or the factors likely to influence future growth. This means that ECLA's research activities will have to take into account not only the general economic disparities between countries but such particularities as their history, their politics, natural resources, population and the people's aspirations towards a better future. Only on the basis of such research in depth can regional development policies be established, if they are to be carried out by those responsible for their ultimate success, namely the individual countries.

This research effort is needed not only to interpret the whole economic and social development process, but also specific aspects such as industrial development, the modernization and expansion of agriculture, education, health and housing.

There is ample scope for research on economic questions designed to produce new ideas that will serve as a basis for policies which do not yet exist. There is, for example, an urgent need for detailed study of the experience of different countries in order to devise more effective anti-inflationary policies which will be compatible with economic growth. In that connection, the study of fiscal policy in its broadest sense - i.e., the size and structure of public expenditure and the level and progressiveness of taxation - is fundamental. The same is true of internal and external monetary instability, which is a serious obstacle to progress in integration.

There are no comprehensive agricultural policies, among other reasons because there has not been enough economic research in the individual countries or in the region as a whole to provide the necessary basis. I also wonder whether the time has not come for ECLA to undertake serious studies on the population question, which is being so hotly debated today.

A good example of industrial questions is the problem of the adaptation of modern production techniques to the particular situation in Latin America, where there is a plentiful supply of labour and a shortage of capital. The development of increasingly capital-intensive techniques is an inevitable trend, determined by the very nature of scientific and technical progress. Or is it the result of interaction between technological development, a plentiful supply of capital and a shortage of labour, conditions which are found in the industrially advanced countries and which give rise to successive refinements of industrial techniques? An analysis of this problem could lead to practical conclusions concerning whether it is desirable or feasible for the developing countries to undertake much more vigorous technological research with a view to adapting the industrial techniques of the developed countries to the needs of Latin American economic and social development. I believe that in this and other fields ECLA needs to give a fresh impetus to its research activities and the formulation of new ideas and concepts.

ECLA's second task, within the framework of national and international organizations, is the definition of problems of development in specific economic and social sectors, with a view to providing Governments with a basis for taking

Two further examples are the measures needed to promote the development of the relatively less developed countries and exports of manufactures.

The latter subject requires that ECLA, jointly with the specialized agencies concerned with industry, should define the policies needed to create efficient, low-cost productive capacity that will enable the region to export its manufactures furthermore in co-operation with UNCTAD and UNIDO, it should examine the evolution of certain industrial sectors in the more developed countries to give practical significance to plans for improving and increasing Latin America's industrial capacity.

ECLA's third field of action lies in the promotion of development activities, along the lines followed in the past, but with greater intensity. In the past ECLA was very successful in promoting action on the part of Governments and most international institutions, particularly those institutions which ECLA directly or indirectly helped to establish. However, ECLA has been criticized for failing to make contact - except in a number of technical conferences with the private sector and with industrial and agricultural workers' associations. It is conceded that this deficiency has helped to maintain the distance between those who make the plans or provide the politicians with planning material and those who in the end must play a vital role in their implementation, since they are directly responsible for the major part of production. I intend to encourage such contacts and I want ECLA, in its work of research, definition and promotion, to maintain a continuous dialogue with all the groups who play a part in economic development.

The weak links in the chain starting with overall planning and ending with project implementation will call for innumerable promotional activities on the part of ECLA in the future. ECLA intends to continue to play a role in the establishment of sub-regional integration areas, as it did in the case of Central America. An office is being organized for the Gran Colombia countries - Colombia, Ecuador and Venezuela - and economic integration and co-operation studies will be carried out, taking into account possible links with Central America and the rest of the Pacific countries. After basic studies, if the countries concerned so desire, sub-regional integration between Mexico and Central America could be initiated. Similarly, a study should be made of the various integration possibilities for the countries of the Caribbean. Naturally, as was stated by the Presidents, these sub-regional integration schemes would be open to other countries or sub-regions.

decisions on development policy, either individually or jointly, and to enabling the private sector to formulate its business intentions, from the national and regional point of view, in such a way as to achieve maximum progress over the long term. This work of definition could cover the most diverse sectors - various branches of industry, telecommunications, transport and monetary and fiscal policy - but ECLA, precisely because it operates in many fields of endeavour could inter-relate all the sectors and ensure their compatibility in what might be called the overall definition of development in Latin America, which, in the last analysis, will have to be made by the countries themselves with the financial and technical assistance of various agencies. ECLA, in co-operation with the specialized agencies and multilateral and bilateral institutions, would help to identify opportunities for such assistance and to work out procedures for increasing its effectiveness, but would not participate in the actual operational aspects, which are the province of the agencies and institutions themselves.

Development financing is a good example of a problem requiring more precise study and guidelines and one in which ECLA could work jointly with IDB and ICAP, beginning with a study of capital formation and saving to explain why they show such an uneven growth pattern and continuing by defining short- and long-term external financing needs, which should be systematically evaluated since they are necessary for the information of the countries and for planning by development agencies such as IDB.

Industrial development is another field in which an overall theoretical approach is needed before specific projects and programmes can be implemented. ECLA could co-operate with IDB, ICAP and integration bodies by proposing new industrial branches in which a process of discussion and analysis should be initiated. The selection of those new industries requires a detailed knowledge of the technical and economic characteristics of each throughout Latin America and of the interrelationship between the different branches and the industrial economy of Latin America as a whole. I believe that ECLA, by virtue of its continuous work in this subject, is in a position to provide useful co-operation in this respect. With the co-operation of IDB, it could carry out studies on those industrial branches in which the promotional efforts of the Pre-investment Fund should be concentrated, with a view to undertaking multi-national projects that would provide opportunities for fruitful regional integration. In this way the co-operation already existing between ECLA, IDB and the integration bodies would be strengthened and broadened.

In ECLA's programme of future work there will be opportunities for promoting action on trade policy, with particular reference to two aspects. One will consist of continued intense co-operation with UNCTAD, in questions of concern to Latin America, in the preparatory work for the second session, both directly and as an adviser to the Latin American countries, CECLA and the Group of 77. To this end, in a document being prepared for the second session of UNCTAD, the secretariat will take into consideration "measures to improve international trade conditions in Latin America" in accordance with the Action Programme of the Declaration of the Presidents of America. The other aspect of these activities is the perennial question of economic integration. The agreements adopted at the meeting of Presidents are of great importance as a basis, since they involve specific commitments concerning the nature and time table of the integration process. On this question, the secretariat will continue to co-operate fully, as it has in the past, with ALALC and the Central American Common Market.

More specifically, ECLA's short-term programme on the trade aspects of integration will include assistance in such matters as the formulation of procedures or machinery for the automatic reduction of import charges within ALALC; procedures for the preparation and gradual adoption of a common external tariff, also within ALALC; the identification of problems and suggestions for possible solutions, with regard to the application of concerted measures by Latin American countries in accordance with the Action Programme of the Declaration of the Presidents of America; co-ordination of the trade policies of the member countries of ALALC and the Central American Common Market; and an examination of their progress towards a common trade policy in the context of economic integration and, in particular, as regards the adoption of a common external tariff.

Before concluding, I should like to mention another feature which should characterize ECLA's work, namely, full co-operation with all the international agencies working in its field of competence and, of course, mainly with the operational agencies of the United Nations family. In both the research and theoretical aspects of its activities, ECLA intends to work closely with the specialized agencies

since in this way the agencies will benefit by ECLA's regional experience in the various economic and social fields, and ECLA will be able to take advantage of the specialized knowledge of the agencies in their particular fields of competence. Co-operation between the executive staff of ECLA and of the agencies, and the maintenance or formation of joint divisions, units, programmes or working groups, will provide a solid basis for the Commission's future work, without prejudice to the actual operational aspects of technical or financial assistance, which, as I have said, will remain the responsibility of each of the specialized agencies.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session

Caracas, Venezuela, 2-13 May 1967

Information document N° 5

SECRETARY-GENERAL'S MESSAGE TO THE TWELFTH SESSION OF
THE ECONOMIC COMMISSION FOR LATIN AMERICA

It gives me great pleasure to send my good wishes to the twelfth session of the United Nations Economic Commission for Latin America, which opens today at Caracas, thanks to the generous hospitality of the Government of Venezuela. ECLA, since its establishment in 1948, has been making important contributions to the economic and social development of the Latin American region and I have no doubt that it will continue to do so even more effectively in the future. The work of ECLA, while helping the economic and social development within its own region, which now includes, I am happy to note, the Caribbean islands, has assisted the regional countries to widen their horizons and appreciate their own problems in the broader framework of global economic and social activities undertaken by the United Nations.

Several pioneering efforts have marked the history of ECLA as well as a broad philosophy for economic and social advancement of the region it serves. ECLA has also given constant inspiration and support to the movement towards integration of Latin America. This idea of unity, wherein the Latin American communities live and toil together in search of a common destiny, was the lofty dream of Simon Bolívar, the illustrious son of this very city. The recent Presidential meeting at Punta del Este shows how firmly this dynamic concept has taken root at the highest level of leadership in the Americas.

The Commission has been fortunate, since its inception, in having had in succession as its Executive Secretaries, Drs. Gustavo Martínez-Cabañas, Raúl Prebisch, José Antonio Mayobre and now Dr. Carlos Quintana.

While all of them are fully dedicated to the economic and social development of your region, they are also deeply aware of the international implications of the Commission's work. I wish to assure you that in the United Nations the problems and expectations of the Latin American peoples are not forgotten, and that your Commission's work has my firm support. We continue to be guided by the principle that accelerating the economic and social development of the developing countries is an international responsibility which no nation, developed or developing, could shun without grave consequences to world peace. Your Commission's experience in uplifting the economic and social conditions of the Latin American countries is invaluable to the implementation of a concerted attack on under-development in the world to which the United Nations is resolutely committed.

I wish you success in your deliberations.

ECONOMIC COMMISSION FOR LATIN AMERICA

Twelfth session

Caracas, Venezuela, 2-13 May 1967

Information documento N° 6

Statement by Mr. Philippe de Seynes
Under-Secretary for Economic and Social Affairs
2 May 1967

At the moment the Latin American countries are probably undergoing the most difficult phase of development. Most of them have now passed beyond the initial stages in which the old social structures still ensure a minimum of stability, the predominance of the rural economy limits the tensions arising from excessively rapid urbanization, and wage claims remain sporadic and badly organized. However, they have not yet advanced to the position of societies whose technological base is broad enough to ensure a certain growth almost automatically in good years and bad and whose economy is sufficiently flexible to correct fairly rapidly the disequilibria and dislocations which appear periodically.

As a result, your nations, more than any others perhaps, are confronted with highly complex and delicate problems of economic administration. In Latin America the economic balance is necessarily precarious and continually under strain. The action of Governments is subject to demands which are often contradictory. The possible solutions, which always take the form of dilemmas, are rarely decisive, and an attack launched on one front nearly always threatens to weaken another equally important front.

In fighting the inflation which still rages over a large part of the continent, it is not easy to steer a middle course between action aimed at a sudden halt, which would be politically intolerable and which would imperil the investments most needed for growth, and a long-term cure, which may always, through the interplay of anticipatory speculations, cancel out the effect of the decisions taken. Furthermore, inflation is itself merely the outward expression of inner tensions generated by pressures from groups which clash both in the market-place and in the political arena and by conflicts of interests, such as those between town and country, which are difficult to reconcile in a coherent incomes policy.

/Social expenditure

Social expenditure rises more rapidly than the buoyancy of the economy would indicate and less by design than by the pressure of aspirations difficult to contain. The imbalance between food supply and demand is tending to become more pronounced. This phenomenon is of crucial importance in the fight against inflation and sometimes - in part of the Andes plateau, for example - takes on the frightening human aspect of malnutrition.

In such circumstances, those responsible for economic policy have only a very narrow margin for manoeuvre. The most careful and the tightest economic administration is the first national priority. Minor errors of direction may give rise to major imbalances.

In this context, the concept of flexible planning has gradually become more and more firmly established in most of your countries as a discipline capable of raising the level of economic thinking, of imposing a global view of development in all its aspects, including those which concern the most sensitive political and social parameters. It is difficult to deny that this discipline continues to be a necessary instrument.

It is therefore somewhat disappointing to read in a recent ECLA document that a certain falling-off is observable today in the efforts to establish that coherence so essential for your development. Is this a sudden lack of interest on the part of the politicians? Or is it a sign of the instability of power? More simply, it may be the result of a certain difficulty in passing from the exciting phase of general planning with objectives representing so many hopes to the more arduous and thankless phase of setting up machinery, transposing general directives into the daily task of decision-making, and integrating structural reforms with the execution of the plan itself.

The difficulties created by these problems of methodology and organization are by no means insurmountable. Action in this field is likely to benefit from a collective discussion and a systematic programme of information and training made available through the regional or global machinery developed within the United Nations.

This appears all the more desirable because the problems of economic administration are perhaps going to become more complicated if your countries are to embark with determination upon the promising course of continental integration. The prospect of a common market capable of being achieved in 1985 cannot fail to be the dominant theme from now on and inevitably it will influence both the conception and execution of your national policies. It also suggests the need for a minimum of joint planning.

Does the Conference of Punta del Este mark a decisive stage in the ripening of an idea which you readily trace back to Bolivar? In the long gestation period which leads from aspirations to decisions and then to their implementation, it is perhaps difficult to distinguish a point of no return and it is better to refrain from being too categorical. Many of the basic concepts themselves remain unclear. It is perhaps not unfair to say that the integration project stems more directly from an inexorable analysis of the limitations of national development than from a clear-cut vision of a continental future. The organizational factors have certainly been amply studied over a period of several years but the picture of an integrated economy so far remains vague. At what speed should the different countries advance? What individual and collective efforts must be made in favour of the more backward countries? How should the international division of labour be planned? Only a beginning of an answer to these questions has been forthcoming in the discussions, already important but still fragmentary, which have taken place within the free trade area. There still does not seem to exist a striking image or alternative images of the anatomy of Latin America in the context of a unified market. Such an image must nevertheless take shape if we are to become accustomed to evaluating national plans and projects in the light of a comprehensive design, if we wish to facilitate mutual consultations at the continental level and if we seek to ensure that the inevitable points of disagreement are at least recognized with a full knowledge of the facts. It is also necessary if development efforts are now to be more infused than in the past with a keen awareness of the demographic factor. Henceforward one must think in terms of a continent of more than 450 million inhabitants in 1985 and more than 50 million in the year 2000, a continent in which fertility and mortality rates are subject to sudden change and in which the
/age structure

age structure of the population, low density and wide differences from one area to another create difficult problems in the spheres of education, employment, and consumption.

Nevertheless, however cautious our outlook, we cannot escape the conclusion that something very important has happened at Punta del Este, and that things will never again be quite the same. The countries of Latin America have taken the initiative into their own hands. They have done so together, in full knowledge of the inevitable difficulties and sacrifices that await them, and, it seems, without the over-optimism that sometimes accompanies such events.

The decision of Punta del Este comes at a time when the chances of a rational division of labour are already handicapped by the existing pattern of industrial activities. There is no doubt that the effects of the policies hitherto followed in this field can now only be corrected by a considerable expansion of the market. However, the field will at least be free for a more rational distribution of the products of the new industries that will be created in the years to come. The decisions that will be taken on that score will be the real test of the will to integrate.

A strong current of public opinion is necessary in order to give Governments the strength they need and in order to soften and wear away some rather marked differences, as between one country and another, in aspirations, political ideologies, and the desire for change. It is here that the stimulating influence of an event that "changes everything", such as the setting in motion of a common market, may play a capital role provided that it enjoys sufficiently wide support.

In seizing the initiative at Punta del Este, the countries of Latin America have affirmed their desire to establish relations with their powerful neighbour on mutually acceptable bases. They have shaken off the inhibitions which naturally develop when peripheral units that are still weak find themselves within the magnetic field of a highly developed core. They have thereby shown the best sign of progress for nothing would be more debilitating in the long run than to let the mind petrify while harpin on glaring disparities, for that might give rise to a feeling of impotence and hopelessness which ignored the possibilities which science and technology now offer even the weakest nations provided that the international community is able to rise to a minimum standard of co-operation and organization.

The responsibility of the outside world towards Latin America is by no means diminished by the decision of Punta del Este. The development of this continent continues to be closely linked to that of the world at large, and favourable conditions have now been created for a more generous and enlightened programme of co-operation in the fields of financing and trade. For, unless they enjoy a minimum of freedom of movement in the external sector, the economies of Latin America will continue to be subject to the phenomenon of "strangulation" so often described by Dr. Prebisch. While integration with a view to the economic independence of the continent should lead to a certain reorientation of external aid, it cannot reduce the need for such aid. It might even be that the work on a common market will at first require more massive outside support than would be needed by policies of separate development. For, the progress of the backward countries must be speeded up; such machinery as payments unions must be created which can support balances of payments through the vicissitudes of customs liberalization; compensatory schemes must be devised for countries which are placed at a disadvantage, temporarily at least, by a rational distribution of the products of new industries; the infrastructure of transport and communications must be developed without which even a market free of tariff barriers would not be able to exercise an integrating influence.

In short, integration represents a cost which probably must be added, at least in part, to the other needs which your countries must satisfy and which have by no means been diminishing. It should now be clear that the fight against inflation may be greatly facilitated by mass imports, especially of foodstuffs, which would permit stabilization plans to be made over a shorter period and thereby improve their chances of success. It should also be clear that the structural reforms preached with so much eloquence often require external assistance, for example, to counteract the effects of the flight of capital that almost inevitably results from any significant fiscal reform or, again, to meet the social costs without which the success of agrarian reform is so often jeopardized. There are phases and circumstances in development where options may appear less circumscribed, where alternatives exist, if violence is done to certain political or social structures. There are others in which such choices are extremely limited and in which outside support appears quite indispensable; on its volume
/and effectiveness

and effectiveness may depend whether a country enters a period of economic stagnation punctuated by social upheavals and political convulsions, or whether it is launched on a movement of reasonable expansion within a state or relative equilibrium that makes the most of available materials and human resources. In the case of Latin America, the conjunction of political, economic and social factors is such that it seems both necessary and advantageous to the international community to provide this continent, through specific undertakings, with the room to manoeuvre that it requires.

A few years ago, Latin America was able, under the Alliance for Progress, to create mechanisms through which the necessary interpenetration of international policies and national plans seemed to have some chance of realization in a united endeavour within an institutional system in which the firmness of internal policies would provide a powerful impulse to the scope of the external effort, both of which would be examined and negotiated together. Those mechanisms, if developed and perfected, would constitute the natural framework of the mutual undertaking that should henceforward underlie a closer and more efficacious kind of co-operation.

Will the industrial Powers understand the importance of an increased effort in support of Latin America during a difficult phase of its history? For example, will they, at the New Delhi Conference, know how to follow and exploit the initiative of President Johnson in favour of generalized preferences for the benefit of under-developed countries? Will they be able to perfect a more coherent international financial system in which the principal suppliers of capital will be less handicapped, by the ups and downs of their balance of payments, in their efforts to help the Third World, and in which a minimum of joint management of international liquidities would provide a more favourable context for the continuity of world economic expansion and the development of international aid?

Affirmative replies to such questions are not beyond us. They would make the decisions of Punta del Este even more resounding and, by concrete measures, would strengthen that basic solidarity which constitutes the supreme objective of the United Nations.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session

Caracas, Venezuela, 2-13 May 1967

Information document N° 7

ADDRESS BY HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC OF VENEZUELA,
MR. RAUL LEONI, AT THE OPENING MEETING OF THE
TWELFTH SESSION OF ECLA

Nineteen years after it was first established, the Economic Commission for Latin America (ECLA) is holding one of its international conferences in this country. It is true that ECLA has held seminars here, but this is the first time that Venezuela has had the pleasure of acting as host at one of its sessions, a distinction which it fully appreciates.

ECLA's work is well known to us, not only because the Commission has contributed more than any other organization of its kind to the study and analysis of the economic and social realities of Latin America and to the formulation of regional development programmes, but also because until very recently its Executive Secretary was a Venezuelan, Mr. José Antonio Mayobre, now Minister of Mines and Hydrocarbons in the Venezuelan Government. ECLA's pithy annual reports, which are studies in depth of the fundamental elements and factors that determine our evolution and growth, have given us a deeper insight into our lives. Its excellent technical and social studies have served as a basis for many Government and private undertakings. Lofty aims and great achievements are closely associated with the Commission, particularly the use of planning as an instrument of Latin America's economic development and integration.

At this twelfth session of ECLA, attention will be centred more especially on planning problems, Latin America's trade policy on the eve of the second United Nations Conference on Trade and Development (UNCTAD) and the position of the relatively less developed countries within the framework of Latin American economic integration.

When I spoke at the Punta del Este Conference of the trade policy problems which I regarded as most vital to the development of our countries, I stated very candidly that "the adverse effects on our economies and

/development programmes

development programmes of the unfavourable position of Latin American export products on world markets are only too well known". I also said that I was "firmly convinced that the future development of Latin America is closely linked with the establishment of favourable conditions for its international trade", that "financial assistance can never compensate for the losses suffered as a result of unsatisfactory trade", and that "until the industrialized countries change certain protectionist attitudes prejudicial to the export of commodities which are the very sustenance of the developing economies and until the latter have better opportunities to place their exports of manufactures, we shall run the risk of seeing our good intentions come to naught, because the developed countries cannot seriously envisage co-operation with the developing countries unless they are prepared to make changes which will produce an improvement in the conditions governing the latter's external trade".

This is Venezuela's position and we shall maintain it, firmly and earnestly, at the forthcoming Conference on Trade and Development. The solemn declarations made and formal commitments entered into at Geneva and in other international forums must be given effect if the demands of the developing nations are to be satisfied. To that end, it is indispensable that the Latin American countries should present a united front and work in close co-ordination, through the group of "77", with the developing countries of other continents. We know that the industrialized countries are facing many problems and difficulties and that there are powerful interests in the great economic centres opposed to the changes which would make it possible to achieve these legitimate aims. It is for this very reason, however, that Latin America, while taking a realistic stand, must stress the urgent need for a genuine change of attitude which would make it possible to implement measures to improve the external trade of the developing countries. Accordingly, we approach the New Delhi Conference with the intention of seeking concrete agreements which will have beneficial effects on the economy of the developing countries in the short term.

/At the

At the recent Conference of American Presidents at Punta del Este, agreements were adopted on the economic integration of Latin America, the importance of which I should like to stress on this occasion in the presence of specialists whose experience and knowledge make them particularly well qualified to discuss the subject. The most positive feature of the Conference was, in my opinion, the decision to complete the economic integration process within a predetermined period. Venezuela has pledged itself to do its part and, as always, is prepared to honour the commitment it has assumed.

I consider that, as a part of Latin America's economic integration process and as a means of expediting it, sub-regional agreements are of outstanding importance. At Bogota, in August 1966, the Presidents of Chile, Colombia and Venezuela and the representatives of the Presidents of Ecuador and Peru agreed on a joint programme of action with regard to Latin American integration that also envisages the possibility of sub-regional agreements under which the rate of progress can be more rapid than that decided upon by the Latin American countries as a whole. In this connexion, Venezuela and Colombia, through the Venezuelan Institute of Petrochemistry and Petroquímica del Atlántico, respectively, recently signed an agreement on the integration of the petrochemical industry in the two countries. This decision, which will enable the industrial complexes of Barranquilla and El Tablazo to be integrated, is the first industrial integration agreement to be concluded in Latin America. Furthermore, the Ministry of Mines and Hydrocarbons and Petroquímica del Atlántico have agreed to join forces in preparing the plans for a Colombian-Venezuelan gas pipeline and in laying and developing it. It will be approximately 250 kilometres long, linking the Lake Maracaibo area and the north-east of Colombia, and will have an initial daily capacity of 100 million cubic feet of methane gas, to meet the industrial requirements of that whole region. Similarly, on 15 May representatives of the States signatories of the Act of Bogota will be meeting at Caracas to discuss the bases for a complementarity agreement in respect of the motor vehicle industry. The conference will also be attended by observers from Argentina and Mexico.

/Both complementarity

Both complementarity agreements by branches of industry and broader agreements at the sub-regional level must be consistent with Latin America's overall integration policy. I believe that ECLA would make yet another invaluable contribution to the cause of Latin American integration if it were to give interested Governments its technical assistance in clearly defining the objectives, technicalities, areas and mechanics of such agreements.

Venezuela has great pleasure in offering you its hospitality, in the hope that this Conference, conducted in a peaceful and friendly atmosphere, may result in decisions that will further the development of the Latin American countries.

ECONOMIC COMMISSION FOR LATIN AMERICA

Twelfth session

Caracas, Venezuela, 2-13 May 1967

Information document N° 9

PROVISIONAL SCHEDULE OF MEETINGS

<u>Date</u>	<u>Time</u>	<u>Subject</u>
Tuesday 2	9 a.m.	Registration of delegations
	4 p.m.	Meeting of heads of delegations to discuss general questions relating to the organization of the Conference (Salón Caroní)
	5 p.m.	First plenary meeting (Salón Guaicamacuto II) (a) Election of officers (b) Adoption of the agenda (c) Welcome by the Executive Secretary of ECLA
	6 p.m.	Formal meeting (Salón Guaicamacuto I) Addresses by: (a) Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs (b) Mr. Luis Hernández Solís, Chairman of the twelfth session (c) Mr. Guillermo Hoyos Osoreo, representative of the delegations (d) His Excellency, the President of the Republic of Venezuela, Mr. Raúl Leoni
	Wednesday 3	10 a.m.
	3.30 p.m.	Plenary meeting: general debate (<u>continued</u>)
	4 p.m.	Statement by Mr. Raúl Prebisch, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD)

<u>Date</u>	<u>Time</u>	<u>Subject</u>
Thursday 4	10 a.m.	Plenary meeting: general debate (<u>continued</u>)
	3.30 p.m.	Plenary meeting: general debate (<u>continued</u>)
Friday 5	10 a.m.	Committee I (item 5) Committee II (items 6 and 7) (Development planning) (Trade policy and integration)
	3.30 p.m.	Committee I and Committee II (<u>continued</u>)
Saturday 6		Free
Monday 8	10 a.m.	Committee I and Committee II (<u>continued</u>)
	3.30 p.m.	Committee I and Committee II (<u>continued</u>)
Tuesday 9	10 a.m.	Plenary meeting: (a) General debate (b) Presentation of draft resolutions
	3.30 p.m.	Committee I Committee II Consideration of reports
Wednesday 10	10 a.m.	Plenary meeting: consideration of reports of Committees I and II
	3.30 p.m.	Plenary meeting: Latin American Institute for Economic and Social Planning (item 9)
Thursday 11	10 a.m.	Plenary meeting: consideration of resolutions
	3.30 p.m.	Plenary meeting: report on the activities and programme of work of the Commission (item 8)
Friday 12	10 a.m.	Free
	3.30 p.m.	Adoption of the report (item 10); date and place of the thirteenth session (item 11); closure of the twelfth session

Note: Beginning Wednesday, 3 May, all plenary meetings will be held in Sal6n Guaicamacuto I. Committee I will meet in Sal6n Guaicamacuto II and Committee II in Sal6n Guaicamacuto I.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session

Caracas, Venezuela 2-13 May 1967

Information document No. 18

STATEMENT BY S. LURIE, REPRESENTATIVE OF UNIDO AT THE PLENARY
SESSION OF THE 12TH PERIOD OF SESSIONS OF THE ECONOMIC
COMMISSION FOR LATIN AMERICA, ON MAY 9, 1967

Mr. Chairman, Delegates and Participants:

I am grateful for the privilege of addressing the plenary session of ECLA at which the new United Nations Organization for Industrial Development, UNIDO (ONUDI in Spanish), is represented for the first time. UNIDO came into being as of January 1, 1967 following its formal establishment by the United Nations General Assembly under Resolution 2152 (XXI) of 17 November 1966. The latter act culminated a series of resolutions by the General Assembly and the Economic and Social Council dating back to 1963, when under Resolution 1940 (XVIII) the General Assembly adopted unanimously the principle of establishing a new autonomous body in the United Nations endowed with larger resources to deal specifically with problems of industrial development.

Mr. Chairman, let me convey first to this Assembly the greetings of Mr. Abdel Rahman, the Executive Director of UNIDO and assure it of wholehearted interest of the new organization in cooperating with this Commission in the work on industrial development of the Latin American Region. The predecessor bodies of UNIDO, the Centre for Industrial Development and still earlier, the Industrial Development Division in the Department of Economic and Social Affairs of the UN Secretariat, have had a long history of fruitful co-operation with ECLA in the field of industrial development. We expect this collaboration to continue and to develop further now that a new United Nations organization with enlarged resources and greater scope of activities has been established. In this connection let me recall that one of the distinguished participants of this meeting, the Minister of Mines and Petroleum of Venezuela and former Executive Secretary of ECLA, Dr. José Antonio Mayobre, was the first head

/of the

of the former Centre as United Nations Commissioner for Industrial Development. And in joining, on behalf of Dr. Abdel Rahman and myself, the distinguished participants in congratulating, Mr. Carlos Quintana on the assumption of his high position as Executive Secretary of ECLA, I may be permitted to inject a personal note of having known him for many years in his former capacity as Director of the Industrial Development Division of ECLA Secretariat and later as Director of Industrial Programming of the Nacional Financiera in Mexico. I had many occasions of appreciating his high professional competence and high devotion to the cause of promoting the industrial development of Latin America. All this is an excellent augury for the future working relations between the Secretariat of ECLA and UNIDO.

Mr. Chairman, I would not like to burden the attention of this meeting with the enumeration of the terms of reference of UNIDO, which may be found in extenso in Resolution 2152 of the General Assembly to which I referred above. I will limit myself to bringing to your attention three areas in the programme of activities of the new organization that may be of immediate interest to the participants since they involve close co-operation with your Commission.

As the first point, I would like to mention a new programme of technical assistance in industry, namely the Special Industrial Services, which has been initiated by the Centre for Industrial Development early in 1966, in response to a recommendation adopted by the Economic and Social Council at its plenary session in 1965. At that session, the Council requested the Secretary General "to make suitable organizational arrangements with a view to endowing the Centre for Industrial Development with the necessary operational flexibility and autonomy consistent with the nature and requirements of a broadly based programme of action to accelerate the industrialization of the developing countries".

/The SIS

The SIS programme which thus comes as an addition to the other programmes of technical assistance in industry is intended in the first place to cover the range of assistance in implementation of projects in the manufacturing field in the interval between the completion of the initial feasibility study and provision of financing for the capital investment. In addition to filling this "action gap", SIS aims at responding to assistance needs in manufacturing which cannot be satisfied under the terms of reference of the existing United Nations programmes, such as pre-investment assistance under the Special Fund or technical assistance under **EPTA** or the Regular Programme.

The SIS programme also makes available technical assistance for projects which because of their emergency nature could not be programmed in advance; it thus offers greater operational flexibility. The programme is financed by a fund specially earmarked for that purpose and which is fed by voluntary contributions; it is administered jointly by UNIDO and UNDP.

As types of assistance that lend themselves to SIS financing, I may quote a few examples such as:

- (i) Ad hoc assignment of high level experts, whose services may be requested on short notice, to advise on specific questions relating to preparation and implementation of important industrial projects;
- (ii) confidential consultations on a high policy level on matters relating to industrial development policies (e.g. industrialization of natural resources); to important industrial projects, as regards promotion, investment and financing and (iii) assignments of "trouble shooting" nature to solve urgent problems arising in connexion with plant operation and management; so-called "sick plant" problems.

A number of projects under the SIS programme have been established to date in about 20 countries, most of which are in operation. I would like to take this opportunity to draw the attention of governments of this region to the new and expanded possibilities of assistance offered by this programme.

/A second

A second point to which I wish to call the attention of this meeting is a co-operative programme in promotion of exports of manufactured goods referred to in document E/CN.12/780 of 27 April 1967 distributed by the Secretariat. As you know, promotion of industrial exports has recently become a major preoccupation of governments of developing countries, as a means of diversifying their exports, relieving the pressure upon their balance of payments and adding a new dimension to the development of their industrial potential. The mandates of both UNIDO and UNCTAD call for an active programme of assistance by both organizations, within their respective jurisdictions, to governments of developing countries in the area of promotion of exports of manufactures and semi-manufactures.

A special meeting of the Executive secretaries of the regional economic commissions held at U.N. Headquarters at the end of January 1967 gave particular attention to this problem stressing "the substantial knowledge of the problems of industrialization and trade gained by the United Nations, particularly in the regional economic commissions, the contributions and goals to be achieved by UNIDO and UNCTAD and the important source of help to developing countries constituted by UNDP". The meeting further felt that "the knowledge, activities and resources thus available in the United Nations are to be combined in a joint effort" and a number of steps were devised for the co-ordination of the activities in the field of promotion of exports of manufactures into a combined United Nations Programme, with the participation of UNCTAD, UNIDO, UNDP and the regional commissions. The programme was further more conceived as an open-end effort in which, it was hoped, other members of the United Nations family may join. Discussions are now underway for the formulation of a joint UNIDO-UNCTAD-ECLA concrete action programme in Latin America that will assist governments in this region in developing policies and measures for the promotion of exports of manufactures from their countries. The document submitted to you by ECLA gives a survey of the work accomplished and which is underway in ECLA secretariat. UNIDO, through its predecessor bodies,

/has been

has been actively engaged for some time in this area, beginning with the studies and documentation which have been prepared by the Centre for Industrial Development for submission to the first 1964 UNCTAD Conference in Geneva and also its field activities, among which I may recall the recently completed technical assistance project on exports of manufactured goods from Mexico and a similar project established in Argentina. We are looking forward to a substantial strengthening, in the course of the coming years, of our joint work with ECLA in this field, under the combined programme.

I shall finally come to the major undertakings this year under the United Nations programmes of activities in the field of industry, namely the holding of an International Symposium for Industrial Development which is scheduled to take place in Athens from 30 November through 20 December 1967. You may recall that the International Symposium has been conceived as a two-phase operation. The first phase that has been concluded early last year consisted in convening a series of regional gatherings, in co-operation with the respective Region 1 Economic Commissions. A regional symposium for Asia and the Far East took place in Manila in December 1965; a symposium for Africa, in Cairo in January-February 1966; and a symposium for Latin America in Santiago in March 1966. In the same month a Conference on Industrialization of Arab States was held in Kuwait, covered by the Government of Kuwait, in co-operation with the United Nations.

These regional conferences laid the groundwork by making it possible for the developing countries to examine and appraise the status, prospects and problems of industrial development in the respective regions. Recommendations were formulated regarding national, regional and international action required to meet the needs of the countries of the regions in accelerating their industrial development.

As the second phase of this operation, the International Symposium is intended as a culmination and synthesis of the regional meetings by providing a world-wide forum where, in the light of the deliberations and results of the regional symposia, the problems and issues of industrialization of the

/developing countries

developing countries will be discussed, this time in the perspective of the world as a whole, with the participation of the advanced industrialized countries both of West and East. One of the main themes of the Symposium is the vital need for an accelerated rate of industrialization of the developing countries, to be achieved both through stepped up national efforts and a larger degree of co-operation between the developed and the developing countries.

Governments have been kept informed of the progress in the material preparation of the Symposium through successive communications by the Secretariat in the form of aide memoires. Aide memoire N° 3, that was circulated to governments in November 1966, provided detailed information on the agenda and documentation of the Symposium. Aide memoire N° 4, which will be distributed shortly to governments will contain information on the organization of the Symposium, including the time-table of meetings, proposed committee and sub-committee structure, organization of the bureau of the Symposium, etc. I took the liberty of circulating to the participants of this meeting through the co-operation of the secretariat, a small pamphlet published by UNIDO which gives the essential information on the Athens meeting.

Mr. Chairman, I referred earlier to the need for accelerating the rate of industrialization of the developing countries. Indeed, while some countries in this and other regions have achieved very substantial and even spectacular results in their industrialization efforts, when taken as a whole the process of industrialization of the developing countries is still far from proceeding at a satisfactory rate. The industrial structure is still based to a large extent on substitution of formerly imported products for final use which puts relatively narrow limits on the potential of industrial expansion. Because of the smallness of domestic markets, due in particular to low levels of income it was difficult to take full advantage of economies of scale, a major factor of industrial productivity; this also inhibited in particular the development of intermediate industries so as to achieve an integrated /industrial structure.

industrial structure. Even in the more advanced among the developing countries, industrial development still takes the form of economic enclaves, with little linkages with the rest of the economy. The persistence of bottlenecks in the key supporting sectors (e.g. intermediate industries, transport and energy, other infrastructure and external economies) exerts a further inhibiting effect upon industrial development, while the limited diffusion effect of incomes generated in industry limits the domestic markets for industrial products. Thus, the institutional weaknesses in their economic structure prevent the developing economies from benefiting fully from the resources invested in their industrial sectors and limits their expansion.

Mr. Chairman, we are facing here in the last analysis a circular process. Most of these bottlenecks and institutional weaknesses stem themselves from the fact that the process of industrialization of the developing countries has not yet reached what may be described as the "critical mass" level - to borrow this expression from Physics - at which the process itself generates a chain reaction of economic forces that tend to eliminate the inhibiting factors, with the result that a sustained and self accelerating rate of growth is achieved.

Mr. Chairman,

The need for action is urgent and the forms of action appear to be broadly along two lines: (i) to improve the performance of the resources that are now being put into industrial development; and (ii) to raise substantially the rate of input of resources so as to achieve the required rate of rapid industrial growth.

Both involve policies and measures on the general level, of national, regional and international scope; and specific action designed to deal with specific aspects of the process of industrialization. Action of the latter type relates to across-the-board areas (e.g., training, transfer of technology, institution-building) as well as to problems arising in the promotion of individual industrial sectors and projects.

/The present

The present time appears most propitious for effective action. As far as national action is concerned there is a better understanding by governments of developing countries of the nature and the dynamics of economic development and of the policies and policy instruments at their disposal. There is also greater willingness on the part of Governments to engage in an active development effort and to use the necessary instruments for implementation of their policies.

As regards, international action and prospects of co-operation by governments of developed countries, the latter are increasingly aware of the fact that the developing countries will continue to pursue a vigorous action of promoting their industrial development so that the growth of industrialization of the developing countries is bound to be major feature of the world economic picture in the years to come. International co-operation would enable the developing countries to carry out their industrialization not only at least cost to themselves but also to lead to a minimum of dislocations in the world industrial structure as well. Instead of a "balkanization" of the world industrial structure into a larger number of unco-ordinated and more or less autarkic units, industrialization of the new countries would be part of an integrated pattern of world industrial development. It is a matter of historical experience that the progress of industrialization which is associated with rising incomes and standards of living has led to a parallel expansion of trade in manufactures among the industrialized countries. It is true that world-wide industrialization may lead in the transitional period to some shifts in the present-day international pattern of production and trade. However, seen in the larger perspective, far from being a threat to the position of the older industrial countries it is bound to lead to a considerable expansion of demand for the output of their industries.

The agenda of the meeting is geared to these general considerations outlined above. It is organized along 4 main lines: (i) A general survey of the present state of industry in the world and an evaluation of the

/main economic

main economic and technological trends in world industry, with special reference to the position and perspectives of industry of the developing countries; (ii) A review of the key industrial areas, sector by sector, both as regards the present situation and their potentialities of growth, taking into account, in the case of some sectors, the developments as regards the respective demand and supply situations in the world-wide context; (iii) problems of industrial policies and measures to be taken by the developing countries themselves on a national and regional levels, taking into account the relationship of the growth of industry to that of the other sectors of the economy (e.g. agriculture and services) and the general economic and social development goals, such as employment, incomes, diversification of output, improvement of the balance of payments through promotion of industrial exports, etc. Among the policies and measures to be taken on the national and regional levels I may mention:

(a) Development of integrated and mutually consistent industrialization policies, in particular of policies conducive to better utilization of the countries' natural, capital and human resources. The latter should aim in particular at promoting capital formation and ensure that capital resources are effectively directed into most productive investment from a national point of view. Where domestic capital formation is supplemented by foreign investment the formulation of appropriate policies and measures that would reconcile normal entrepreneurial motivation both domestic and foreign, with national interest and national development goals.

(b) Development and improvement of government machinery for the implementation of policies, and development of various supporting services and institutions for industry.

/(c.) Whenever...

(c) Whenever indicated, co-ordination of national industrial policies on a regional basis, by promoting regional integration and specialization. This applies in cases where because of requirements of minimum technological scale, economically viable industries could be established only on the basis of common regional markets or where the complementarity of natural resources warrants the establishment of industrial complexes on a regional basis.

(iv) Promotion of international action, in particular through co-operation of the advanced industrialized countries. This involves consideration of various forms of co-operation on a bilateral, multilateral and international levels, including action through the mechanism of the United Nations Organization.

Among these forms of co-operation I would mention:

(a) Promotion of an increased flow of financial assistance from public and private sources to supplement the shortage of domestic capital, so as to achieve an **accelerated rate of industrialization.**

(b) Promotion of various forms of financial co-operation in the establishment of industrial enterprises in developed countries, such as joint ventures, direct and indirect investment, low interest credits, equipment credits, etc.

(c) A stepped-up programme of technical assistance for provision of know-how and managerial skills, technical expertise and training of national cadres.

(d) Co-operation in transfer of technology, industrial research and development of industry supporting institutions, and

(e) Promotion of International commercial policies conducive to an improvement of the position of the developing countries in international trade as regards exports of manufactures and semi-manufactures; in particular, recognition of the need for new forms of international division of labour which would put the industries of developing countries in a position to share in the world markets **for manufactured goods.**

Mr. Chairman,

As mentioned earlier, the International Symposium is intended as a forum to discuss and take action on issues and problems of industrialization of

/developing countries

developing countries in their general and specific aspects. The function of the Symposium, as we see it, is to promote a constructive dialogue between the developed and developing countries where both parties would present their case, engage in an exchange of views on the problems and difficulties experienced in the past and explore the possibilities of action.

If the agenda of the Symposium appears to be comprehensive it still reflects only to a limited extent the vast issues faced by the world today in the search for solutions of the problem of under-development. We hope that its results will constitute a significant step in their direction. Looking beyond the Symposium into the future we are confident that the dialogue once initiated will continue and lead to fruitful and constructive results. The mechanism newly established in the United Nations Organization to deal with the problems of industrialization of the developing countries provides, jointly with the other interested bodies and in particular the regional economic communities, the appropriate framework for stimulating and strengthening international co-operation in this particular field.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session
Caracas, Venezuela, 2-13 May 1967

Committee I

PLANNING AND DEVELOPMENT

Argentina, Costa Rica, Guatemala, Honduras,
Nicaragua and Peru: draft resolution

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 be worked out in greater detail in such aspects as regional economic integration, the reorganization of external relationships, 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 them and to include in them 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 a different type, including those of an administrative and technical nature, and by obstacles created by the conditions governing foreign trade and external financing,

/Decides:

Decides:

1. To take note with satisfaction of the report on planning in Latin America (E/CN.12/772), prepared by the secretariat, and of the conclusions in the provisional report of the second session of the United Nations Committee for Development Planning;

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

(a) when preparing their national plans, strive to achieve common aims in line with the decisions made concerning Latin American economic integration;

(b) endeavour to include specific aims and programmes for export promotion and employment and income distribution policies, in such a way as to make them compatible with overall targets for economic growth and the promotion of agriculture and industry;

(c) endeavour, with regard to the allocation of resources, prices and general 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 the private sectors in the various phases of planning.

3. To recommend that the secretariat and the Latin American Institute for Economic and Social Planning should prepare technical studies, designed to facilitate fulfilment of the objectives referred to in operative paragraph 2, and promote the exchange of experience among the planning offices of member States;

/4. To

4. To reaffirm the 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 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.

ECONOMIC COMMISSION FOR LATIN AMERICA
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Committee I

PLANNING AND ECONOMIC INTEGRATION

Colombia and Venezuela: draft resolution

The Economic Commission for Latin America,

Considering that planning is a basic instrument for determining the economic policies of the Latin American countries and that it is being applied increasingly to give direction to the development of the various countries,

Bearing in mind that the progress of the Latin American common market may be considerably delayed if development plans do not explicitly take into account all the factors and consequences arising from regional integration,

Decides:

1. To express its firm belief that there is an urgent need for national development plans to be harmonized and gradually made compatible with the aims of regional integration;

2. That, as a first step in that direction, an annual meeting of the directors of national planning offices shall be organized and co-ordinated with meetings of other regional integration bodies, such as ALALC and the Central American Common Market, for the purpose of exchanging experiences, reviewing the content and objectives of plans from the point of view of integration, and making appropriate recommendations to Governments;

3. That ECLA and the Latin American Institute for Economic and Social Planning shall service those meetings.

ECONOMIC COMMISSION FOR LATIN AMERICA
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Committee II

INTRA-REGIONAL AND FOREIGN TRADE IN MANUFACTURES
AND SEMI-MANUFACTURES

Argentina, Chile and Costa Rica: draft resolution

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, and

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

Decides:

1. To request the secretariat of ECLA 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. 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. To recommend to the Governments of the member States that they should co-operate fully in that work and furnish the secretariat of ECLA with the information necessary for carrying it out.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session
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Committee II

FOREIGN INVESTMENT

Cuba: draft resolution

The Economic Commission for Latin America,

Bearing in mind the need for a thorough analysis of 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.

ECONOMIC COMMISSION FOR LATIN AMERICA
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Committee II

LATIN AMERICA AND THE SECOND UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT

Cuba: draft resolution

The Economic Commission for Latin America,

Bearing in mind that the Final Act of the first United Nations Conference on Trade and Development recognized that one specific way of combating underdevelopment was to provide wider access for exports from developing countries to the markets of the developed countries,

Urges its developed member States to take practical steps as soon as possible, and in any case before the second Conference on Trade and Development to remove any obstacles blocking access to their markets for the traditional exports of developing countries.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

Committee II

LATIN AMERICA AND THE SECOND UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT

Cuba: draft resolution

The Economic Commission for Latin America,

Considering that non-compliance with the resolutions and principles of the first United Nations Conference on Trade and Development is tantamount to a refusal to provide the economic co-operation required by the Charter of the United Nations,

Taking into account that a detailed study of non-compliance with those principles and resolutions would provide a basis for practical discussion in preparation for the second Conference on Trade and Development,

Recommends that the Secretariat seek information from Governments and prepare a study in preparation for the second Conference, enumerating failures to comply with UNCTAD principles and resolutions concerning trade between the developed countries and the developing countries.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

Committee II

TRADE POLICY AND INTEGRATION

Cuba: draft resolution

The Economic Commission for Latin America,

Recognizing that integration agreements among developed countries usually affect and are affecting the traditional exports of under-developed countries,

Noting the limited number of products that are of specific interest for the economy and trade of the under-developed countries,

Recommends,

that in their integration instruments, the developed States members of the Commission should exempt from the special treatment they grant one another those products which are of specific interest for the economy and trade of the under-developed countries.

AC.66/1

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

Committee II

LATIN AMERICA AND THE SECOND UNITED NATIONS
CONFERENCE ON TRADE AND DEVELOPMENT

Draft resolution approved by the Working Group

The Economic Commission for Latin America,

Bearing in mind the statement in the recent Declaration of the Presidents of America 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 first United Nations Conference on Trade and Development adopted a set of principles and recommendations 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 of the first Conference on Trade and Development,

Taking note of resolution 2209 (XXI) of the United Nations General Assembly in which the General Assembly expresses "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 reiterates "its call to the Governments of the States members of the United Nations Conference on

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",

Considering likewise that at the second 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) as a provisional version of the study it is preparing for the second Conference on Trade and Development as part of its continuing work of analysis and elucidation of the Latin American countries' external sector problems, and in compliance with resolution 262 (AC.59) of the Committee of the Whole of this Commission, under which the ECLA secretariat is requested to accord the Latin American countries co-operation and advice in the field of trade policy,

Decides:

1. To take note of the report on Latin America and international trade policy and to express its satisfaction at the effective contribution made by that document to the Commission's work with a view to the second Conference on Trade and Development;
2. To recommend that the secretariat should revise and update the document in question, 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 Conference on Trade and Development. The secretariat shall transmit the document to all the

/States members

States members of the Commission and consult the Governments of the developing member countries as appropriate, with a view to convening a meeting of government experts to consider the said document before the second session of UNCTAD;

3. The Secretariat's revision and updating process, referred to in the previous paragraph, should include:

(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 formula for satisfying them;

(b) The study and proposal of operational formulas and machinery for ensuring full implementation of the principles and recommendations of UNCTAD, particularly in connection 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 to obviate problems that might disrupt the market;

(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 centrally planned economy countries, analysing new procedures and presenting practical formulas 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

(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, as well as 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. To request 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 Conference on Trade and Development, and to collaborate with and advise the Latin American group at the meeting of the Seventy-Seven, to be held shortly at Algiers, and also at the second Conference on Trade and Development;
5. To ask the secretariat to convene a session of the ECLA Trade Committee in order to analyse and evaluate the results obtained at the second Conference on Trade and Development to decide, in the light of that evaluation, on the programme of foreign trade activities that deserve priority.

ECONOMIC COMMISSION FOR LATIN AMERICA

Twelfth session

Caracas, Venezuela, 2-13 May 1967

Committee II

APPLICATION OF RESTRICTIONS ON GROUNDS OF MARKET DISTORTIONS

Argentina, Brazil, Chile, Peru: draft resolution

The Economic Commission for Latin America:

Considering that the ultimate aim of UNCTAD's endeavour to reformulate the principles governing world trade relations is to establish a new international division of labour which will allow the developing countries to obtain a fairer share of the world's increasing wealth,

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

Considering that the expansion of such exports by the developing countries may, in certain cases, affect some industrial sectors in the developed countries,

Considering that this pressure on some economic sectors of the latter countries is part of the desired process of the international redistribution of factors of production,

Considering that the developed countries' practice of averting the effects of this pressure by applying quantitative and other restrictions to imports from developing countries, on the grounds of an alleged market distortion, jeopardizes the ultimate aim referred to above,

Considering that this practice is prejudicial to the overall interests of the international community, since besides hampering the industrialization process in the developing countries, it represents a subsidy to relatively under-productive sectors of the industrialized economies,

/Recommends:

Recommends:

1. That in each case the question whether a market distortion does or does not exist should be settled by multilateral consultation instead of by a mere unilateral declaration on the part of one of the interested parties;
2. 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 removed within a predetermined maximum period, which should in no case exceed five years.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

Committee II

LATIN AMERICAN ECONOMIC INTEGRATION

Argentina, Chile, Colombia, Costa Rica, Guatemala,
Honduras, Nicaragua, and Panama: draft resolution

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 will have to be available,

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

Decides to request the ECLA secretariat, 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

(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.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

Committee II

FINANCING

Bolivia, Brazil, Colombia and Peru: draft resolution

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 to provide them with 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, consequently, declined in terms of the gross national product of the developed countries, notwithstanding the already inadequate minimum target set in UNCTAD recommendation A.IV.2,

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 overall 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 shortfalls, 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.

/Recommends:

Recommends:

1. That the objective of international financial assistance should be to cover the deficit resulting from the difference between the estimated import requirements of the developing countries and the growth prospects of their exports;
2. That international financial assistance should increase at a more rapid rate than the developing countries' servicing of their external debts;
3. That the repayment periods and terms of such assistance should be in accordance with the relevant UNCTAD recommendations;
4. That, if supplementary financing measures are adopted, they should not prejudice the objectives set forth in the above paragraphs and should effectively increase resources for the basic financing of development.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session
Caracas, Venezuela, 2-13 May 1967

Committee II

OBJECTIVE CRITERIA FOR THE USE OF THE EXPRESSION
"MARKET DISTORTION"

Mexico: draft resolution

The Economic Commission for Latin America,

Bearing in mind the importance for the region of increasing exports of manufactures,

Noting that the unilateral and unjustified use of the expression "market distortion" as a reason for imposing restrictions on the import by developed countries of products, particularly manufactures, is causing serious harm to Latin American industry by limiting its actual export opportunities,

Considering that there is an urgent need to identify the objective criteria that may be used to define situations in which market distortion does exist,

Decides to recommend that the secretariat should prepare a study with a view to establishing by what objective criteria the existence in developed countries of "market distortion" situations caused by imports of goods originating in developing countries should be determined.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session
Caracas, Venezuela, 2-13 May 1967

Committee II

OBJECTIVES OF THE SECOND UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT

Mexico: draft resolution

The Economic Commission for Latin America,

Considering that the second United Nations Conference on Trade and Development will be held early in 1968 at New Delhi, India,

Bearing in mind that the United Nations General Assembly, in resolution 2206 (XXI), 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 (TB/B/SC.5/L.5/Rev.1),

Noting that the General Assembly, at its twenty-first session, 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 to transmit the relevant draft provisional agenda to its subsidiary organs, the United Nations regional economic commissions and the United Nations Economic and Social Office at Beirut, for such comments, observations or recommendations as they may deem appropriate on the substance of the items included in the draft provisional agenda,

/Decides to

Decides to recommend to the Trade and Development Board **that:**

- (a) at its fifth session, it should eliminate from each item on the draft provisional agenda for the second session of the United Nations Conference on Trade and Development such points involving general discussion as might lead to debates incompatible with the objective of concentrating on certain subjects on that occasion; and
- (b) it should retain in the draft agenda only 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.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session

Caracas, Venezuela, 2-13 May 1967

Committee II

UNITED NATIONS PROGRAMME FOR THE PROMOTION OF EXPORTS OF MANUFACTURES
AND SEMI-MANUFACTURES FROM DEVELOPING COUNTRIES

Draft resolution submitted by Argentina, Brazil, Colombia, Paraguay

The Economic Commission for Latin America

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

Expressing its satisfaction that the ECLA secretariat jointly with the secretariat of UNCTAD 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 Session of the Executive Secretaries of the Regional Economic Commissions held in New York from 25 to 27 January 1967, concerning joint UNCTAD/UNIDO/ECLA activities, in co-operation with UNDP 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 ECLA secretariat in the United Nations programme for the promotion of exports which should be given high priority,

2. Recommends to the Governments members of the Commission to make full use of the opportunities provided under the above programme as regards assistance for the formulation of policies and measures for the promotion of exports of manufactures and semi-manufactures.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session

Caracas, Venezuela, 2-13 May 1967

Committee II

INTERNATIONAL SYMPOSIUM ON INDUSTRIAL DEVELOPMENT

Draft resolution submitted by Chile, Mexico and Venezuela

The Economic Commission for Latin America,

Recalling its resolution 250 (XI) on symposia on industrialization which referred to General Assembly resolution 1940 (XVIII) concerning the convening of an international symposium on industrial development to be preceded by a preparatory regional symposium in Latin America and which recognized "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".

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

1. Takes note of paragraph 4 of resolution 2178 (XXI) of the General Assembly which invites the regional economic commissions "to co-operate actively in the preparatory work for the Symposium".
2. Invites the Governments 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

3. Expresses the hope that, to this effect Governments will make a special effort to enlist the active participation of all groups, institutions and agencies interested in the promotion of industrial development, both in the public and private spheres and to ensure that they are adequately represented at the International Symposium.

4. Requests the secretariat 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.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session
Caracas, Venezuela, 2-13 May 1967

CO-OPERATION WITH THE INTERNATIONAL LABOUR ORGANISATION

Mexico: Draft resolution

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 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 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 ECLA and the Latin American Institute for Economic and Social Planning up to the present, in particular the studies presented to the Buenos Aires Conference of Latin American and Caribbean Ministers of Education and Ministers responsible for Planning,

Taking note of the resolutions of the Ottawa Conference of American States Members of the International Labour Organisation concerning manpower planning and employment policy and concerning the preparation of a plan for co-ordination and development of manpower programmes in the Americas,

Requests the secretariat of ECLA 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 overall development planning.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

POSTAGE STAMP TO COMMEMORATE THE TWENTIETH ANNIVERSARY OF
THE ECONOMIC COMMISSION FOR LATIN AMERICA

Chile: draft resolution

The Economic Commission for Latin America,

Bearing in mind that 25 February 1968 is the twentieth anniversary of the establishment of the Commission,

Considering that the greatest possible publicity should be given to ECLA's work 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, incorporating as its principal motif the United Nations Building in Santiago, Chile.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session

Caracas, Venezuela, 2-13 May 1967

RELATIONS WITH THE UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION

Bolivia, Colombia, Paraguay and United States:
draft resolution

The Economic Commission for Latin America,

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

Recalling that ECLA 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 ECLA is currently undertaking on industrial development, as shown in the report on the activities of the Commission (E/CN.12/775) and the work programme submitted to this session (E/CN.12/776),

1. Expresses the hope that in fulfilment of the above-mentioned General Assembly 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 both at the governmental and secretariat levels as regards activities in the field of industrial development in Latin America.

ECONOMIC COMMISSION FOR LATIN AMERICA

Twelfth Session

Caracas, Venezuela, 2-13 May 1977

Committee II

FORMULATION OF PROGRAMMES FOR EXECUTING THE AGREEMENTS ON FOREIGN
TRADE IN THE DECLARATION OF THE PRESIDENTS OF AMERICA

Mexico: draft resolution

The Economic Commission for Latin America,

Considering that chapter III of the Declaration of the Presidents of America, signed at Punta del Este, 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 (ICAP) and other agencies in the region are to submit to the Inter-American Economic and Social Council (IA-ECOSOC) for consideration at its next meeting the means, instruments and action programmes for initiating such joint action by States members of OAS as may be required to ensure effective and timely execution of the agreements approved by the Meeting of American Chiefs of State, as well as those agreements contained in the Charter of Punta del Este, that might be required to continue the execution in particular of those relating to foreign trade,

Requests the secretariat to prepare specific suggestions concerning the means, instruments and an action programme for executing the agreements on foreign trade contained in the Declaration of the Presidents of America and in the Charter of Punta del Este, taking into account relevant principles and norms, and to submit them to IA-ECOSOC, as an information document, before its forthcoming meeting at Viña del Mar at the end of June 1977.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session

Caracas, Venezuela, 2-13 May 1967

PROGRAMME OF WORK AND PRIORITIES

Draft resolution presented by the delegations of
Argentina, Chile, Colombia, Honduras,
Jamaica, Peru, United Kingdom,
United States and Venezuela

The Economic Commission for Latin America,

Considering that the Committee on 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 requirements is currently in session at United Nations headquarters,

Considering further that several member Governments of the Economic Commission for Latin America are also members of that Committee,

Bearing in mind that the Secretary-General's report to the Committee (E/4331 and Adds. 1 to 18) is based, in so far as ECLA is concerned, on drafts of the Commission's work programme which were submitted prior to the deliberations at this twelfth session in order to comply with advance distribution requirements,

Bearing in mind also that the presentation of the programme of work and priorities has been modified by the further development of the principles of programme and performance budgeting in order to meet the requirements laid down by the Economic and Social Council in its resolution 1171 (XLI) and 1177 (XLI),

1. Draws the attention of the Committee on Programme and Co-ordination to the changes approved at this twelfth session of the Commission in relation to the draft programme of work and priorities contained in document E/4331 and Adds. 1 to 18;

/2. Recommends

2. Recommends member countries which are also members of the Committee on Programme and Co-ordination to give sympathetic consideration, during its current deliberations, to the programme of work and priorities as adopted at this 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 (E/4215) to the Council of May 1966;

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.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

Committee II

ACCESS TO MARKETS IN RELATION TO INTEGRATION AGREEMENTS AMONG
DEVELOPED COUNTRIES

Argentina: draft resolution

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 that traditional Latin American exports have of gaining access to their markets,

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,

Decides:

1. To recommend 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. To recommend that, should the areas covered by existing integration arrangements be extended, the developed countries concerned should take all necessary steps to prevent any worsening of the specific or general conditions affecting the access or marketing of Latin American export products.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

CO-OPERATION WITH FAO

Chile and Ecuador: draft resolution

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,

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 ECLA and FAO have been doing jointly in this connexion, with the co-operation of other international and regional agencies;

2. Recommends that the secretariat of ECLA and the Director-General of 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:

- (a) planning and promoting 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) analysing 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) studying the problems affecting the forest and pulp and paper industries, and the bases 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.

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth Session

Caracas, Venezuela, 2-13 May 1967

DATE AND PLACE OF THE THIRTEENTH SESSION

Argentina, Brazil, Costa Rica, Guatemala,
Honduras: draft resolution

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;

2. Decides to hold its thirteenth session at Lima in April 1969, or in the following month if this should prove necessary as a result of the consultations to be held by the Executive Secretary of the Commission with the Secretary-General of the United Nations and the Government of Peru.



Centre for Industrial Development
United Nations, New York

31 October 1966

Aide-Mémoire No. 3

PROGRESS REPORT ON INTERNATIONAL
SYMPOSIUM ON INDUSTRIAL DEVELOPMENT

1. Reference is made to the preparations being undertaken for the International Symposium on Industrial Development as requested in General Assembly resolution 1940 (XVIII) and in particular to Aide-Mémoire No. 2 of 1 December 1965 which contained a progress report on preparations for the Symposium. Further details concerning the agenda and rules of procedure of the Symposium are contained in the Report on the Sixth Session of the Committee for Industrial Development as approved by the Economic and Social Council at its 41st session (document E/4203, paras. 103-147). The provisional agenda of the Symposium as approved by the Economic and Social Council is attached as Annex 1.
2. The Centre for Industrial Development is grateful that a number of countries, in response to Aide-Mémoire No. 2, have informed it of their intention to establish national committees or make other special arrangements for their participation in the Symposium and to submit documents to the Symposium as suggested in Aide-Mémoire No. 2, paras. 2 to 6.
3. In Aide-Mémoire No. 2 it was noted that a number of countries actively participating in the Regional Symposia, which have preceded the International Symposium, prepared reports on their country's industrial development and on other aspects of industrial development.

These documents will be reflected in the reports of the Regional Symposia which will be before the International Symposium. It was added that if countries which had not participated actively in the Regional Symposia, which means mainly the industrial countries, were to submit certain types of documentation to the International Symposium, the usefulness of the Symposium might be substantially enhanced.

4. It was suggested that such documentation might include the following:

a. Observations on the reports of the regional symposia.

The following reports are available:

Proceedings of the Asian Conference on Industrialization, document E/CN.11/719, 10 January 1966;

Report of the Symposium on Industrial Development in Africa, document E/CN.14/347, 16 March 1966;

Report of the Latin American Symposium on Industrial Development, document E/CN.12/755, April 1966;

Conference on Industrial Development for the Arab States, Note by the Secretary-General, document E/C.5/135/Add.4.

A set of these documents is being transmitted under separate cover.

b. Information on national activities bearing on the industrialization of the developing countries. Among the points that might be included are the following:

programmes of technical and financial assistance;

national training and research facilities at the disposal of developing countries;

private investment of the country in question in industrial enterprises in developing countries, directly or through intermediary institutions;

licensing of technology;

special measures for the transfer of technology;

national consulting services.

c. The list in para. b above is not exhaustive. Governments may wish to extend it as they consider appropriate and/or deal with specific aspects of their own policies affecting industry in the developing

countries or with their own industrial experience insofar as they consider it relevant to the problem of accelerating industrial development.

- d. Governments may also wish to submit papers relating to specific items of the agenda as shown in Annex I. It is considered particularly useful if governments would express their views on specific measures and policies of international co-operation arising under any item of the agenda that they wish to draw to the attention of the Symposium.
5. For the information of governments, there is given in Annex II a tentative list of documents being prepared for the Symposium by the Centre for Industrial Development, the regional economic commissions and the specialized agencies. Annex III contains a list of relevant documents prepared by the Centre under its normal programme of work.
6. A number of governments have informed the Centre of their intention to submit papers and have requested advice regarding the form, length and deadline of submission of such material.
7. As regards the form, it is felt that governments should be free to exercise their own judgment, subject only to the provision that the paper be submitted on behalf of the government concerned. Papers may be submitted in the name of authors, whether individuals or organizations, not officially connected with the government, provided that the government itself submits the paper. Governments are invited to indicate the item of the provisional agenda under which they propose to submit the paper.
8. The Centre does not desire to impose rigid limits on the length of papers, but it is considered necessary, owing to the limited capacity of translation and reproduction facilities, to request that individual papers should generally not exceed 25 double-spaced quarto-sized pages, 8 1/2 by 11 inches. Specifications for the presentation and typing of papers are given in Annex IV. It would be appreciated if summaries of papers submitted are provided; in any case, summaries are requested of all papers exceeding 25 pages.

9. Five copies of each document should be supplied and addressed to the Commissioner for Industrial Development.
10. In order to provide for the efficient processing of documents, it would be appreciated if governments would notify the Centre for Industrial Development as soon as possible of the titles and approximate length of the documents they intend to submit.
11. At its resumed forty-first session the Economic and Social Council recommended that the Symposium, which is to be of three weeks' duration, should be held from 29 November 1967 to 20 December 1967 at Athens. In order to provide adequate time for processing and advance distributions of documents, governments are requested to submit papers not later than 15 May 1967.

Annex I

Provisional Agenda of the International Symposium on
Industrial Development

1. General survey of world industry with special reference to developing countries.
2. Situation, problems and prospects of main industrial sectors.
3. Policies and measures in developing countries.
 - (a) General issues of industrial policy and its implementation; ^{1/}
 - (b) Formulation and implementation of industrial programmes;
 - (c) Industrial manpower; ^{2/}
 - (d) Domestic financing of industry; ^{3/}
 - (e) Administrative machinery for industrial development;
 - (f) Industrial research and other technical services;
 - (g) Promotion of industrial exports and of export-oriented and import-substituting industries;
 - (h) Small-scale industry.
4. International aspects of industrial development.
 - (a) Regional co-operation;
 - (b) External financing;
 - (c) Technical co-operation.

^{1/} Including the role of both the public and private sectors.

^{2/} Including training and management.

^{3/} To be taken together with item 4(b).

Annex II

Preliminary List of Documents for the International
Symposium on Industrial Development ^{1/}

Agenda item 1. General survey of world industry with special reference to
developing countries

As a basis for the discussion of specific aspects of industrial development, it is proposed that the Symposium begin with a general discussion of the recent evolution and characteristics of the industrial sector in developing countries. Consideration would be given to the comparative features of industrial growth in the several regions and to the growth of industry within the framework of world industrial growth.

Documents:

Industrial Development Survey (CID)

Reports and selected documents from the regional symposia on industrial development in Africa, Asia and the Far East, Latin America and the Arab countries. The selected documents will include industrial country studies, sectoral studies and studies of a general nature presented to the four regional symposia. These reports and documents may also support discussion of other agenda items.

Agenda item 2. Situation, problems and prospects of main industrial sectors

Selected sectors of industry will be reviewed in a summary fashion to appraise their potential growth in the developing regions within the framework of the world-wide development of each industry. Characteristics of demand, trends in productivity and international trade and capital requirements in the sectors will be surveyed, together with a consideration of technological and economic factors affecting industrial feasibility.

Documents:

A. A paper is being prepared by the Centre for Industrial Development giving a synoptic view of recent developments, the current situation and possible future trends and prospects of the following sectors:

1. Iron and steel
2. Non-ferrous metals
3. Engineering industries

^{1/} The organization preparing the paper is indicated by a symbol at the end of each title. The symbol CID refers to the Centre for Industrial Development.

4. Synthetic fertilisers
5. Basic chemicals and petrochemicals
6. Processed foods
7. Textiles
8. Building materials, including wood products
9. Construction

B. Other sectoral studies are being prepared as follows:

World market for iron ore (ECE)

World trade in steel and steel demand in developing countries (ECE)

Engineering industries and industrialization (ECE)

Market trends and prospects for chemical products (ECE)

Building materials industries (ECE)

Iron ore preparation - a case study on India (ECE)

Problems involved in developing the following sectors: mechanical equipment, heavy electrical equipment and locomotives (IBRD)

Requisites of production, processing and utilisation in industrial development based on renewable natural resources (FAO)

Food and food products industries (FAO)

Industries processing agricultural products other than food (FAO)

Forest and forest products industries (FAO)

Fisheries industries (FAO)

Choice of technology (ILO)

Industrial uses of Radioisotopes (IAEA)

Construction industries (CID)

Agenda item 3. Policies and measures in developing countries

A. General issues of industrial policy and its implementation

In the development of an "industrial strategy" a number of issues require consideration, both individually and with reference to the objective of achieving a coherent and efficient policy for industry as a whole. These include issues concerning the relationship between industry and the rest of the economy and issues within the industrial sector

Documents:

The role of the Industrial Sector in Economic Development (CID)

Industrial Location in Development Planning and Policies of Industrial Location (CID)

Policies and Plans of Developing Countries Regarding the Public Sector in Manufacturing Industries (CID)

Fiscal Incentives to Stimulate Industrial Investment in the Private Sector (CID)

Policies, Planning and the Economic, Social and Institutional Aspects of Industrial Development based on Renewable Resources (FAO)

Social Participation in Industrial Development (ILO)

Employment Aspects of Industrial Development (ILO)

Wage and Income Policies (ILO)

Sociological Aspects of Industrial Development (UNESCO)

Health Aspects of Industrial Development (WHO)

Application of Nuclear Energy for Power Production and for Water Desalinization (IAEA)

B. Formulation and implementation of industrial programmes

The translation of policy decisions on the issues set out under item 3.A. into a coherent programme of industrial development may be discussed under three headings:

- (i) problems of formulating a programme for the industrial sector as a whole;
- (ii) the formulation and evaluation of individual projects; and
- (iii) the execution of industrial projects, including the management of industrial enterprises.

Documents:

Project Formulation and Evaluation within the Framework of Industrial Development Programmes (CID)

Implementation and Follow-up of Industrial Projects (CID)

Industrial Location in Development Planning and Policies of Industrial Location (CID)

Criteria for the Location of Industrial Plants (ECE)

C. Industrial manpower

The obstacles to industrial development presented by an inadequate supply of manpower may be considered under three headings:

- (i) An assessment of manpower requirements for industrial development;
- (ii) A review of programmes of manpower development for industry in developing countries; and
- (iii) A review of international action in the development of industrial manpower, including activities of international organizations and training programmes undertaken by the industrial countries for the benefit of the developing countries.

Documents:

- Issues and Problems in Manpower Development for Industrialization (CID)
- Occupational Requirements for Industrialization (ILO, CID)
- Effective Utilization of Manpower for Industrialization (ILO, CID)
- Education and Training Programmes to Meet the Needs of Industrialization, including their Organization and Financing (CID, ILO, UNESCO)
- Employment Aspects of Industrial Development (ILO)
- Supply of Skills to the Industrial Sector in Developing Countries (OECD)

D. Domestic financing of industry

It is suggested that the financial requirements of the industrial sector be considered, including such topics as the financial structure and financial planning of industrial enterprises, the need for long-term capital and the provision of working capital for industry. Discussion might also cover the means of meeting the financial requirements of industry, including a review of the contribution which can be made by various domestic sources.

Documents:

- Domestic Financing of Industrial Development (CID)
- The Role of Commercial Banks in Financing Industry in Developing Countries (CID)
- Role and Effectiveness of Development Finance Companies in Promoting Industrial Development (IBRD-IFC-IDA)

E. Administrative machinery for industrial development

It is proposed to review the structure and role of public and semi-public agencies concerned with the establishment of the policies and objectives of industrial development and the trends in institutional arrangements for the development and promotion of specific industrial projects and for the provision of services to industry such as research, standardization, financial and technical advisory services.

Documents:

- Administration of Industrial Services in Developing Countries (CID)

F. Industrial research and other technical services

This item may be considered under the following headings:

- (1) The organization of industrial research and the provision of other technical services such as the establishment of industrial standards and facilities for testing and analyses of products and raw materials;

- (ii) the use of consulting services for industry; and
- (iii) measures for the transfer of industrial information.

Documents:

The Problems of Standardization in the Industry of the Developing Countries (CID)
Organisation of Industrial Research in Developing Countries (CID)
The Use of Consulting Services for Industrial Development in Developing Countries (CID)
Industry Information Services (CID)
General Scientific Services for Developing Industry (UNESCO)
Scientific and Technical Documentation (UNESCO)

G. Promotion of industrial exports and of export-oriented and import-substituting industries

The expansion of exports of manufactures as a factor affecting industrial feasibility merits attention. Consideration would be given to the possibilities for the increased processing of exports of raw material and to the examination of specific branches of industry from the point of view of their potential for export development in developing countries.

Full account would be taken in this connexion of the activities of the United Nations Conference on Trade and Development.

Documents:

Export Promotion and Import Substitution in Industrial Development (CID)
General Policies of Export Promotion (CID)
Foreign Aid and Industrialization with Special Reference to the Development of Export Industries (CID)
Engineering Industries as Potential Export Industries (CID)
Central Export Marketing Organisations (CID)

H. Small-scale industry

This item would be concerned with an assessment of the potentialities as well as possible limitations of small-scale industry in developing countries and with the formulation of guidelines for the planning of small-scale industry within the framework of industrialization programmes.

Documents:

Position of Small-scale Industry in the Industrial Structure (CID)
Measures for the Development of Small-scale Industry (CID)
Inter-relations between Small and Large Industries (CID)
Policies and Programmes for the Establishment of Industrial Estates (CID)
Some Aspects of Small-scale Industry (ILO)

Agenda item 4. International aspects of industrial development

A. Regional co-operation

This item would be concerned with issues arising in the effort to promote industrial expansion through enlarging markets by regional or sub-regional co-operation among developing countries.

Documents:

Regional co-operation for industrial development (CID)

B. External financing

Taking into account the discussion under agenda item 3(d), this topic would deal with the financial requirements of the industrial sector and the means of meeting these requirements from external sources. Attention would then be given to issues arising in the provision of industrial financing through international institutions, bilateral governmental programmes and private sources.

Documents:

Bilateral official financial assistance to industry in developing countries (CID)

Financing by OECD members of industrial development in developing countries (OECD)

C. Technical co-operation

The question of providing an adequate flow of technical assistance for the development of the industrial sector may be considered under two headings: first, the types and amount of technical assistance required and secondly, the problems, policies and procedures for providing technical assistance to the industrial sector.

Documents:

Industrial consulting services in Europe (CID)

Supply of skills to the industrial sector in developing countries (OECD)

Provision by OECD members of technical assistance in the field of industry (OECD)

United Nations technical assistance for industrial development in the developing countries (CID)

Industry support under the freedom from hunger campaign (FAO)

Annex III

List of Documents Relevant to the International Symposium Prepared by the Centre for Industrial Development Under its Regular Work Programme

I. Published Documents

Agenda item 2

- Proceedings of the UN Inter-regional Symposium on Applications of Modern Technical Practices in the Iron and Steel Industry. Prague-Geneva, 11-26 November 1963. (64.II.B.7)
- Report of the first United Nations Inter-regional Conference on the Development of Petrochemical Industries in Developing Countries. Teheran, 16-30 November 1964. (66.II.B.14)
- Report of the UN Inter-regional Workshop on Textile Industries in Developing Countries. Lodz, Poland, 6-27 September 1965. (66.II.B.29)
- Report of the Inter-regional Seminar on the Production of Fertilisers. Kiev, 24 Aug - 11 Sept 1965. (66.II.B.7)
- Report of Expert Group on Second-Hand Equipment for Developing Countries. New York, 7-22 Dec 1965. (66.II.B.9)

Agenda item 3(b)

- Report of the United Nations Seminar on Planning Techniques. Moscow, 8-22 July 1964. (66.II.B.13)
- Report of the Inter-regional Symposium on Industrial Project Evaluation. Prague, 11-29 Oct 1965. (66.II.B.11)
- Basic principles and experience of industrial development planning in the Soviet Union, by N. A. Lubintsev. 1965. (66.II.B.1)

Agenda item 3(e)

- Industrial standardisation in developing countries. 1965. (65.II.B.2)

Agenda item 3(f)

- Proceedings of the Inter-regional Seminar on Industrial Research and Development Institutes in Developing Countries. Beirut, 30 November - 11 December 1964. (SI/TAO/SER.C/77, Vol. 1-2)
- Manual on the management of industrial research institutes in developing countries. 1966. (66.II.B.3)

Agenda item 3(h)

Industrial estates in Africa. 1965. 52 pages. Contains report and some papers of the United Nations Seminar on Industrial Estates in the region of the Economic Commission for Africa. Addis-Ababa, 14-21 December 1964. (66.II.B.2)

Industrial estates: Policies, places and progress. 1966. (66.II.B.16)

Agenda item 4(a)

Economic integration and industrial specialization among the member countries of the Council for Mutual Economic Assistance. 1966. (66.II.B.4)

II. Documents under Preparation

Agenda item 2

Rationale of gradual development of the automotive industry in developing countries.

Significance of automobile industry in the national economy.

Fertiliser manual.

Agenda item 3(a)

Objectives of industrial location policy.

Studies of policies relating to location of industry and regional development in Argentina, India, Mexico, Nigeria and Pakistan.

Appraisal of general location criteria from a national - regional policy point of view.

Mobility of factors and geographic allocation of industrial activity.

The role of industrial linkages in the geographic allocation of investment in developing countries.

Agro-industrial integration of production and its role in the geographic distribution of industrial activity.

Technological knowledge and economic growth.

Productivity, skills and education in manufacturing industry.

Studies of industrial fiscal incentive schemes, their operation and their impact on industrial development in Argentina, Greece, India, Israel, Mexico, Nigeria, Pakistan and Taiwan.

Agenda item 3(b)

Adaptation of corporate planning practices in the industrialised countries to the needs of the industrial establishments in the developing countries.

Agenda item 3(c)

Management of industrial enterprises.

Productivity, skills and education in manufacturing industries.

Manpower development for industrialization: case studies for Argentina, Brazil, Bulgaria, Chile, Ecuador, Hungary, India, Japan, New Zealand, Peru, Philippines, Romania, Tanzania, United Arab Republic and Venezuela.

Education and training of managerial personnel of the developing countries.

Agenda item 3(e)

Organization and administration of public and semi-public agencies in the field of industrial development.

Trade unions in industrial development.

The role of professional associations and similar organizations in industrial development with particular reference to developing countries.

Nature and role of industrial co-operatives in industrial development.

The role of chambers of industry and similar organizations in industrial development with particular reference to the developing countries.

Agenda item 3(f)

Management policy in industrial research organizations.

Personnel policy in industrial research organizations.

Quality control for developing areas.

Agenda item 3(g)

Studies of export marketing organizations in Iran and Israel.

Agenda item 3(h)

Hire-purchase schemes for the promotion of small-scale industries in the light of the experience in India.

Public and private financing of industrial estate projects, including stimulation of private projects by government authorities.

Government purchase schemes for promotion of small-scale industries in the developing countries, on the basis of experience in India and the U.S.A.



Annex IV

Specifications for presentation and typing of papers for the International Symposium on Industrial Development1. General

Since papers will be reproduced directly by photographic process from the original texts as submitted, strict adherence to the form of presentation described below is necessary.

2. Typing

- a. Papers should be typed in 1 1/2 line spacing on quarto-size paper, i.e. 8 1/2 x 11 inches, or approximately 21.5 x 28 cm. Quotations, foot-notes and tables should be single-spaced.
- b. The first page of papers and summaries should have a margin at the top of about 2 inches (5 cm) as shown in the accompanying style sheet, which illustrates the desirable format for setting out a paper. It indicates:
 - i. Where to start the text on the title page.
 - ii. Where to start typing on succeeding pages.
 - iii. Where to place tabular matter.
 - iv. Where to place the first and last line on pages where it is necessary to type laterally on the paper (this will occur mainly in the presentation of charts, graphs, tables, etc.)
 - v. Where to place page numbers.
 - vi. Total typing area to be used.

3. Paragraphing

- a. Paragraphs should be numbered consecutively from beginning to end of the paper.
- b. Paragraphs or sub-paragraphs should in all cases be identified as shown below. Arabic numerals should be used for numbering para-

graphs. Sub-paragraphs should be identified in the following way

For the first category, use a., b., c.,

For the second category, use i., ii., iii.,

For the third category, use (a), (b), (c)

For the fourth category, use (i), (ii), (iii) and so

Example of paragraphing

111. The Conference recommended the following for the consideration of the developing countries of the region:

- a. That they expand their existing cement industry to meet the growing demand for cement.
- b. That and so on.

4. Cross-references

Cross-references should relate to paragraphs, not to pages.

5. Footnotes

- a. Footnotes in the paper proper should be numbered consecutively from beginning to end of the paper, not page by page. In annexes, tables and appendices, footnotes should be identified by small letters: a, b, c, and so on.
- b. Bibliographical references in footnotes should, as far as possible, conform to the following general pattern: author's name; title of the work or article (underlined); publisher's or scientific publication's name; volume or serial numbers (underlined); pages; place of publication (if necessary); and year (in parentheses); thus:

Kennard, E.H., Kinetic Theory of Gases, McGraw-Hill Book Co., Inc., New York (1938).

Griffiths, J.H.E., Ferro-magnetic resonance in thin Ni-films Physics, 17, 253-258 (1951).

6. Tables, diagrams, charts

- a. As far as is possible, all tables, charts, graphs, and maps, should be presented as annexes.

- b. Tables should be numbered consecutively with arabic numerals throughout the manuscript - whether they occur in the main body or in an annex - thus: "Table 5".
- c. Black ink, preferably waterproof, on white paper of medium weight should be used for drawing diagrams and charts.
- d. The finished drawings should be kept clean by means of a piece of thin paper pasted lightly to the top edge; they must not be folded or bent.

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For first page only of paper and summary, start heading on this line
(Title of Paper

(First line of lateral typing (graphs, tables, charts, etc.))

3/4

11 inches or 28 cm.

- - - 8 1/2 inches or approx. 21.5 cm. - - -

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