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## CONTENTS

	<u>Paragraph</u>	<u>Page</u>
WORK OF THE COMMISSION SINCE THE EIGHTH SESSION		
( <u>Introduction</u> , paragraphs 1-4).....	1-159	1
A. ACTIVITIES OF SUBSIDIARY BODIES.....	5- 30	3
<u>Trade Committee</u> .....	6- 16	3
Joint ECLA/OAS study on the influence of government policy on foreign investments in a common market.....	13- 16	5
<u>Central American Economic Co-operation Committee</u> .....	17- 30	6
Meeting of Central American Investors.....	24- 28	7
Central American Electric Power Development Sub-Committee.....	29- 30	9
B. OTHER ACTIVITIES.....	31-133	9
<u>Current Economic Analysis Division</u> .....	32- 47	9
Annual economic survey.....	32- 44	9
The external sector.....	39- 41	11
Internal factors.....	42- 44	12
Economic Bulletin for Latin America.....	45- 47	13
<u>Economic Development Division</u> .....	48- 86	13
Advisory Groups for Programming Economic Develop- ment.....	48- 62	13
Colombia.....	50- 54	14
Cuba.....	55- 56	15
Bolivia.....	57- 58	16
Experience gained and problems encountered.....	59- 62	16
Other activities.....	63- 65	17
ECLA/TAO Economic Development Training Programme..	66- 83	18
Intensive training courses.....	73- 83	19
Workshop on Budgetary Classification and Management in South America.....	84- 86	21
<u>Industrial Development Division</u> .....	87- 98	21
Chemical industry.....	87- 88	21
Railway equipment.....	89	22

	<u>Paragraph</u>	<u>Page</u>
Steel industry.....	90- 98	23
Rolled iron and steel: production and demand...	90- 96	23
Standardization of steel products.....	97- 98	24
<u>Energy and Water Resources Programme.....</u>	99-110	24
Energy.....	99-106	24
Preparations for the proposed electric power seminar.....	99-105	24
Collaboration with the International Atomic Energy Agency (IAEA).....	106	26
Water resources.....	107-110	26
<u>Joint ECLA/FAO Agricultural Division.....</u>	110-121	27
Collaboration for the FAO/OAS conference.....	112	27
Coffee survey.....	113	28
Role of agricultural commodities in the proposed common market.....	114	28
Study of the livestock industry.....	115	28
The development of agriculture over the past ten years.....	116	28
Special advisory mission to Ecuador.....	117-118	29
ECLA/TAO/FAO Pulp and Paper Advisory Group.....	119-121	29
<u>Transport Section.....</u>	122-124	30
<u>Social Affairs Division.....</u>	125-131	30
<u>Technical Assistance.....</u>	132-133	32
C. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS.....	134-159	32
<u>Specialized agencies.....</u>	135-150	33
<u>International Atomic Energy Agency.....</u>	151-153	35
<u>Organization of American States.....</u>	154-156	35
<u>Inter-governmental organizations.....</u>	157-159	36

## WORK OF THE COMMISSION SINCE THE EIGHTH SESSION

1. As was foreseen in the programme appraisal for 1959-64 prepared by the secretariat <sup>1/</sup>, work has been concentrated to an increasing extent during the past year on the problems relating to trade and integration of the Latin American economies with a view to the establishment of a common market. In the Central American Economic Integration Programme, considerable progress has been made in this direction, as will be seen from the corresponding sections of this report and the associated documents. As regards Latin America as a whole, the negotiations to set up a free-trade area, which is to include more than a third of the countries in the region, mark an important step towards the creation of the common market.
2. In addition to this work on trade policy, with supporting studies bearing on, inter alia, economic development, industry, agriculture and transport, the secretariat has been devoting increasing attention to requests from Governments for advice in introducing techniques of programming into their various administrative offices. In response to these requests, the secretariat, in collaboration with the Bureau of Technical Assistance Operations, has sent advisory groups to two countries and has been actively engaged in preparing for a third. These groups are being supplemented by intensive training courses under the ECLA/TAO Economic Development Training Programme, and these two aspects of training have accounted for a steadily growing proportion of the secretariat's resources.
3. The report which follows is divided into three main sections: A. Activities of subsidiary bodies; B. Other activities; and C. Relations with specialized agencies and other organizations. However, in view of the fact that negotiations to set up the free-trade area were still in progress at the time this report was drafted, a separate document on the work connected with the common market and regional payments (E/CN.12/AC.45/3) will be issued for subsequent incorporation in the Commission's annual report. The same procedure will be followed in connexion with the activities carried on under the Central American Economic Integration Programme which will be reported on separately (E/CN.12/AC.45/4).

<sup>1/</sup> See E/3246/Rev.2 - E/CN.12/530/Rev.2, annex VII, pp.63 et seq.

4. Another important feature of the year's work has been the progress made with the project to construct the United Nations building in Santiago. A special report has been prepared on the various stages of the negotiations (E/CN.12/AC.45/6). It is hoped that during 1960 it will be possible to start work on the building, since plans for selecting the architect are now well advanced.

/A. ACTIVITIES

## A. ACTIVITIES OF SUBSIDIARY BODIES

5. This section deals with the work of the ECLA Trade Committee and of its working groups and the consultative meetings on trade policy in matters bearing on the common market. The activities of the Central American Economic Co-operation Committee and its sub-committees are also covered.

### TRADE COMMITTEE

6. Although there has been no meeting of the Trade Committee or of its subsidiary bodies during the period under review, the secretariat, in accordance with the work programme laid down at the Committee's second session, has played a very active role in the negotiations that have been taking place among some Latin American countries for the setting-up of a free-trade area. In this connexion, the secretariat sent observers to an informative meeting on the proposed free-trade area, held at Lima, Peru, from 16 to 18 July 1959, at the invitation of the Peruvian Government. The purpose of this meeting was to give the four countries which had originally prepared a draft agreement on the free-trade area (Argentina, Brazil, Chile and Uruguay) an opportunity of explaining all the various aspects of the draft to three other South American countries: Bolivia, Paraguay and Peru.

7. Subsequently, the secretariat participated in the preparatory work for the first Inter-Governmental Conference for the Establishment of a Free-Trade Area among Latin American Countries (Montevideo, Uruguay, 16 to 30 September 1959). This meeting was attended by delegations from Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay, and representatives of the Governments of Mexico and Venezuela, and of ECLA, the Inter-American Economic and Social Council (IA-ECOSOC), the Food and Agriculture Organization (FAO) and the International Monetary Fund (IMF) attended as observers.

8. This Conference prepared a draft treaty for the constitution of a free-trade area, with draft supplementary protocols. In drawing up these instruments, the general purpose was borne in mind that due consideration should be given to the special situation of countries that are relatively less

/developed, with

developed, with a view to creating conditions which would promote their economic development and trade in Latin America, taking into account their less advantageous position vis-à-vis the more highly developed Latin American Countries. The secretariat was requested to organize a meeting of Government representatives of Central Banks to study the possibility of establishing a payments and credits scheme for the free-trade area. Under resolution 3, adopted at this meeting, the secretariat was also asked to make special studies of the payments problem in the projected free-trade area and suggestions for possible solutions.

9. In this connexion, the secretariat obtained the assistance of the Organization for European Economic Co-operation (OECE), which temporarily seconded one of its senior officers to collaborate in the preparation of a draft on payments. The study was submitted to the Central Banks and Governments at the end of November and was discussed at the Central Banks meeting, held at Montevideo, Uruguay, from 11 to 22 January 1960.

10. The secretariat also prepared some working papers for the second Inter-Governmental Conference for the Establishment of a Free-Trade Area among Latin American Countries, held early in February 1960 in Montevideo.<sup>2/</sup>

11. In preparation for the meeting of the group of experts to be appointed by Governments (originally scheduled for February 1960 but postponed until the middle of the year because of the work connected with the current free-trade area negotiations), the secretariat has been engaged in studying customs systems and duties. In this connexion, plans are tentatively being made for a seminar in June or July 1960, to consider the needs and possibilities of co-operation and co-ordination among the Latin American countries in respect of customs definitions, procedures, regulations etc. This seminar would be attended by customs officials from different Latin American countries, and particular emphasis would be laid on the need to facilitate the operation of the projected Latin American common market and, more immediately, of the proposed free-trade area.

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<sup>2/</sup> At the time this report was prepared, the conference was still in progress and therefore it is not covered here. An account of its proceedings will be given in document E/CN.12/AC.45/3 which, for the reason just given, will be distributed at a later date.

12. In the meantime, preliminary work is being done in relation to the eventual drafting of a uniform customs nomenclature for Latin America by bringing the different national customs nomenclatures into line with that of Brussels.

Joint ECLA/OAS study on the influence of Government policy on  
foreign investments in a common market

13. One of the results of the gradual reduction of customs duties among Latin American countries would be to make foreign investments more attractive, particularly in the capital goods and chemical industries benefitting from a larger market. This in turn would offer a strong temptation to individual Governments to grant special conditions and concessions to foreign investors in order to attract export industries. Certain industrial groups have already called attention to this and have insisted that this problem must be solved concurrently with the creation of a preference system in Latin America.

14. One method for dealing with this problem would be to establish an international code which would introduce uniformity in special incentives and regulations for foreign investments. However, before such a code could be drawn up, a comprehensive study of existing Government policies affecting this kind of investment would have to be made. At the Trade Committee's second session (Panama, March 1959), the secretariat presented a preliminary study on Government measures affecting private foreign investment in a Latin American common market, but although it contained a considerable amount of useful information, this study did not attempt to analyse all aspects of foreign investment incentives or to provide the details which would be required for arriving at a co-ordinated policy. The Commission therefore included a further study of the subject in the work programme for 1959-60 3/.

15. Because of the scope of the new project and the need for a special group of consultants to carry it out, negotiations were started with the Organization of American States, with a view to exploring the possibilities of conducting a joint study. It was finally agreed that each organization should appoint two senior consultants and that a detailed and comprehensive

3/ See document E/3246/Rev.2, pp.40, project 31 (iv).

/survey should



survey should be undertaken in selected countries.

16. The group, began its field work in January 1960 and has so far visited Argentina, Brazil and Chile.

CENTRAL AMERICAN ECONOMIC CO-OPERATION COMMITTEE

Sixth session:.....26 August - 2 September 1959

Chairman: Mr. Alfredo Fernández Volio (Costa Rica)

Rapporteur: Mr. Fernando Eleta (Panama)

17. The sixth session of the Central American Economic Co-operation Committee was held at San Jose, Costa Rica, at the end of August 1959. The Committee studied in detail the Agreement on the Equalization of Import Duties and Charges, drafted by the Central American Trade Sub-Committee. The Agreement was signed by the plenipotentiary representatives of the five Central American countries on 1 September, together with a Protocol in which the five countries pledged themselves to grant a Central American preferential tariff that would give a strong impetus to trade expansion and demonstrated that the Economic Integration Programme had fully embarked upon the stage of practical achievements after a beneficial and entirely necessary period of study and evaluation of the different alternatives.

18. The growing interest displayed by the Government of Panama in the Economic Integration Programme culminated in a much closer association between that country and the Central American Economic Co-operation Committee as well as in the Government's decision to take part in future activities. This new relationship immediately enlarges the scope of the Programme and will tend to broaden the basis of specialization and economic complementarity among the participating countries.

19. With regard to industrial development, the Committee agreed that adequate financing mechanisms should be established within the framework of the Programme, with a view to channelling Central American savings and capital funds available abroad towards the programme's objectives. The need to obtain the extensive participation of private enterprise was also stressed.

/20. In this

20. In this connexion the secretariat was asked to prepare a study on the establishment of an institution for financing and promoting Central American economic development, with the assistance of a TAO expert, and in consultation with the International Bank for Reconstruction and Development, the Inter-American Development Bank, the central banks and other financing institutions of the Central American countries.

21. Very great importance was attached at this session to activities connected with transport and the economic infrastructure, since the Committee considered that the increased trade expected among the Central American countries would require a substantial expansion in this direction. At the same time, it was felt that the social aspects of economic integration would continue to command close attention since it was recognized that those factors might help or hinder the entire process of economic integration.

22. The report of the work done between the fifth and sixth sessions of the Committee, and of the sixth session itself, has been distributed as document E/CN.12/CCE/184 <sup>4/</sup> and has been brought up to date for the information of the Committee of the Whole (see E/CN.12/AC.45/4).

23. During the period under review, the following meetings were held:

Meeting of Central American Investors

First meeting ..... 27-31 October 1959

Chairman: Mr. Francisco de Sola (El Salvador)

Central American Electric Power Development Sub-Committee

First session ..... 23-28 November 1959

Chairman: Mr. Enrique R. Lima (El Salvador)

Rapporteur: Mr. Jorge Manuel Dengo (Costa Rica)

A brief account of the proceedings of these bodies is given below.

Meeting of Central American Investors

24. This ad hoc meeting of Central American investors was held at San Salvador (El Salvador) at the end of October 1959. It was convened under the joint sponsorship of the Central American Economic Co-operation Committee and the Organization of Central American States (OCAS), and was attended in their private capacity by businessmen from the five Central American countries and Panama,

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<sup>4/</sup> United Nations Publication, Sales N°: 59.II.G.5.

/as well

as well as by a number of observers from international enterprises and from FAO and IBRD.

25. The meeting was the result of initial steps taken at the seminar organized from 24 to 30 November 1957 by OCAS and of subsequent efforts made by the Secretary-General of OCAS, the Secretariat of the Central American Economic Co-operation Committee and some representatives of organizations representing private enterprise in Central America.

26. It was evident from the number of businessmen attending the meeting and from the discussions that Central American private enterprise was deeply interested in gaining a thorough understanding of the Economic Integration Programme and was convinced that it was one of the basic requisites for the region's prosperity. Keen interest was evinced as to how private enterprise could best co-operate to ensure that the various juridical instruments of the Programme should enter into force promptly and effectively. In this connexion, it was agreed that an approach should be made to the different Governments to ensure prompt ratification of the integration treaties.

27. Preliminary arrangements were made for co-ordination in some specific branches of industry, and it was agreed to set up a permanent private enterprise committee to keep in close touch with the secretariat and to participate in the activities of the Integration Programme. It was further agreed that mixed national commissions to advise Governments should be set up. A proposal was made for the establishment of a private industrial bank, together with a request that it should be studied by the International Bank for Reconstruction and Development with the collaboration of the ECLA secretariat. Acting on this request, the Bank is proposing to undertake the study in question.

28. There was also general agreement that an urgent need would be filled by the establishment of a Central American development corporation, the activities of which might be supplemented by those of the proposed private industrial bank 5/

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5/ The report of this meeting has been distributed to Governments as document E/CN.12/CCE/206

Central American Electric Power Development Sub-Committee

29. The Electric Power Development Sub-Committee held its first session at San Salvador (El Salvador) at the end of November 1959. It was attended by representatives of the official agencies for electric power promotion and development in the five Central American countries and Panama, and by observers from Mexico and Puerto Rico.

30. The main objectives of the Sub-Committee's work were defined in greater detail in terms of the utilization of available resources for electric power development on a basis of Central American co-operation, and in terms of the co-ordination of national programmes for electric power development. The conclusions and recommendations of this meeting will lead to improved understanding and uniformity in such important matters as resources, electric power statistics and technical standardization. This was a new and valuable opportunity for the agencies and companies connected with electric power development in the Central American countries to profit from an exchange of ideas and experience in such matters as the present status of each country's electrification programme, problems of international financing and the more important aspects of rates. 6/

B. OTHER ACTIVITIES

31. The activities of the secretariat that are not directly connected with the work of the subsidiary bodies mentioned above are dealt with in this section.

CURRENT ECONOMIC ANALYSIS DIVISION

Annual Economic Survey

32. The 1959 Survey will be the first to follow the new lines indicated in the "Preparation for programme appraisal for 1959-64" 7/. As forecast in that document, it will consist of the following three parts:

1. A general section dealing with the current economic situation and trends in Latin America;

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6/ The report of the session is contained in document E/CN.12/CCE/207, which has been distributed to Governments.

7/ See E/3246/Rev.2, annex VII, paragraphs 28 and 29

/2. A short

2. A short comparative study on rates of growth in the different Latin American countries, with an analysis of the underlying reasons for the differences to be observed;
3. A special study on inflation.

33. Generally speaking the year 1958 was an adverse one for most Latin American countries and domestic production was insufficient to offset the decline in supplies from abroad. In fact, the rate of growth of the total gross product fell almost to the level of the rate of population increase, and this caused the per capita product to remain virtually at a standstill. As a result the bottlenecks in the economy remained as serious as before.

34. At the beginning of 1959, Latin America was in a difficult position since, with fewer current resources and diminishing reserves, it had to face a general aggravation of its chronic imbalances. Nevertheless, the immediate prospects showed some signs which contrasted favourably with the trends prevailing twelve months before.

35. There was a consolidation of the incipient recovery shown since mid-1958 by the United States economy. The United States industrial production index recovered rapidly until it came very close to the previous maximum recorded in January 1957, and the conditions of this recovery indicated that even greater progress would take place in 1959. The European economies, after an even shorter period of marking time, also showed an encouraging dynamism. By the end of 1958, the increased demand and improved prospects had strengthened the market for certain raw materials, with some price recoveries which were nevertheless far from being general. Together with the economic recovery in the large industrial centres, a renewed interest in investment in other areas became apparent, which coincided with the steps taken by international financial co-operation organizations towards increasing their resources and expanding their activities.

36. Nevertheless, these encouraging events had only a slight effect on the Latin American economies, which were still burdened by the impact of recent vicissitudes. Latin America was seriously affected by over-production in its four principal export commodities - petroleum, coffee, sugar and cotton -, and had to face new reductions in the combined index of its export prices, with an additional deterioration in its terms of trade.

/37. While it

37. While it is true that, with the exception of Cuba, its trade indices were increasing because of a greater volume of exports, this trend was not sufficiently marked to lead to any sudden restoration of the balance-of-payments equilibrium, and, in a number of countries, it was not feasible to set aside the import restriction measures. In fact at times these had to be imposed on an even stricter basis, at least temporarily. With the exception of Mexico, where this action had already begun to achieve some positive results, most of the other countries engaged in combatting inflation were still at the stage of imposing restrictive measures which, once adopted, cannot be relaxed without great caution and then only after the main disrupting factors have been eliminated.

38. For these reasons - the backlog of the external disequilibrium apparent in 1958, its carry-over into 1959, and the delay in obtaining a satisfactory degree of internal stability - the favourable trends noticeable in the large industrial centres were of limited benefit to the Latin American economies. As a whole, the first half of 1959 showed characteristics very similar to those of the previous year, although there were considerable differences from country to country. These differences arose mainly from the trend shown by their exports and from the results obtained in their internal stabilization policy.

#### The external sector

39. Most of the Latin American countries experienced an improvement in their foreign trade balance in the first half of 1959 and increased their international reserves.

40. Although these results appear very encouraging at first sight, they have their negative side. First of all, they are principally due to a new reduction in external supply and only to a lesser extent to any increase in income from exports. Moreover, any such increase has been very costly since it was small in relation to the additional volume of commodities exported, owing to a new reduction in the average export prices. In addition, the deterioration in the trade balance of a few countries was so great that, taking Latin America as a whole, it largely offset the progress made by the rest. Losses in international assets experienced by some countries tended to make the change in the total reserves of the region negative.

/41. Chile benefitted

41. Chile benefitted most by the improvement in certain raw materials markets, since its main export commodity, copper, was sold in greater quantity and at higher prices. Higher prices for meat and wool were cancelled out in Argentina and Uruguay by a drop in the volume of exportable output. On the other hand, Brazil, Colombia, Peru and Venezuela obtained higher receipts, despite lower prices, because of a sizeable increase in the quantum of their exports. Only Cuba, and to a lesser extent the Dominican Republic, suffered the dual effect of a fall in prices and in external demand. For Argentina, Mexico and Peru, the main factor in the improvement of the trade balance was the reduction of imports. Brazil, on the other hand, increased its purchases abroad more than its sales with a corresponding rise in its current deficit. Yet by the second half of 1959 an exceptional volume of coffee sales succeeded in restoring a somewhat precarious balance. The worst relative deterioration may be noted in Uruguay, where imports rose by more than 50 per cent while exports fell off by over 10 per cent.

#### Internal factors

42. Only a very preliminary estimate can as yet be made of the internal development of the Latin American economies as a whole during 1959. The information received to date indicates a virtual stagnation of the gross product, particularly if the expansion in coffee surpluses is deducted. Again, the volume of available goods has been seriously affected by the adverse development of the foreign trade balance in terms of physical volume. There appears to have been no progress in agricultural output for domestic consumption, except in isolated cases, and the vegetative growth of the population has continued at a very high rate, so that there may quite possibly have been a slight decline in the per capita volume of available goods.

43. Despite these unfavourable conditions, Latin America has persevered in its efforts to combat inflation, and in some countries positive results have been achieved. Still, the rise in prices has been very high in some cases, and it has not been possible to avoid sharp declines in the real value of wages and salaries.

/44. On the other

44. On the other hand, policies for promoting development have been continued and, in some cases, intensified. No estimate can yet be made of the overall results, but it is evident that there has been progress in copper and iron mining, petroleum extraction - except possibly in Venezuela -, in opening up new sources of electric power and in some branches of manufacturing output, such as the manufacture of motor vehicles.

#### Economic Bulletin for Latin America

45. Volume IV, N° 2, of the Bulletin was published in October 1959 and contains articles on the following topics: rolled iron and steel products in Latin America - prospective production and demand; evaluation and prospects of the Central American Economic Integration Programme; and the economic development of Panama - as well as the usual statistical supplement.

46. Volume V, N° 1, is due to go to press in February 1960 and will include, in addition to the statistical supplement, articles on applications of the input-output model to the analysis and projections of the Argentine economy; the economic development of Venezuela in the fifties; and heavy industry in a Latin American common market, the last mentioned being a contribution by Professor J. Tinbergen of the Netherlands Economic Institute, who collaborated with the secretariat during September and October 1959.

47. Because of the interest aroused by the statistical supplements, which have been a feature of recent Bulletins, and of the need to bridge the gap between the two annual issues (February and September), it has been decided henceforth to publish a mid-year special edition consisting entirely of statistics. This will be a further step towards providing recent and up-to-date statistical material on Latin America.

#### ECONOMIC DEVELOPMENT DIVISION

#### Advisory Groups for Programming Economic Development

48. In order to meet the Latin American Governments' needs for technical assistance in programming economic development through the fullest use of the resources of the United Nations, ECLA and TAO have been collaborating in providing a pool of economists from which teams of experts have been organized to serve as Advisory Groups for Programming Economic Development in response to specific requests from Governments.

/49. The question



49. The question of advisory groups was first raised in ECLA resolution 137 (VII) and later advocated in resolution 155 (VIII). Since the eighth session, most of the work of the Economic Development Division has been concentrated in the two groups that started operations in 1959, one in Colombia and one in Cuba. Both these countries have requested continuance of the groups during 1960. Other requests have come from Bolivia, Ecuador, Venezuela and Uruguay, but under present conditions it will not be possible to operate more than three groups during the year, and therefore the groups will continue in Colombia and Cuba and a third will work in Bolivia.

#### Colombia

50. The ECLA/TAO Advisory Group arrived in Colombia on 2 May 1959. The chief of the Group, the agricultural programmer and the economist responsible for the energy and transport sectors were provided by ECLA, while TAO sent experts on public investment programming, industry and budgetary problems. In addition, the chief of ECLA's Transport Section spent several months in Colombia to orient the work of the transport sector.

51. The Group's operations were centralized at the Administrative Department of Programming and Technical Services (Departamento Administrativo de Planeación y Servicios Técnicos), a recently created subsidiary agency of the Office of the President of the Republic. However, all the sectoral experts co-operated with the relevant executive ministries and agencies, through special groups of officials.

52. The main purpose of this Advisory Group is to leave in operation, after its departure, a programming process at the Government level. This requires (a) a definition of Government policy objectives; (b) the creation of a mechanism for preparing and co-ordinating economic action; and (c) better trained personnel.

53. These requisites have been fulfilled by (a) assisting the Administrative Department of Programming and Technical Services to identify the main overall development problems and to establish priorities for their solution; (b) advising the Ministries of Public Works and Agriculture and the Government agencies dealing with the various economic sectors to do the same within their own sectors; (c) devising procedures in order to ensure that priorities are complied with in each sector; (d) helping the relevant authorities to modify

/budgetary procedu

budgetary procedures to make them consistent with the system of priorities; (e) training personnel, by having a selected group of officials working under the guidance of the experts; and (f) setting up intensive training courses.<sup>8/</sup>

54. Each expert has been collaborating in the work of defining objectives, adapting procedures and training personnel, although each has, of course, concentrated on different aspects of the programme. The Colombian Government has expressed its satisfaction with the progress made and, as was mentioned earlier, has requested the Group's continuance in 1960. The three members of the group detailed to Bogota by ECLA returned to Santiago in December 1959, but it has been agreed to comply with the Government's request and the Group will continue to work there in 1960.

Cuba

55. This Advisory Group arrived in Havana on 10 May 1959. It consists of two ECLA staff members on a full-time basis and also has the temporary assistance of experts on transport, industry, etc. The Cuban Government originally provided funds for public works and fiscal policy experts who were subsequently paid by TAO. Moreover, TAO furnished an expert on import substitution and export diversification. FAO provided an expert on agricultural programming.

56. The operations of the Group have been centralized at the Ministry of Economy, but the experts are collaborating with several other ministries and governmental bodies. Difficulties were encountered in the early stages, particularly because of a shortage of basic statistical information and of trained personnel. Fortunately, however, these difficulties have been overcome - partly through the holding of an intensive training course from 17 September to 22 December 1959<sup>9/</sup> -, and it has been possible to proceed with the original objectives which are the same as those described above for Colombia. Even so, it has been found that the work could not be completed by the end of 1959 as originally contemplated, and the Cuban Government has accordingly requested that the Group be continued in 1960.

<sup>8/</sup> See Economic Development Training Programme, paragraphs 79-80 below.

<sup>9/</sup> See paragraphs 81-83 below.

Bolivia

57. Since the request of the Government of Bolivia for an ECLA/TAO Advisory Group was received early in the year, the secretariat has been actively engaged in making the necessary arrangements. The Group is scheduled to start field operations early in April 1960. In August 1959, the Commission for Technical Assistance visited La Paz with the Deputy Director of ECLA in order to complete the arrangements with the Government. Since then, work has proceeded on the definition of the objectives to be achieved and the priorities to be given to the different projects. A series of discussions with Bolivian officials was held in order to ensure mutual agreement on these points, and these were followed by a number of meetings in Santiago, at several of which FAO took an active part. Job descriptions have been drawn up and a search made for suitable candidates for the different posts.

58. These preparatory measures have been based on experience to date in Colombia and Cuba, and it is hoped that they will make a material contribution towards the success of the mission.

Experience gained and problems encountered

59. It seems opportune to review the experience gained from the operation of the two Advisory Groups working in 1959, particularly in view of the future aspects of this work.

60. It seems clear, both from the experience of the members of the Groups and from the requests for their continuance that are being made by the Governments of the countries where they have hitherto been operating, that so far a significant contribution has been made to the respective economies. This opinion, according to repeated statements made verbally and in correspondence with the secretariat, is shared by the highest officials of the countries concerned. The contribution of the Groups has consisted of a substantial advance being made in the preparation of basic statistical material, in the training of personnel, in the organization of working parties, in the improvement of Government organization, and in a better identification of development problems, all of which is conducive to a better co-ordination of economic policy.

/61. For instance,

61. For instance, the specific achievements of the Groups are reflected in the preparation of an organic law for a national statistical service in Cuba, in the re-organization of the budgetary process in Colombia, and in the establishment of public works programmes in both countries.

62. Since the Advisory Groups are facing obstacles of a very similar nature in Colombia and Cuba, in spite of the significant differences in the political, social and economic conditions of the two countries, it can be assumed that these same obstacles will be common to the other Latin American countries. The problems involved are such that, unless a satisfactory solution is found, the establishment of a self-supporting programming mechanism in a given country will take several years.

#### Other Activities

63. The Division is responsible for the study on comparative rates of economic growth, prepared for the Economic Survey of Latin America, 1959.

64. During the course of the year, the technical revision of the study on the economic development of Argentina was completed and has now been printed in Spanish in three volumes <sup>10/</sup>. Moreover, two other studies on the economic development of Panama (E/CN.12/494) and El Salvador (E/CN.12/495) were revised and sent to the printers.<sup>11/</sup>

65. The secretariat collaborated with the Government of Costa Rica in completing the study of that country's economic development, and work has been proceeding on a similar study for Honduras. The latter has been delayed somewhat because some of the economists were transferred to work in the Advisory Groups.

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<sup>10/</sup> El desarrollo económico de la Argentina (United Nations Publications, Sales N°:59.II.G.3, Vols. I to III)

<sup>11/</sup> It is hoped to have both these volumes ready in print (in Spanish) by the time the Committee of the Whole opens its session. The former was distributed in English and Spanish in mimeographed form at the Commission's eighth session.

ECLA/TAO Economic Development Training Programme

66. The regular Santiago programme for 1959 began at Santiago on 6 July and will end on 27 February 1960. Eighteen trainees have been participating of whom nine hold ECLA/TAO fellowships (one each from Argentina, Colombia, Cuba, Ecuador, Guatemala, Mexico and Venezuela, and two from Chile), two holding United Nations fellowships (El Salvador and Yugoslavia) and seven who are financed by their Governments (one from Brazil, two from Cuba and four from Venezuela).

67. The guest lecturer for 1959 was Mr. Jan Tinbergen, Professor of Economics at the Rotterdam Technical University and Director of the Netherlands Economic Institute. He gave a course of lectures on short-term models for economic policy from 21 September to 16 October, and directed daily seminar discussions which continued until his departure on 28 October.

68. In addition, Mr. Hans Linnemann, an economist of the Netherlands Economic Institute and a technical assistance expert currently working in Ecuador, was invited to give lectures and to direct a seminar during the week of 19-24 October 1959. His topic was the programming of economic development in Ecuador, with special reference to the methodological approaches of ECLA and the Netherlands Economic Institute.

69. Advantage was taken of the visits to Chile of Mr. Mayer (Service of Economic and Financial Studies of the French Ministry of Finance) and Mr. Lesourne (Director of the French Society of Applied Mathematics) to invite them to give a short series of lectures on the co-ordination of investments in France; the integration of theory and practice in operational research; and the determination of over-all medium-term objectives in a planned economy.

70. As in former years, each trainee was assigned a research project on which he was required to prepare a paper at the end of the course. Professor Tinbergen also directed a special three-week research project, in which the trainees participated actively. The objective was to construct a short-term econometric model for a case of inflation in a selected country.

71. The following lectures were given by eight ECLA staff members: 20 on social accounting, 10 on the theory of prices; 10 on the programming of

/energy; 18

energy; 18 on monetary policy; 5 on demographic problems; 10 on transport problems; 8 on the chemical industry; 8 on agricultural programming. An additional ten hours were given by the Director of the Joint ECLA/FAO Agricultural Division. A further fifteen lectures by three staff members were scheduled for the final weeks (February) on the livestock industry, fiscal policy and statistics.

72. The lectures mentioned in the preceding paragraph were in addition to the regular courses provided by the Director and Deputy Director of the Programme and by professors contracted by TAO.

Intensive training courses.

73. Four intensive training courses were held during 1959: in Argentina, Brazil, Colombia and Cuba. In the last two countries the courses were given in conjunction with the ECLA/TAO Advisory Groups, which provided most of the lecturers.<sup>12/</sup>

74. The course in Argentina lasted from 14 September to 1 December and was sponsored by the Faculty of Economic Sciences of the University of Buenos Aires. There were 24 full-time and 47 part-time trainees. About 130 classes on basic subjects (social accounting, theory and programming of economic development, project preparation and evaluation, linear programming, public administration and financing were given plus some 63 special lectures by distinguished Argentine lecturers, dealing with different aspects of Argentina's economic development. Moreover, 68 seminars were held in connexion with the basic courses.

75. The full-time trainees were carefully selected from well over a hundred applicants and came from many different sectors of public life. The part-time trainees included senior civil servants, engineers, economists and lawyers.

76. Two ECLA staff members spent about six weeks each lecturing at the course and, in one case, directing it during the absence of the Director designated by TAO.

77. In compliance with a special request from the Government of Brazil, the intensive training course for 1959 was held at Recife, from 8 September to 18 November. Fifty-nine full-time and eleven part-time trainees

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<sup>12/</sup> See paragraphs 53 and 56 above.

participated, selected from over a hundred candidates. Attendance was excellent and a sustained effort was made to adjust to a kind of training they had never before received, with the participants showing a lively and immediate interest in understanding and participating in the development effort currently being made in north-eastern Brazil.

78. The basic courses were the same as those indicated for Argentina. There were also series of lectures by distinguished Brazilian specialists, especially on the problems of the North East and Brazil's over-all economic development.

79. The course in Colombia was held from 29 June to 30 September, and was sponsored by the Administrative Department of Programming and Technical Services of the Colombian Government. Basic courses, totalling 192 hours, covered the theory and programming of economic development, project evaluation, social accounting, financing of economic development, public administration, agricultural problems, industrial problems, and the diagnosis and programming of economic development in Colombia. The lecturers were mostly members of the ECLA/TAO Advisory Group. Three other were contracted specially by TAO. A further 21 lectures on current economic problems in Colombia were given by guest speakers.

80. After some eliminations in the early stages, 33 full-time and 45 part-time participants were left. The discipline and hard work of the students were reflected in the number of diplomas (32) and certificates awarded. A particularly useful arrangement was the supplementing of the basic courses by illustrations and examples applied to the specific case of Colombia. This was due to the close links with the Advisory Group and to the fact that the participants were trained with a view to their taking part in basic analytical programming work.

81. The course in Cuba was also organized in conjunction with the ECLA/TAO Advisory Group working in that country. It ran from 17 September to 22 December 1959, with 32 full-time and 30 part-time participants, selected from over 120 applications received from practically every ministry and public agency dealing with economic development, and also from private enterprises.

82. Due to the heavy work-load of the Government agencies, it was not possible, as in other countries, to have participants released from their current work, so a special time table was drawn up to interfere as little as possible with the work of the Advisory Group and of the participants.

83. The basic courses followed a pattern similar to those for the other countries, and were given by the Director of the ECLA/TAO Economic Training Programme and by members of the Advisory Group. In addition, some 60 lectures were delivered on specific Cuban problems by leading Cuban economists, and a course on linear programming was held by the Director of the national statistical services.

#### Workshop on Budgetary Classification and Management in South America

84. The secretariat played an active role in organizing this Workshop, held at ECLA Headquarters from 27 May to 5 June 1959, and sponsored jointly by the Bureau of Technical Assistance Operations, ECLA, and the United Nations Bureau of Economic Affairs and Office for Public Administration. It was the fourth in a series of such meetings and the first in South America. Two had been held in the ECAFE region and one covering Central America, the Caribbean area and Mexico. It was attended by 19 senior officials concerned with budget problems from the ten countries of South America and one representative of Spain.

85. The agenda included items on the role of Government and the function of public sector accounts; economic and functional classification of Government transactions; programme and performance budgeting and project budgets; methods of reclassifying Government budget data; and current developments in national economic accounting and their relation to the public sector accounts.

86. Four of the six basic documents were prepared by the Fiscal and Financial Branch at Headquarters, and two by ECLA. The full report of the workshop was published by the Bureau of Technical Assistance Operations on the basis of the provisional report adopted at the closing meeting <sup>13/</sup>

### INDUSTRIAL DEVELOPMENT DIVISION

#### Chemical industry

87. A pilot study undertaken in collaboration with the Chilean Development Corporation (CORFO) was completed early in 1960; by mutual agreement this study will not be published, but is being used as a reference work for the over-all study of the Latin American chemical industry. A specific work programme was drawn up, and progress is being made in the revision

13/ See document ST/TAO/SER.C/39 - E/CN.12/538.



and improvement of the methodological and technical aspects of the pilot study, which is now being expanded by broadening the range of products and the number of countries to be included.

88. The final list of products will be decided early in 1960, and in the meanwhile a provisional list of some 90 products is being covered. Work is proceeding on three different aspects: analysis of demand, technical problems and the collection of certain basic data. With regard to the first, a special classification has had to be made to facilitate the standardization of data from various countries; import figures are being tabulated in physical units for all countries in Latin America for the period 1955/57 (and 1958 in some cases), and the tabulation of the corresponding values is also progressing. With respect to methodological research, work is continuing in order to determine the national and imported components of the investments required for different chemical manufactures, as well as the preparation of a suitable sample for studying import substitution prospects for equipment. Finally, work has proceeded on the collection of data relating to natural gas prices in the international markets, and also on transport costs, economies of scale, distribution of investments and so forth, at the sources of production of natural gas in the various countries of Latin America

#### Railway equipment

89. In compliance with the request made at the meeting of industrialists, Government officials and railway executives held at Cordoba, Argentina, from 2 to 5 March 1959, of which the Commission was already informed at its eighth session, a brief report is being prepared for submission to the railway equipment producing industries in Argentina, Brazil, Chile and Mexico. Field work was carried out during July and August in Bolivia, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela with a view to ascertaining immediate railway equipment requirements for renewal and expansion purposes, and the prospects of meeting such requirements. In addition, a check was made on the relationship of customs duties and similar taxes as well as on the exchange and administrative regulations applying to imports of railway equipment. Similar information was brought up to date for Argentina and Brazil.

/Steel industry

Steel industry

Rolled iron and steel: production and demand

90. The secretariat prepared a paper on the market for rolled steel products which was presented at the meeting of Latin American steel industrialists (28 September to 3 October 1959) convened in Santiago by the Chilean Steel Institute. As a result of this meeting, a Latin American Steel Institute was founded.

91. The secretariat played an active role in many of the arrangements prior to the meeting and was represented at it. The paper mentioned above - revised after the discussion and brought fully up to date in many respects - has been published in the Economic Bulletin for Latin America.<sup>14/</sup>

92. The article referred to reviews briefly the present means of supplying Latin America's requirements in rolled products and brings together the results of several estimates, based mainly on trends recorded in earlier periods, as to what the needs of various Latin American countries might be by 1965, in order to compare them with their current production plans.

93. In 1957, Latin American output of rolled steel met only 53 per cent of the demand - 3 million tons out of a total of 5.6 million tons - the balance having been imported. Brazil, the largest producer, had to import only 230,000 tons of finished products, or 17 per cent of its total requirements, whereas Argentina was obliged to import 44 per cent of the 539,000 tons it needed, to which should be added imports of billets for re-rolling, which raise the import figure to 80 per cent.

94. Even Mexico, with the second largest steel industry in Latin America, had in 1957 to import 487,000 tons of finished products and 158,000 tons of ingots and semi-finished products, or nearly 50 per cent of its consumption. For its part, Venezuela is compelled to import virtually its entire needs, which in 1958 amounted to 420,000 tons of rolled products plus 375,000 tons of tubing.

95. The only country which in 1957 had an exportable surplus of steel was Chile, with net exports of 80,000 tons of finished steel and 32,000 tons of finished products which it sold to Argentina.

<sup>14/</sup> See "Rolled iron and steel products in Latin America: prospective production and demand", Vol.IV, N° 2, pp. 1 et seq.

/96. According to

96. According to data and indications at present available, total Latin American requirements by 1965 should be around 11 million tons of finished products. Expansion plans as currently envisaged call for an output of 9.5 million tons of steel ingot and of 8 million tons of finished products.  
Standardization of steel products

97. At the Latin American meeting of experts on the steel making and transforming industries held in October 1956 at Sao Paulo, Brazil, under the auspices of ECLA and TAA, the secretariat was asked to concern itself with problems relating to the standardization and rationalization of steel products in Latin America, but until recently no definite steps in this direction could be taken.

98. In view of the keen interest in this question evinced by the newly formed Latin American Steel Institute, ECLA secretariat experts undertook a field trip to Argentina, Brazil and Uruguay, and contacts were established with the appropriate agencies in other Latin American countries, with a view to exploring the existing situation. The findings were submitted to the working session of the Board of the Latin American Steel Institute, held at Mar del Plata, Argentina, from 2 to 4 February 1960 <sup>15/</sup>.

#### ENERGY AND WATER RESOURCES PROGRAMME

##### Energy

##### Preparations for the proposed electric power seminar

99. In collaboration with the Bureau of Technical Assistance Operations, plans are being made to hold this seminar (originally scheduled for 1958) in January 1961. With this aim in view, a preparatory meeting took place at United Nations Headquarters, New York, in mid-September 1959 to discuss some of the problems currently facing the electric power industry in Latin America, to review the proposed agenda for the seminar and make any modifications considered necessary, and to comment on the various papers to be presented.

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<sup>15/</sup> The document containing this information (E/CN.12/R.1) has so far only been distributed at the aforementioned meeting.

100. Prior to the preparatory meeting, the staff of the Programme drew up outlines for three papers to be submitted by the secretariat to the seminar, and began to request well-known experts to co-operate by drafting reports which they will present in their personal capacity.

101. Suggestions by the secretariat regarding the final agenda were also distributed in the various Latin American countries together with two questionnaires the purpose of which was to gather the data necessary for the studies to be prepared by the Programme staff. These studies will deal with the following subjects: a review of electric power demand projections in Latin America and of the installations required to meet this demand, with the corresponding investments; recent trends and present status of the electric power industry in Latin America, with an evaluation of its condition and utilization.

102. The preparatory meeting in New York was attended by members of the Department of Economic and Social Affairs and of the Bureau of Technical Assistance Operations, as well as by two ECLA staff members and representatives of the International Bank for Reconstruction and Development, the International Atomic Energy Agency and three leading Latin American experts in electric power problems. These experts made statements on basic problems of electric power development in Latin America, which were then discussed by the meeting in relation to the proposed agenda for the seminar.

103. As a result of the proceedings a final text was agreed upon, which includes the following:

- (a) General statement on electric power development problems and trends in Latin America;
- (b) Basic problems of electric power development, covering the problems involved in determining requirements, forecasting demand, making an economic evaluation of indigenous primary resources for electric power generation, studying plant and system development, and ascertaining investment requirements and means of financing;
- (c) Operational and institutional problems, especially the causes of varying rates per kWh (within a given grid and as between grids), tariff regulations and policies and their impact on electric power development, and the salient features of the institutional and legal régime;
- (d) Information on and discussion of some special topics.

104. On the basis of suggestions made at the preparatory meeting in New York, new questionnaires were prepared which, in order to facilitate the work to be done in the different countries, were partially completed with data available in the secretariat before being despatched to the countries concerned.

105. A start has been made on the studies to be prepared by the secretariat, and preliminary contacts are being made for some of those to be produced by outside experts.

#### Collaboration with the International Atomic Energy Agency (IAEA)

106. Early in 1959 several months were devoted to the collection and processing of data on electric power requested by the IAEA for use in connexion with some of its periodic studies. The information gathered included background data and the collection and analysis of cost data for installing and generating hydro-electric and thermo-electric energy in selected Latin American countries.

#### Water resources

107. Work has proceeded on the revision of the study on The water resources of Chile and their utilization (E/CN.12/501/Add.1) prior to publication. As a result of the conclusions of this study, the Government of Chile requested the co-operation of the United Nations Special Fund in expanding its network of meteorological and hydrological stations. This request was approved and negotiations are under way for executing the work.

108. Also as a result of the recommendations in the above report, conversations were held with representatives of the main official institutions concerned with the programming and use of water resources, as well as with the Resident Representative of TAB and the Regional Representative of FAO, who stressed the urgent need to pay special attention to the following problems:

- (a) Waste of water in irrigation through defects in the works and prevailing practices (the need to set rational rates for irrigation); and
- (b) Research and planning of the use of underground water in certain basins.

/109. Work on

109. Work on the Ecuador report has continued and several chapters are now ready. Here again the preliminary report has formed the basis for a project presented to the United Nations Special Fund in connexion with water measurement. This project has been approved.

110. The Water Resources Survey Mission to Venezuela began its field work in October 1959 with the arrival of several of its members. The co-ordinator of the Mission took up his assignment early in February. A large part of the hydrometeorological research has already been completed, and the compilation of hydrological data and the study of problems of irrigation and drinking water have begun. Moreover, contacts have been made with nearly all the agencies in any way concerned with water resources, in order to evaluate the Mission's prospects and to determine its work programme.

#### JOINT ECLA/FAO AGRICULTURAL DIVISION

111. Shortly after the eighth session, negotiations were started with FAO in order to decide on the work programme for the Division during the remainder of 1959 and 1960. Full agreement on this programme was reached by the two organizations in the latter half of 1959, and since then work has been proceeding accordingly. The Division will collaborate with both FAO and ECLA in the preparation of the Latin American section of The State of Food and Agriculture, 1959 and The Economic Survey of Latin America, 1959. It was agreed that work should be divided between the two organizations in order to obtain the necessary information for these publications and eliminate any possible duplication.

#### Collaboration for the FAO/OAS conference

112. The Division will present two papers at the joint FAO/OAS conference which will be held with the co-operation of ECLA in Mexico City in August 1960. One of them will deal with important problems of rates of economic growth and the other with agricultural policy questions arising out of the plans for the establishment of a common market or free-trade area in Latin America.

/Coffee survey

Coffee survey

113. With the completion of most of the field work for the survey in Brazil, a draft outline for the report was prepared and is at present being analysed by FAO. All the statistical material is now practically ready, and work is proceeding on the drafting of a summarized report which will present all the conclusions that could be drawn from the whole survey. The report itself will be a simple one intended for the general public and the supplementary economic, statistical and methodological analyses will be published in annexes for the benefit of those technicians who want to be fully informed of the work done.

Role of agricultural commodities in the proposed common market

114. The studies on wool, meat, cotton and fruit were revised and sent to FAO for comment. Upon agreement with the FAO Fisheries Division, a consultant was engaged to prepare an analysis of fisheries products in relation to the proposed common market. His job will consist mainly in examining intra-regional trade in fisheries products, trade channels and barriers, and the possibilities of expanding trade in these commodities within Latin America. The work is being carried out in close collaboration with the FAO Regional Fisheries Officer and with the Fisheries Division in Rome.

Study of the livestock industry

115. The first part of the field work was completed in December 1959, covering Colombia, Cuba, Mexico, Peru and Venezuela. A large amount of data has been gathered relating to livestock production, slaughtering, and the marketing of livestock products, as well as on the potential resources of the livestock industry. The study will continue during the first quarter of 1960 with visits to Argentina, Brazil, Chile and Uruguay.

The development of agriculture over the past 10 years

116. A special study, intended for publication in the Economic Survey of Latin America, 1960, is being prepared on developments in the agricultural and livestock industry during the period 1948/58. It will attempt to analyse the factors that have influenced the growth of agriculture, particularly the technical and economic obstacles that have impeded its more rapid development. The Economic Development Division will assist in the preparation of this study.

Special advisory mission to Ecuador

117. Early in 1959 the Government of Ecuador requested ECLA's assistance in connexion with its agricultural development programme. In compliance with this request, an extensive survey has been completed on capital investment and agricultural inputs for the whole country. This will serve as a basis for the economic development programme being carried out by the National Planning Board, (Junta Nacional de Planificación). The information collected in the field has since been tabulated, and the report is being drafted.

118. The field work included the sending of technical missions throughout the country to organize a series of surveys and research and to obtain such important data as the investment costs of various land improvements, the use of labour, the value of livestock and the duration of various capital investments. In addition, farmers all over the country were interviewed to gain first-hand experience of the different soil characteristics and the working methods used. This was of invaluable help in interpreting correctly the statistical material available.

ECLA/TAO/FAO Pulp and Paper Advisory Group

119. During the course of the past few months, the Group completed reports on Ecuador, Mexico, Peru and Venezuela, which have been sent to the Governments concerned through the Resident Representatives of TAB. The Government of Ecuador has already authorized the publication and distribution of the report on that country.

120. Preliminary draft reports have also been completed on Colombia and Surinam and have been sent to FAO for comment. Work has also proceeded on a draft report on Cuba, and some preliminary findings have been discussed by correspondence with the ECLA/TAO Advisory Group in Cuba. As a result a request for a fuller and more detailed report has been received from the Cuban Government.

121. The preliminary draft of the regional study on the production and supply of and trade in pulp and paper products in Latin America is in course of preparation.



#### TRANSPORT SECTION

122. The bulk of the work of the Section during the year has been concerned with the ECLA/TAO Advisory Groups, with particular reference to Colombia. In addition, research has been carried out on transport questions relating to Latin American trade, especially as regards the consultations on trade policy between Colombia, Ecuador, and Venezuela.

123. So far as the Advisory Group in Colombia is concerned, the study on transport is proceeding with a view to establishing priorities and co-ordinating investments in this sector. A beginning was made with the co-ordination of existing projects, and this was followed by an indication of the studies needed in order to determine public investment priorities and to formulate future transport policy. In addition, the technical-administrative regulation of transport was seen to be an urgent necessity that should be followed up by economic control, with particular reference to minimum regulations, tariffs, permits, etc.

124. There has also been close co-operation between the ECLA transport expert and the Colombian Administrative Department of Programming and Technical Services in the preparation of a general study of civil aviation in the country and of the measures required to prevent a possible economic collapse in this industry. In this connexion, ECLA was represented at a meeting in Panama (November 1959) of representatives of Governments and of the main airlines of Colombia, Chile, Ecuador, Panama and Peru. This conference, convened largely on the initiative of the Colombian airline AVIANCA, recommended the establishment of a new international Latin American airline, with the participation of the aforementioned main airlines, to operate international air services in the countries concerned.

#### SOCIAL AFFAIRS DIVISION

125. During the early part of 1959 the Social Affairs Division was actively engaged in preparations for the Seminar on Urbanization Problems in Latin America, which was held at ECLA Headquarters from 6 to 18 July under the joint sponsorship of UNESCO, the United Nations Bureau of Social Affairs and ECLA, with the collaboration of the ILO and the OAS. It was attended by 38 experts appointed by the Governments of Argentina, Bolivia  
/Chile, Colombia,

Chile, Colombia, Cuba, El Salvador, Guatemala, Panama, Paraguay, Uruguay, and Venezuela, four experts appointed by the United Nations and six by UNESCO, as well as representatives of the ILO, FAO and WHO and the OAS, and a number of observers.

126. Twenty-three working papers were prepared, and formed the background to the discussions in the Seminar, together with some 15 printed documents prepared by the Bureau of Social Affairs, UNESCO, TAO and ESAPAC. The ECLA secretariat contributed a paper on the Creation of employment opportunities in relation to labour supply (E/CN.12/URB/19 - UNESCO/SS/URB/19).

127. The discussions were grouped under the following topics: basic lines of thought; the demographic situation; urbanization and economic development; urban manpower; problems of urbanism; effects on social structure; administrative questions; conclusions and plan of action.

128. It was requested that the findings of the meeting should be brought to the attention of the Commission at the seventh session of the Committee of the Whole. The provisional report (E/CN.12/URB/26 - UNESCO/SS/URB/26) has been undergoing revision and has not yet been cleared by the different sponsoring organizations, but it is hoped to be able to distribute it before the Committee of the Whole meets.

129. Following the urbanization seminar, some informal meetings were held at ECLA Headquarters to discuss proposals for a working group on social aspects of economic development, to be sponsored jointly by UNESCO, the Bureau of Social Affairs and ECLA, all of which were represented in the discussions. As a result of these talks, UNESCO convened a meeting in Paris early in December 1959, in order to reach agreement on the date and place of the working group, its agenda, and possible participants. Tentative plans are being made to convene a working group or symposium in Mexico late in 1960 to explore the problems involved and to prepare plans for future action.

130. The secretariat also assisted in the preparations for the United Nations Seminar on the Evaluation and Utilization of Population Census Results, held from 30 November to 18 December at Santiago. It was organized by the Regional Centre for Demographic Research and Training in Latin America with the active co-operation of the ECLA secretariat. The Social Affairs Division prepared two papers for the Seminar on the use and evaluation of population census results in Ecuador and Guatemala respectively.

/131. The main

131. The main purpose of the Seminar was to ensure that tabulations were so designed that they could be used by research and governmental bodies for social and economic analysis and programming.

#### TECHNICAL ASSISTANCE

132. Following upon the reorganization of the Technical Assistance Administration, the transfer of its functions to the Bureau of Technical Assistance Operations, and the closing of the regional office for Latin America in Santiago, close liaison on technical assistance matters has been maintained with the Bureau at United Nations Headquarters. Under the new system, co-operation is now limited almost exclusively to regional projects and in particular to the Central American Economic Integration Programme, the ECLA/TAO Advisory Groups, the Joint ECLA/TAO Economic Development Training Programme, the Water Resources Survey Group (a joint ECLA/TAO/WHO project) and the ECLA/FAO/TAO Pulp and Paper Advisory Group. In other words, the ECLA secretariat no longer assists in preparing job descriptions for experts or in briefing TAO experts who are not directly concerned with the above projects. Nor does it have any opportunity of commenting on experts' reports.

133. Since full descriptions of the joint projects are included under the respective sections of this report, it need only be stressed here that these projects - and in particular the Advisory Groups and the Training Programme - absorb an increasing proportion of the secretariat's resources and that collaboration with TAO has been exceedingly close and fruitful.

#### C. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

134. As in the past, the ECLA secretariat has continued to maintain the closest liaison with the United Nations specialized agencies and other organizations in all cases where there is a mutual interest in the work being carried out. During 1959 a new agreement was reached with FAO, whereby the Joint ECLA/FAO Programme became the Joint ECLA/FAO Agricultural Division and close collaboration continued in the ECLA/FAO/TAO Pulp and Paper Advisory Group.

/Specialized agencies

Specialized agencies

135. During the period under review, active co-operation has continued between the secretariat and the specialized agencies in connexion with the Central American Economic Integration Programme.

136. In addition to the fact that the specialized agencies co-operated, as has been their custom, in the various aspects and phases of the Economic Integration Programme, representatives were sent by the ILO, FAO, ICAO, IMF and IBRD to the sixth session of the Central American Economic Co-operation Committee, held at San Jose, Costa Rica, during August and September 1959.<sup>16/</sup>

137. In accordance with resolution 149 (VIII), the ECLA secretariat has continued to co-operate with the specialized agencies directly interested in the study of skilled manpower problems in Latin America. An informal inter-agency meeting was held at Geneva in July 1959 at which ECLA was represented. This was followed by two meetings (in September and November respectively) of an Inter-Agency Working Party on Skilled Manpower in Latin America, convened by the International Labour Office and attended by representatives in Latin America of the United Nations, UNESCO, and the Inter-Governmental Committee for European Migration.

138. The Working Party's terms of reference were to evaluate the experience in Latin America of the various organizations in terms of the above-mentioned resolution, and to make specific proposals to be discussed at a second session, to be held during the course of 1960 at ECLA Headquarters in Santiago.

139. Pursuant to resolution 149 (VIII), the OAS will be invited to participate in the Santiago session, at which the other bodies mentioned above will all be represented. Preliminary discussions for holding this session have already taken place and the representatives of the different agencies have shown an active interest in the problems involved.

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<sup>16/</sup> For further information and for the list of other organizations attending the Committee's sixth session, see the relevant Report (E/CN.12/533), United Nations Publications, Sales N°:59.II.G.5.

140. FAO representatives held discussions with the Joint ECLA/FAO Agricultural Division and the ECLA Statistical Section on various problems connected with agricultural statistics in Latin America. In order to enter into these questions more thoroughly, the ECLA secretariat was represented at the FAO Ad Hoc Meeting of Statistical Experts held at Rome from 7 to 18 December 1959.

141. Negotiations also took place with FAO concerning the preparation of a joint ECLA/FAO study of Latin American timber production and consumption in accordance with resolution 159 (VIII). Work on this study is scheduled to begin early in 1960..

142. The secretariat will collaborate with FAO in connexion with the forthcoming joint FAO/OAS regional conference to be held in Mexico in August 1960.

143. A series of discussions have taken place concerning the ECLA/TAO Advisory Groups and the possibility of ensuring the co-operation and participation of FAO in the project.

144. In addition to the direct co-operation mentioned above, the secretariat sent an observer to the Second FAO Latin American Seminar on Land Problems, held at Montevideo, Uruguay in November 1959, and took an active part in the deliberations of one of its working groups.

145. UNESCO was a joint sponsor, with ECLA and the United Nations Bureau of Social Affairs, of the Seminar on Urbanization Problems in Latin America<sup>17</sup>

146. Moreover, plans are under way to hold a symposium or working rroup on social aspects of economic development, in which UNESCO will play an active part. The ECLA secretariat was represented at the preparatory meeting convened by UNESCO at Rio de Janeiro (26 - 30 October 1959) to discuss a proposed inter-American conference on education and economic and social development. The matter was discussed further in Paris at a meeting convened by UNESCO to discuss the above-mentioned symposium.

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<sup>17/</sup> See paragraphs 125-128 above.

/147. The International

147. The International Bank for Reconstruction and Development was represented at a preparatory meeting dealing with the proposed electric power seminar.

148. In addition, the secretariat is co-operating with the Bank in connexion with an application from the Argentine Government for the assistance of the United Nations Special Fund in carrying out a transport project.

149. Discussions have taken place with the International Monetary Fund (IMF) in connexion with the central banks meeting convened by the Inter-Governmental Conference for the Establishment of a Free-Trade Area among Latin American Countries.

150. The Water Resources Survey Group has continued to receive active support from the World Meteorological Organization (WMO), which has provided the services of an expert hydrometeorologist. This expert's findings in the two earlier studies (Chile and Ecuador) were largely responsible for the decision by the Governments of the countries concerned to apply to the United Nations Special Fund for assistance in solving the problems described in his report. It should be added that FAO has continued to collaborate on an ad hoc basis with the Group's mission to Venezuela.

#### International Atomic Energy Agency (IAEA)

151. The secretariat has co-operated with the International Atomic Energy Agency in the collection of data on hydro-electric and thermo-electric power plants in order to provide background information for current studies being undertaken by the agency.

152. Moreover the IAEA has participated in some of the preliminary work for the proposed ECLA/TAO electric power seminar, and has offered to prepare some of the working papers.

153. The secretariat was invited to participate in an IAEA mission to various Latin American countries, but was able to do so only in Brazil because of other commitments.

#### Organization of American States

154. The secretariat has continued to co-operate with the Secretariat of the Inter-American Economic and Social Council (IA-ECOSOC) and to co-ordinate its work with the latter's activities. Conversations at the secretariat

/level have

level have also taken place both in Santiago and in Washington, with particular reference to the work programme of the two organizations in relation to the proposed Latin American common market.

155. In addition, negotiations have been successfully carried out with the Organization of American States for a joint ECLA/OAS study on the impact of Government policy on foreign investment in a common market. <sup>18/</sup> A special joint study group of consultants was formed for this purpose by the two organizations and started its field work in January 1960.

156. In due course the Committee of the Whole will be provided with further details of the co-ordination between the two secretariats in the relevant special report (E/CN.12/AC.45/8).

#### Inter-governmental organizations

157. In connexion with the preparatory work, requested of the secretariat at the first Inter-Governmental Conference for the Establishment of a Free-Trade Area among Latin American Countries, for a meeting of governmental representatives of central banks, the Organization for European Economic Co-operation (OEEC) kindly lent one of its senior officials to assist the secretariat.

158. The Inter-Governmental Committee for European Migration (ICEM) was represented at the Inter-Agency Working Party on Skilled Manpower in Latin America <sup>19/</sup> and has expressed interest in participating in the proposed Santiago group which will draw up a work programme for the joint project.

159. The Organization of Central American States (OCAS) collaborated with the secretariat in many aspects of the Central American Economic Integration Programme. In particular, it co-sponsored with ECLA the first meeting of Central American investors, held at San Salvador from 27 to 31 October 1959 <sup>20/</sup>.

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<sup>18/</sup> For further details see section A, paragraphs 13-15 above.

<sup>19/</sup> See paragraph 137 above.

<sup>20/</sup> See section A, paragraphs 24-28.