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(15 February 1952–25 April 1953)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS : SIXTEENTH SESSION

SUPPLEMENT No. 3

TABLE OF CONTENTS

	Paragraphs	Page
INTRODUCTION—SCOPE OF THE REPORT.....	1-4	1
PART I—REVIEW OF ACTIVITIES		
Introduction	5-7	1
A. Major work projects		
Economic Survey of Latin America 1951/52.....	8-17	1
Preliminary study of the technique of programming economic development.....	18-25	2
Report on ECLA/TAA economic development training programme.....	26-29	3
Progress report on economic integration and reciprocity programme in Central America	30-41	3
Study on iron and steel industry and report on meeting of experts sponsored by ECLA	42-46	5
and TAA		
Preliminary study of possibilities for the development of the pulp and paper industry	47-58	6
in Latin America.....		
Economic problems of agriculture.....	59-64	7
A Study of Trade between Latin America and Europe.....	65-67	7
Possibility of effecting multilateral compensation settlements between Latin-American		
and European countries through the facilities of the European Payments Union.....	68-73	8
Problems of intra-regional trade and possibilities of expanding trade among southern		
South American countries.....	74-81	8
Study on economic development of Ecuador.....	82-88	9
Technological research and technical training in Latin America.....	89-94	9
Study of taxation in capital-exporting and capital-importing countries of foreign private		
investment	95-97	10
Other projects	98-105	10
B. Co-operation with member Governments.....	106-108	11
C. Co-operation with other units of the United Nations Secretariat.....	109-112	11
PART II—RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS		
A. Introduction	113-114	11
B. Specialized agencies		
Food and Agriculture Organization.....	115-117	12
International Monetary Fund.....	118	12
International Bank for Reconstruction and Development.....	119	12
Other	120-121	12
C. Inter-American Economic and Social Council.....	122-129	12
D. Caribbean Commission	130	13
E. Non-governmental organizations	131	13

(continued on cover 3)

NOTE

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UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL
OFFICIAL RECORDS
SIXTEENTH SESSION

SUPPLEMENT No. 3

ECONOMIC COMMISSION FOR LATIN AMERICA
Annual report to the Economic and Social Council for the period
15 February 1952 to 25 April 1953

Introduction—SCOPE OF THE REPORT

1. This report covers the activities of the Commission from the end of the meeting of the Committee of the Whole on 14 February 1952 to the end of the fifth session on 25 April 1953.

2. The report is divided into five parts:

Part I presents a review of the Commission's activities up to the beginning of the fifth session on 9 April 1953. This part of the report discusses the projects which have been undertaken in fields relating to the current economic situation in Latin America; general problems of economic development, including economic integration and reciprocity in Central America; industrial development; economic problems of agriculture; trade with Europe and the United States; intra-regional trade; and the training programme for Latin-American economists.

Part II describes the Commission's relations with the specialized agencies and other inter-governmental bodies.

Part III gives an account of the proceedings of the

fifth session, which met in Brazil from 9 to 25 April 1953. It includes a summary of proceedings under the following headings, which correspond to the six *ad hoc* committees of the fifth session: Current Economic Situation and Prospects; Economic Development and Technical Assistance; Industries; Agriculture; Intra-regional Trade; and Co-ordination.

Part IV contains the resolutions adopted at the fifth session, and a draft resolution submitted by the Commission for the Council's action.

Part V includes the Work Programme and Priorities 1953/54 adopted by the Commission.

3. The inaugural address of His Excellency Dr. Getulio Vargas, President of Brazil, on 9 April, and the statement made by the Executive Secretary to the plenary meeting on 10 April 1953, as well as the Commission's terms of reference and rules of procedure are presented as appendices.

4. This report was adopted by the Commission at the closing meeting of the session on 25 April 1953.

Part I—REVIEW OF ACTIVITIES

Introduction

5. The work programme, as laid down by the fourth session at Mexico City and amended by the Committee of the Whole, has enabled the secretariat to concentrate its efforts primarily on continuing projects related to the more fundamental problems of economic development. In this connexion it should be noted that during the past year greater emphasis has been placed on activities leading directly to practical action. This is particularly true in regard to the programme in Central America, the iron and steel project, the Agricultural Credit Seminar, the technique of programming economic development, and the training of economists. Moreover, there has been an increasingly close co-operation and consultation with member Governments regarding the economic problems of their individual countries and the work of the Commission.

6. Other major projects include the *Economic Survey*, Possibilities for the Development of the Pulp and Paper Industry in Latin America, Economic Development of Ecuador, Intra-regional Trade, the pos-

sibility of Latin-American countries utilizing the facilities of the European Payments Union (EPU) for making compensation settlements, factors affecting agricultural production, agricultural studies in individual countries, and technological research as a factor in economic development.

7. In carrying out the work programme, the secretariat has had the co-operation of other international agencies, and there have been few projects on which there has not been assistance and collaboration from at least one such agency. This co-operation has come from the specialized agencies, the other United Nations regional economic commissions and the Inter-American Economic and Social Council (IA-ECOSOC).

A. Major work projects

"ECONOMIC SURVEY OF LATIN AMERICA 1951/52"
(E/CN.12/291).

8. This is the fourth *Economic Survey* prepared by the secretariat, and is more complete than its predeces-

sors. For the first time, an over-all picture of the Latin-American gross product and its rate of growth are presented.

The *Survey* is divided into three parts:

(1) A summary analysis of the gross product of Latin America, and the main elements in its pattern of growth since 1945;

(2) The impact of world developments on Latin America, the structure of the balance of payments, international trade and relative prices;

(3) Production trends in agriculture, manufacturing, mining, and energy.

Special attention is given to the effect on Latin-American trade of trends in expenditures and income in the United States and western Europe after the outbreak of the Korean war. The fall in prices of primary products in 1951 and 1952 is clearly brought out, with its consequences on the payments position of Latin-American countries and on their terms of trade. A detailed analysis is made for the first time of the composition of imports of each country and of changes in import volume. The present agricultural situation by commodities, and agricultural development plans, are described extensively. Current manufacturing trends and problems of industrial development are dealt with for most countries. Under mining, the position of three major metals—copper, zinc, lead—is discussed, country by country. A final chapter is devoted to the electric power shortage and current plans to alleviate it, and to trends in petroleum development.

9. The *Survey* indicates that, since 1946, Latin America has experienced an extraordinary rate of growth, in comparison with both the earlier experience of Latin America and growth rates in other areas of the world. In this period, the gross product of Latin America increased at the rate of 4.7 per cent per year. It is noted, however, that some of the favourable factors which contributed to this growth, weakened in 1952. Principal among these favourable factors had been the improvement in the terms of trade, which had accounted for about 4.3 per cent of the gross geographic product of the area over the seven-year period 1946-52.

10. This and other favourable factors had combined to raise the rate of investment to 16.5 per cent of the gross product in 1946-52, a rate unusually high for Latin America, though still insufficient to secure an adequate rate of development.

11. With this relatively high rate of investment, the rate of accumulation of capital was remarkably intense over the period 1946-52. One-third of the total stock of capital existing in 1952 had been accumulated since 1946. As a consequence, the stock of capital per worker in Latin America increased by one-fourth. Output, however, has grown proportionately less than the stock of capital, and the output-capital ratio has been reduced.

12. Available goods and services in Latin America have typically been less than the gross product, since Latin America traditionally transfers abroad an export surplus, which finances the remittances of profits and interest accruing to foreign-capital investment holdings. The total inflow of foreign capital has been by no means small, but recently it has been substantially less than the transfer of profits and interest. In 1946-52, remittances

of profits and interest were almost three times as large as the inflow of foreign capital. Nevertheless, as a consequence of repurchases of foreign-owned capital, both before and after the Second World War, and the consequent decline in the foreign-owned share of the stock of capital and the growth of income in Latin America, the relative importance of foreign investment income remittances has been reduced.

13. Due to this and other factors, the traditional export surplus has narrowed, enabling both consumption and investment to expand more rapidly than gross product, in the period 1946-52.

14. Even with this improvement, however, the level of per capita consumption in Latin America was still exceedingly low—equivalent to only 205 dollars in 1952, at 1950 prices.

15. Nevertheless, the terms of trade and other favourable factors combined to raise the capacity to import by 70 per cent over the period 1945-52. Since one-third of current new capital investment is based on imports of capital goods, the effect of the expansion in the capacity to import on the investment rate may be easily appreciated.

16. The substantive nature of the economic growth of Latin America in the period 1946-52 is perhaps best seen in the broad expansion of manufacturing output and in the relative shift of resources of labour and capital to this activity. In this period, manufacturing output expanded by two-thirds and surpassed the value of agricultural output after 1946, exceeding the latter by 36 per cent in 1952. The substantial volume of investment placed in this sector since 1945, plus the expanded scale of operations, have greatly improved productivity, raising the output per worker in manufacturing at an average annual rate of 3.9 per cent. This broad rise in manufacturing productivity made possible a significant reduction in the prices for manufactures relative to other prices, and this was the means whereby the manufacturing sector transferred a part of the benefits of technical progress to the rest of the community. In contrast, the growth in agricultural output in Latin America was modest.

17. The *Economic Survey of Latin America 1951/52*, prepared by the secretariat of the Economic Commission for Latin America, and the *Economic Survey of Europe Since the War*, prepared by the Research and Planning Division of the Economic Commission for Europe, show many striking similarities in interpretation and analytical method. Western Europe has been adversely affected by many of the basic factors which in turn have enhanced Latin-American economic development since 1946. Europe's terms of trade deteriorated persistently in the post-war period, recovering only slightly in 1952. Foreign investment earnings of Western Europe have fallen drastically, reflecting the decline in the relative importance of foreign investment holdings in Latin America. The expansion of manufacturing output in Latin America has reduced the demand for Europe's export of light manufactures.

PRELIMINARY STUDY OF THE TECHNIQUE OF PROGRAMMING ECONOMIC DEVELOPMENT (E/CN.12/292)

18. This study is a logical continuation of the analysis of the problems of economic development in Latin

America carried out in earlier studies by the Secretariat.¹ In this study a programming methodology is set forth, taking into account the main factors influencing Latin America's economic development and the need to accelerate such development.

19. The study points out that the formulation of programmes of development does not imply a reduction of activity of private enterprise. In fact, to increase and direct investment more appropriately with a view to enhancing the country's economic development, also improves the environment and prospects for the private enterprise.

20. In developing a programme it is necessary to postulate various hypotheses of the rate of growth of the gross product in a given period in order to estimate levels of output and consumption. The answer to this question lies largely in a country's past experience. For Latin America as a whole it may be estimated that, to attain a net increment of 1 per cent in the per capita gross product, it is necessary to set aside 2 per cent of the gross product for net new investment. The attainment of additions to the rate of growth, therefore, requires the funnelling of a larger share of output into investment.

21. In 1952, the per capita gross product of Latin America was only 245 dollars. Unless the rate of economic development is accelerated above the rate experienced since 1935, the time interval for attaining the economic levels of developed areas will be inordinately distant. A programme for accelerating the rate of economic growth, however, could achieve significant gains in a generation.

22. The main problems and elements of a programme are then considered. Foreign capital is needed to supplement domestic saving in the initial stages of a programme in order to avoid the reduction of already low levels of per capita consumption, but considerations of the burden of remittances of profits and interest limit the magnitude and character of foreign investment. There are present and prospective severe limitations on the capacity to import, including the low elasticity of external demand and its instability, and this requires an acceleration of the substitution of domestic production for imports, in line with the changing structure of the economy. Since the scarcity of capital is the main limiting factor in the economic development of Latin America, the programme should attempt to attain the maximum increment in the output-capital ratio for the economy as a whole, and this is one of the basic reasons for the formulation of over-all programmes and not partial programmes. Demand-elasticities must be projected by sectors and the implications for requirements for capital, labour force, energy, and raw materials must be interrelated with the sector demand. It is necessary to go from the general projections and make the necessary adjustments.

23. The study discusses these criteria more specifically in terms of the experience of Latin America in the past quarter-century, indicating three main considerations which emphasize the need for programming: (1) the need to accelerate the rate of growth over and above the rate of expansion in the period 1934-51; (2)

the need for structural change in the composition of imports and in the internal economic structure in view of the limited growth in the capacity for external payments; and (3) the instability arising from external factors, especially the fluctuations of the terms of trade. The analysis points out that accelerated economic growth requires the raising of the level of productivity in agriculture, which, in 1952, was one-sixth the level in non-agricultural production, and the reduction of the share of the labour force in agriculture. In addition to this general growth perspective for Latin America as a whole, the study sketches a programme outline and its implications for two Latin-American countries with broadly different recent growth experiences, Brazil and Chile.

24. The method of relating projections of demand-elasticities by sectors with requirements for output, capital, labour force and materials, and their inter-relationship, is analysed.

25. These considerations comprise part I of the study. Part II is concerned with a detailed presentation of the programming methodology, for hypothetical and exploratory purposes, and is based on the economic data for Chile.

REPORT ON ECLA/TAA ECONOMIC DEVELOPMENT TRAINING PROGRAMME (E/CN.12/303)

26. The primary purpose of this project is to give special training to a selected group of Latin-American economists in problems of economic development with particular reference to research and analysis of economic data used in programming economic development. The Training Programme was organized by the Commission and the Technical Assistance Administration in accordance with resolution 4 (IV) (E/2021) adopted by the fourth session at Mexico City. The principal reason for establishing the Training Programme in the ECLA secretariat was to give the participants an opportunity of working in close contact with ECLA economists on problems of economic development.

27. The first course in the Training Programme was initiated in May 1952 and ended in March 1953. Ten fellowships granted for the programme were distributed as follows: Brazil, three; Chile, two; Cuba, Ecuador, El Salvador, Mexico and Paraguay, one each. Six of the participants were employees of development corporations or Ministries of Economy in their respective countries, three were working in economic sections of Central Banks, and one was an assistant professor of economics.

28. The programme has consisted of intensive readings, round-table discussions and conferences, and research. All participants carried out one or more research projects on projections and analyses of gross national product and economic development problems in individual countries.

29. The 1953 programme began on 15 April and is being attended by twelve Latin-American economists.

PROGRESS REPORT ON ECONOMIC INTEGRATION AND RECIPROCITY PROGRAMME IN CENTRAL AMERICA (E/CN.12/296)

(a) Meeting of Ministers of Economy

30. The Commission, at its fourth session, on the initiative of five Central American countries—Costa

¹ See *The Economic Development of Latin America and Its Principal Problems* (E/CN.12/89); *Economic Survey of Latin America, 1949* (E/CN.12/164/Rev.1); and *Theoretical and Practical Problems of Economic Growth* (E/CN.12/221).

Rica, El Salvador, Guatemala, Honduras and Nicaragua—requested the secretariat to study means and plans for the progressive attainment of economic integration in Central America, including the setting up of a Committee of Economic Co-operation composed of the Ministers of Economy. The Government of Panama had also expressed interest.

31. The first session of the Committee of the Ministers of Economy of Central America on the subject of economic integration and reciprocity met in Tegucigalpa at the invitation of the Government of Honduras, from 23 to 28 August 1952. Prepared as a major project of the Mexico office of ECLA, it is the first ECLA standing committee set up on the governmental level, and has provided a good example of the type of practical work which the United Nations can achieve among its Member nations in Latin America, indicating also how the Commission can assist governments in the sphere of economic development. The resolutions and an account of the proceedings of this meeting, as well as of action taken subsequently in collaboration with TAA, FAO, ILO and UNESCO through TAB, are given in document E/CN.12/296 and Add. 1 and 2.

32. The basic objective of the programme is to foster the economic development of Central America by achieving a gradual integration of the economies of the individual States, leading to higher levels of productivity and real income. The Central American Republics individually have narrow local markets, so that there is a loss of productivity and an insecure foundation for separate agricultural or industrial activities. Means of internal and intra-Central American transport have been insufficient and inadequate. The gradual creation of an integrated regional market, development of energy resources, and the improvement of transportation would place certain existing or new economic activities in the area on a broader foundation, strengthen the position of the balance of payments and provide greater support for the economic development of Central America as a whole.

33. At the initial meeting in August 1952, the Committee on Economic Co-operation was established as a permanent body, and resolutions were passed defining its functions, laying down measures for internal co-ordination between the governments and with the Economic Commission for Latin America, adopting general principles of policy, and recommending a programme of requests for technical assistance in a number of specific fields of activity. The Republic of Panama, which had sent an observer, was officially invited to become a member.

34. The meeting was followed by a United Nations inter-secretariat Working Group set up in November 1952, presided over by a member of the ECLA staff, and with a representative of each of TAA, FAO, ILO and UNESCO. The International Bank was also invited to participate. The purpose of the group was to analyse the resolutions passed by the Committee and determine the part to be played by the various United Nations organizations involved in the project, as well as to guide the Committee in formulating requests for technical assistance and further studies under a co-ordinated programme.

35. Moreover, the Committee had recommended the standardization of the classification of foreign trade

statistics and the adoption, if possible, of a common tariff nomenclature for the Central American countries. A Sub-Committee was set up to undertake an exhaustive study of this matter, beginning work in November 1952.

36. Meanwhile, the Committee and the inter-secretariat Working Group agreed upon priorities for the technical assistance requests. It was decided, in principle, that no more than one mission composed of various experts should be working in a given country at any one time. Three requests for technical assistance were taken up separately on account of their special nature and urgency.

37. They were requests covering:

(i) An Institute for Industrial Technological Research for Central America,

(ii) A Senior School of Public Administration,

(iii) Technical training in the industrial and administrative fields.

These three projects were accorded very high priority.

38. Following this, the Working Group considered that the five missions to which priority should be given in 1953 were those covering:

(i) Electric power,

(ii) Livestock and dairy products,

(iii) Cotton and the textile industry,

(iv) Forest products, pulp and paper,

(v) Vegetable oils and fats.

39. These eight missions were requested as constituting the technical assistance programme for purposes of integration in 1953. The requests from the five Central American Governments, transmitted through the Chairman of the Committee and directly from the Government of Guatemala in the case of that country, were received by the United Nations early in January and were discussed at the meeting of the Technical Assistance Board, held 16 to 26 March 1953, with representatives of the various agencies concerned. In the light of present budgetary limitations affecting technical assistance projects, but bearing in mind the special importance attached to the integration programme, TAB agreed: (a) to note with appreciation the report of the Working Group on the Central American integration programme; (b) to express willingness to co-operate in the implementation of the resolutions of the Committee of Ministers of Economy, and provide the technical assistance requested, and (c) to commence the programme in 1953 with six missions, as follows: institute for industrial technological research, senior school for public administration, technical training in industry and administration, electric power, livestock and dairy products, and forest products, pulp and paper. In addition, TAB appointed a senior ECLA economist as resident representative for Central America whose functions will include the co-ordination of the integration programme, and who may convene, whenever advisable, an inter-secretariat working party composed of the agencies concerned, including the Commission.

(b) *Transportation survey and seminar*

40. In relation to the studies on Central American economic integration, the secretariat was requested at

the fourth session to carry out a survey of available means of transport in the area and to make recommendations regarding its improvement and extension with special reference to integration. Accordingly the five Central American Governments and Panama requested TAA to set up jointly with ECLA a group of experts to carry out the study, who were to present their findings and recommendations at a meeting of experts to be held in Central America. This request was later endorsed by the Committee of Ministers of Economy, meeting at Tegucigalpa. The TAA/ECLA mission, after preparatory work carried out by ECLA, and with the assistance of an expert appointed by the International Civil Aviation Organization, made an extensive field survey during the second half of 1952, and is at present engaged upon preparing its report, for consideration at the seminar to be held on 8 June, 1953. The report will consist of three main parts: (a) an account of the present state of transportation in Central America, (b) an analysis of intra-Central American transportation problems and recommendations for their solution, and (c) an analysis of problems of inland transport common to the six countries and having a bearing on integration and economic development, with appropriate recommendations.

(c) *Sub-Committee on Standardization of Tariff Nomenclature*

41. At the Tegucigalpa meeting of the Committee of Ministers of Economy, the ECLA secretariat was requested to aid a special sub-committee in drawing up a common tariff nomenclature for Central America, as one of the means to facilitate the adoption of policies leading to the economic integration of the area. It was requested that experts be provided both by the United Nations Statistical Office and by the Inter-American Statistical Institute (IASI). The Sub-Committee, composed of delegates of the five Central American republics, met in Tegucigalpa at the invitation of the Government of Honduras from early November 1952 to the first week of March 1953. An ECLA expert acted as secretary to the Sub-Committee and was assisted in the work by the experts appointed by the United Nations Statistical Office and the IASI. Preparatory work had been carried out in ECLA's Mexico office, and the Sub-Committee was able to decide at an early stage upon the adoption of the United Nations Standard International Trade Classification (UN-SITC) as a framework for a common customs nomenclature. The Sub-Committee issued a report (E/CN.12/296/Add.2) attaching to it the proposed Uniform Central American Customs Nomenclature (*Nomenclatura Arancelaria Uniforme Centroamericana*—NAUCA), which follows the same grouping of items as is contained in the UN-SITC approved by the Economic and Social Council in June 1951, and establishes subheadings and items in conformity with the needs of the Central American countries. The agreement of the Sub-Committee to base its work on the framework of the SITC constitutes an important development in inter-governmental collaboration. The Sub-Committee's report has been submitted to the Chairman of the Committee of Ministers and is now under study by the governments concerned for consideration at the next meeting of the Committee to be held in 1953. It has also been given wider distribution in view of the interest the NAUCA may have for other countries in Latin America.

STUDY ON IRON AND STEEL INDUSTRY AND REPORT ON MEETING OF EXPERTS SPONSORED BY ECLA AND TAA (E/CN.12/293)

42. The meeting of the Expert Working Group on Iron and Steel Industry in Latin America, held in Bogota at the invitation of the Government of Colombia from 13 to 31 October 1952, was one of the major ECLA projects during the year. One hundred and seventeen experts participated in the meeting, and eighty-two background papers were contributed. The participants and the authors of the papers were chosen from nineteen different countries and included many outstanding experts from Europe and Northern America. The agenda was divided into four principal sections, covering problems of: (a) fuel, (b) iron ore reduction, (c) steelmaking, and (d) economic problems.

43. Some of the Latin-American experts remained in Bogota throughout the entire meeting; these were the so-called "general experts", and, since they were primarily technicians with managerial positions in their respective industries, they had an over-all knowledge of the problems of the steel industry in their own countries. The majority of other participants had specialized knowledge on specific problems, and their attendance was thus primarily at the sessions discussing the problems in their particular fields. A considerable number of technical solutions for the major problems facing the Latin-American iron and steel industry were proposed and discussed. It was felt by the Latin-American participants that these solutions would result in substantial savings for steel producers and consumers in the region.

44. The economic section of the meeting was based on four papers prepared by the ECLA secretariat. The analysis was restricted to seven countries of the region, in which either an integrated steelmaking industry exists or which possess, according to a preliminary investigation, the best possibilities for the establishment of such an industry. These countries are: Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela. Research was directed towards five main objectives: (a) analysis of the evolution of consumption and supply of iron and steel products; (b) study of the hypothetical costs of steel production in selected Latin-American countries (these were compared with production costs in industrialized countries estimated on the basis of equal assumptions as used for Latin-American plants); (c) approximations of the investments necessary for establishing integrated steel plants, appropriate to the size of the respective markets, in the locations mentioned in (b) above; (d) technical problems hindering the development of the steelmaking industry in the region; and (e) structure of the existing metallurgical industry and its relation to manufacturing activity in general.

45. The main results of the study may be summarized briefly as follows:

(a) Analysis of consumption in Argentina, Brazil, Colombia, Cuba, Chile and Mexico shows that during most of the past twenty-five years, almost all these countries have been unable to satisfy their demand for the steel products which they needed. Instead, they secured only such amounts as their capacity to import would permit them to buy abroad, supplemented by local steel production. The majority of the countries

whose markets have been investigated show deficits in their supply of steel products.

(b) The size of the plant is the single most important influence bearing on costs. If the scale of operation is small, the costs and the investment per unit of production are high and productivity is low.

(c) The consumption levels of even those Latin-American countries using the largest amount of steel, are too small to justify the installation of modern specialized plants capable of taking advantage of all the improvements which increase productivity.

(d) Regarding costs, a detailed analysis of the influence of the most important factors affecting Latin-American steel industry, was prepared. For that purpose, hypothetical plants were projected, of sizes appropriate to the respective markets in different Latin-American countries, and their costs compared with plants of the same sizes but located at Sparrows Point, in the United States. In this comparison, results proved generally favourable to Latin America. However, it must be pointed out that in reality existing plant sizes in the United States and Europe are much larger, and therefore costs are lower; but this advantage is offset by transportation costs from the industrialized countries to Latin-American countries, except in the cases of Peru and Venezuela.

(e) In all cases analysed, even in those which would result in high costs, Latin-American local steel production would result in a saving of foreign exchange per unit of steel manufactured.

(f) Steelmaking is a heavy industry requiring a high investment per unit of production. Objections against establishing such industries in Latin America have generally been based on this fact. However, as iron and steelmaking are basic to many other transforming industries, in which the production per unit of investment is much higher, the problem of establishing an iron and steel industry in relation to the transforming industries and over-all economic development needs to be studied in order to determine whether it is justified. Moreover steelmaking has usually been introduced in Latin America because of the need to substitute imports by local production, so as to permit a faster increase of the national income than the capacity to import would permit. Thus investments may have to be made with a lower product per unit of capital than the average, in order to secure such substitutions of imports.

46. Not every problem of interest to the Latin-American steel industry was included in the agenda of the Bogota meeting; the basic objective was not to reach specific agreements or recommendations, but rather to discuss the different problems thoroughly, covering as many angles as possible, but always with the focus directed towards Latin-American industry. The working documents fell into three well-defined categories: firstly, those dealing with experiences gained in the operation of iron and steel industries in Latin America and the problems which have been encountered; secondly, the findings and suggestions of scientific research institutions, including universities, foundations and government offices; and thirdly, contributions from private firms of engineers and consultants which were available and in some cases provided the solutions to various problems in this field.

PRELIMINARY STUDY OF POSSIBILITIES FOR THE DEVELOPMENT OF THE PULP AND PAPER INDUSTRY IN LATIN AMERICA (E/CN.12/294)

47. This is a joint study by the Commission and the United Nations Food and Agriculture Organization. Its main objects were to determine:

(a) Present and future demand for paper and for chemical and mechanical pulp;

(b) The region's existing capacity to manufacture these products, and the present and future need for developing that capacity;

(c) Whether the potential resources of raw material are adequate for maintaining the development which is becoming necessary;

(d) The existence of manufacturing methods which can be adapted to Latin-American raw materials.

48. The study covered the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, British Guiana, French Guiana, Honduras, Mexico, Nicaragua, Paraguay, Peru, Surinam, Uruguay and Venezuela.

49. The material contained in the report is intended to be used as a basis for further ECLA/FAO studies as well as other more detailed local studies, some of which are already being undertaken by FAO experts working under the Expanded Programme of Technical Assistance.

50. The study reveals that the rate of growth of Latin-American demand for paper was lower than might be expected from the region's economic development as reflected in the increase of its per capita income. This anomaly has been largely due to dependence on foreign pulp products and to the inability of the traditional production centres to supply Latin America with paper and pulp.

51. There is no clear evidence to suggest that this supply position is likely to change in the future. It is therefore urgent for Latin America to develop its own resources and to enlarge its installations to the point where the level of production might be regarded as adequate to meet normal future demand.

52. In 1950, Latin America consumed about 1,348,000 tons of paper and cardboard, of which 28 per cent (375,000 tons) was accounted for by newsprint. Latin-American production supplied only 12 per cent of newsprint requirements and 70 per cent of the demand for other types of paper and cardboard. Present installed capacity, estimated according to 1952 data, amounts to an annual total of 48,000 tons of newsprint and 941,000 tons of other types of paper and cardboard. The industry is producing practically all the mechanical pulp consumed (134,000 tons) but supplies only 40 per cent of the 428,000 tons of pulp consumed annually.

53. A comparison between installed capacity and estimated future demand shows that Latin America, to be able to meet the total internal demand, would have to increase its paper-making capacity by more than 2.6 million tons before 1965; similarly, its chemical pulp manufacturing capacity would have to be raised by more than 1.3 million tons and the mechanical pulp manufacturing capacity by more than one million tons. In other words, more than fifty large pulp and paper mills would have to be installed at the most appropriate sites

from the standpoint of markets and accessibility of raw materials.

54. This huge industrial expansion would involve the investment of more than 700 million dollars and would require the installation of 3.5 million KW of electric power, and an extensive network of communications and supplies of large quantities of raw materials. The vast development which these figures reflect warrants careful study of resources, financing possibilities and the prospects offered by probable technological advances in the future.

55. The preliminary study indicates that there are ample fibrous raw material resources to meet any foreseeable development, and that they are quite accessible, so that costs will be equal to or lower than those prevailing in the leading paper-producing countries.

56. The preliminary estimates of potential resources in selected areas of certain countries show that Latin America could not only fully satisfy the internal demand expected by 1965 but would even be able to support the manufacturing of an exportable surplus of about 1.5 million tons of pulp or 3 million tons of newsprint annually. Accordingly, Latin America may succeed in helping materially to satisfy the demand for paper in other parts of the world where fibrous resources are limited.

57. The technological problem of making paper from Latin America's fibrous resources, by processes which are economic, may be said to have been solved. The greatest difficulty had been the treatment of the tropical and semi-tropical woods for which the processes used for softwoods were unsuitable. Recent advances made in French West Africa and in the United States point to the possibility of successful utilization of the hardwoods which make up more than 95 per cent of the forests in the region. However, further experiments will still be required before the industrial processes developed outside the region can be adapted to Latin America.

58. The plans for future development are so vast and the conditions determining the accessibility of resources so diverse that exhaustive inquiry needs to be made into the relative suitability of the different areas for pulp and paper production; the results of such an inquiry could serve as the basis for long-term industrial plans.

ECONOMIC PROBLEMS OF AGRICULTURE

(a) *Agricultural Credit Seminar in Central America* (E/CN.12/305)

59. Following a resolution (14(IV)) adopted at the fourth session, a seminar sponsored by FAO, ECLA and the Government of Guatemala, was held from 15 September to 15 October 1952 in Guatemala City, with the purpose of giving an opportunity to experts, especially from the Central American countries, to exchange ideas and experiences in the field of agricultural credit. Agricultural specialists from twelve countries took part in the seminar. Technical papers, prepared by the secretariat and the participants, constituted the background documents for the discussions. The papers dealt with every aspect of agricultural credit, emphasizing the needs for credit, the obstacles to more effective use and the role of the government in promoting expansion of credit in relation to over-all policies for economic development.

(b) *Analysis of some factors which act as an obstacle to the increase of agricultural production* (a study prepared by ECLA and FAO secretariats, E/CN.12/306)

60. The purpose of this study was to analyse through field investigation the principal factors which affect agricultural production and the decisions of farmers regarding these factors. Since one of the basic purposes of the study was to devise a suitable method for collecting information and analysing the problem, it was decided to first make the study in one country with a view to determining its suitability for more general use.

61. The study was carried out in the Central Valley of Chile. It is estimated that there are approximately 8,000 farm operating units of which 5 per cent were selected for study by a mechanical sampling device. The report contains a full account of the method used. The Ministry of Agriculture of Chile made available eight agronomists to assist in collecting the information which was based on a detailed questionnaire.

62. The study shows that land, labour and capital now available to farmers are not being used to full capacity. More than one-fifth of the irrigated land is maintained in natural pasture or in fallow. Manpower output is generally low. In small farms there is a high input of manpower per hectare with an accompanying low output per worker. The study indicates that with respect to the farms covered in the investigation, low output per worker and the large supply of labour are factors which contribute to the low level of wages. It appears that a considerable part of the profits are not being reinvested in agriculture.

(c) *Agricultural Production in the Economy of Ecuador* (E/CN.12/314) and *Relationship of Agriculture to the Economy of Brazil* (E/CN.12/307) (studies prepared by the ECLA and FAO secretariats)

63. Individual country studies have been aimed to show the economic progress of the country's agriculture in its relation to the entire economy. The study on Ecuador was undertaken as part of a broader analysis made during the past year of the economic development of Ecuador (E/CN.12/295). Both this report and that on Brazil present information on the use of land, production, exports and imports, by commodity and for present and past periods.

64. The data for the report on Brazil were organized so as to present four broad agricultural divisions. In both reports the present situation is described with indications as to the direction of future developments.

"A STUDY OF TRADE BETWEEN LATIN AMERICA AND EUROPE" (United Nations publication, Sales No.: 1952.II.G.2)

65. This study, prepared jointly by the secretariats of the Economic Commission for Latin America, the Economic Commission for Europe and the Food and Agriculture Organization, presents a comprehensive analysis of Latin America's trade and payments patterns with Europe during the past fifty years.

66. The main text of the study comprises four chapters. Chapter I summarizes the major trends in Latin America's over-all trade with Europe since 1900. In chapter II, Latin-American exports are examined in

detail. Chapter III concentrates on factors affecting the volume and composition of Latin-American imports. Chapter IV presents some basic conditions necessary for an expansion of trade between Latin America and Europe. In addition to the main text, eight technical appendices are attached. These include detailed commodity analyses of coffee, sugar, cotton, linseed and linseed oil, wool and meat, and certain aspects of Latin-American trade in textile machinery and tractors. A total of eighty-six statistical tables and five charts round out the source material for an analytical text and the technical appendices.

67. The study shows that there has been a progressive weakening of Latin America's economic ties with Europe since 1900, in sharp contrast with the steadily growing importance of the United States in its trade. At the beginning of this century, the value of total European trade with Latin America was nearly 150 per cent higher than that with the United States. Fifty years later it was some 40 per cent lower. Two world wars and a major depression served to retard European manufacturing potential, and consequently its primary imports from Latin America. This was further accentuated by European efforts at increased agricultural self-sufficiency from domestic or associated overseas areas, and by the lack of exportable production from certain Latin-American countries, especially the River Plate area. As a result, by 1950-51 the volume of Latin-American exports to Europe was 20 per cent below the level of 1913. Throughout this entire period the industrialization process in Latin America had caused a radical shift in the region's import composition, away from consumer goods and towards capital equipment. At the same time, the mass-production techniques developed in the United States gave that country an additional advantage in meeting Latin America's strong demand for machinery and heavy equipment. Europe, whose industrial capacity had been adversely affected by the wars, and whose more rigid export structure continued to emphasize lighter consumer goods, found its exports at a serious competitive disadvantage with the United States. Thus, whereas the volume of Latin-American imports from Europe in 1951 had barely recovered to its 1913 level, the volume of imports from the United States had expanded sixfold during the same period. Since the second World War, some of the problems limiting trade between Latin America and Europe have declined in importance. Nevertheless, it would be mutually advantageous for Latin America and Europe to expand their trade further. Over the long run, this will depend upon Latin America's ability to increase its output of those foodstuffs and industrial raw materials required in Europe, and upon the competitive position of Europe's capital exports, especially to the dollar-account countries of northern Latin America. In the interim, a greater degree of flexibility in minimizing bilateral deficits requiring dollar settlements would provide an important intermediary impetus towards trade expansion between the two continents.

POSSIBILITY OF EFFECTING MULTILATERAL COMPENSATION SETTLEMENTS BETWEEN LATIN-AMERICAN AND EUROPEAN COUNTRIES THROUGH THE FACILITIES OF THE EUROPEAN PAYMENTS UNION (E/CN.12/299)

68. This project was included in the work programme adopted by the fourth session in June 1951, and was

given a high priority by a resolution of the Committee of the Whole in February 1952.

69. Because of the technical nature of the problem, a consultant, thoroughly familiar with the functioning of the EPU, was employed to make this preliminary study. The paper, which has been transmitted by the Executive Secretary to the Commission, was presented under the responsibility of the author.

70. The purpose of this study was to provide a basis for discussion of the problem at the fifth session, and should not in any way be considered as a definite proposal.

71. The paper first discusses possible solutions to reduce bilateralism and to secure the maximum of transferability compatible with existing disequilibria in present world trade. Three such possible solutions are discussed: the first would be through the exclusive use of gold or United States dollars in settling a country's international balances; another but more limited approach would be for a Latin-American country to join the sterling transferability account area; and lastly, the limited participation of Latin-American countries in the European Payments Union might be considered.

72. This latter possibility is analysed at some length, particularly from the point of view of its technical feasibility. It is suggested that the Latin-American countries might utilize the facilities offered by the EPU clearing system without involving them in other aspects of the EPU arrangements. They would not participate, either as borrowers or lenders, in the credit machinery of the EPU; nor would they participate in the management of the EPU.

73. The author suggests the possibility of Latin-American countries accumulating balances in a special Latin-American EPU account from claims on EPU members who are creditors in EPU. These claims could thus be used in settlement of debts to EPU members who are debtors in EPU. Such clearings would in all cases reduce the surpluses and deficits of EPU members in EPU. The author also envisages the possibility of Latin-American countries drawing on claims against EPU debtors and making payments to EPU creditors through a system of partial gold and dollar payments outside the regular EPU quotas.

PROBLEMS OF INTRA-REGIONAL TRADE AND POSSIBILITIES OF EXPANDING TRADE AMONG THE SOUTHERN SOUTH AMERICAN COUNTRIES (E/CN.12/304)

74. Intra-regional trade has been a continuous concern of the Commission. The first discussions centred principally on the financial aspects in an effort to find a means of facilitating multilateral compensation of payments among the Latin-American countries.

75. At its third session in Montevideo, in June 1950, the Commission turned its attention to the physical and economic factors affecting intra-regional trade. Limitation of national markets was seen as a main obstacle to industrial development, and the Commission recommended that Latin-American governments, when taking measures for promoting industrial development, "take into account the possibilities of extending demand through reciprocal trade, in order to achieve a better integration of their economies and higher levels of pro-

ductivity and real income" (E/1717, resolution E/CN.12/194).

76. The fourth session, held in Mexico in June 1951, further discussed the relation of intra-regional trade to economic development, and adopted a resolution (20 (IV), E/2021), requesting the secretariat "continuously to study inter-Latin-American trade as a whole and in its diverse regional aspects, with a view to its expansion" and "to continue to give special attention to the study of the relation of inter-Latin-American trade to the co-ordination of national economic units within over-all plans for joint and harmonious development".

77. Due to the fact that the trade among these countries makes up about 80 per cent of the total Latin-American intra-regional trade and because of the limitation of staff resources, it was decided to limit the first phase of the study to the southern Latin-American countries.

78. The study is divided into two parts. Part I presents an analysis of problems of trade policy, of payments and exchange controls and of maritime shipping as obstacles to the expansion of trade among these countries. This section also deals with the structure of trade. It shows that, generally speaking, the food-deficit countries are not able to maintain a balance of payments with countries supplying wheat, meat, sugar and fats. It also points out that, despite industrial development during the past twenty years and the corresponding increased demand for raw materials required by expanding industries, intra-regional trade in raw materials is seriously hampered by a system of bilateral payments, differential prices and difficulties connected with transport.

79. The discussion on trade policy brings out the implications arising from the fact that some of the countries concerned are contracting parties to the General Agreement on Tariffs and Trade (GATT) and other similar agreements while other countries are not.

80. The report emphasizes that the expansion of intra-regional trade will depend largely on trade policies adopted by the individual countries and the extent to which production of commodities for export to industrial centres of the world can be reconciled with the interest of regional economic reciprocity.

81. Part II consists of a series of commodity studies: wheat, meat, sugar, fats and oils, iron and steel, copper and nitrates.

STUDY ON ECONOMIC DEVELOPMENT OF ECUADOR (E/CN.12/295)

82. The problem of the economic development of Ecuador is based upon the following factors: (a) inadequate utilization of available land and manpower; (b) low levels of consumption with little or no margin for savings; and (c) a high rate of population growth. In order to achieve the essential labour mobility and the introduction of more advanced means of agricultural exploitation, a complete structural reorganization seems to be necessary. In the meanwhile, Ecuador is capable—and would be well advised to do so—of devoting the existing surplus manpower to raising export production. Ecuador, unlike most other Latin-American countries, can expand the markets for its export products without affecting significantly world prices.

83. Among the natural obstacles which hinder the economic development of Ecuador is the isolation of the two major productive areas of the country, which makes the need for adequate communications imperative. The principal social obstacle is the reluctance of the Indian population of the highlands to leave the land, despite the low yield which it gives.

84. The value of per capita exports, although it has quadrupled in less than twenty years, is one of the lowest in Latin America. Ecuador's exports are more diversified today than twenty-five years ago. Bananas, coffee and cocoa have a stable market, but rice is dependent on high world prices or government subsidies. The foreign demand for petroleum and straw hats is gradually declining.

85. Imports of capital goods have increased at the expense of consumer goods. Among the imports of consumer goods, imports of foodstuffs have been maintained in ratio to the population growth. Imports of chemical products, metals and metal manufactures, fuels and lubricants, paper, paperboard and manufactures and durable consumer goods have all increased more than the population growth, while imports of textiles, non-edible oils and fats, rubber and rubber manufactures, wood and wood manufactures, leather and hides, have decreased due to the substitution of domestic production for imports.

86. Only 4.5 per cent of the land is under cultivation. The coastal region can be developed by the clearing of forests and irrigation and through the introduction of improved techniques. In the highlands only irrigation and improved techniques can be applied. Agricultural, pastoral and forest production for 1950 has been calculated at about 1,922 million sucres, 62 per cent of which comes from the coastal region and 38 per cent from the highlands. Per capita production in the highlands is 58 per cent lower than in the coastal region. A comparison of yields also leads to the conclusion that the highlands form a zone of marginal cultivation as compared with the coastal region.

87. Lack of capital and the small size of the domestic market limit the expansion of industries in Ecuador. With few exceptions, the entire output, which is of a small scale, consists of consumer goods. In order to be firmly established, industry requires a high degree of protection. The increasing demand for power could be satisfied by utilizing the hydraulic resources of the country.

88. An increase in per capita exports would result in an increase in imports of capital goods. This must be accompanied by technical progress. The lack of technological research is a fundamental problem in the economic development of Ecuador. Domestic investment is limited due to the low levels of consumption of the population. Foreign investment could accelerate the economic growth of the country. The formulation of an economic development plan would undoubtedly be instrumental in achieving that purpose.

TECHNOLOGICAL RESEARCH AND TECHNICAL TRAINING IN LATIN AMERICA (E/CN.12/300)

89. This study was made in response to a resolution (13 (IV)) adopted at the fourth session.

90. After careful consideration, and taking into account particularly the limitations of available resources,

the secretariat decided first to make a pilot study in one country, with a view to establishing a methodology which could later be used in other countries. Chile was selected for this purpose in view of the facilities existing there for carrying out this type of work in the quickest and most economic manner.

91. The study was made in collaboration with a group of Chilean experts, consisting of representatives of the different branches of public and private activities most directly concerned with technological research. With their assistance, several questionnaires were formulated in order to obtain the necessary information from universities and other research centres, as well as from industries and vocational schools.

92. At the same time, a detailed study was carried out of the most urgent types of technological research needed in Chile in order to develop and improve methods of production for the better utilization of natural resources.

93. The survey showed that, from the standpoint of industry and mining, Chile's economic development is closely linked with progress in technological research. This can be seen in the case of the investigation which resulted in the utilization of substantial deposits of low-grade nitrate and copper. The survey also showed that existing facilities for technological research in Chile are inadequate to meet the country's present needs, not only from the standpoint of the inadequacy of material facilities, but also due to the scarcity of local research workers.

94. This study also indicates that installation and equipment in vocational schools are incomplete and often obsolete. Lastly the study revealed the need for co-ordinated and systematic development of technological research and the training of Chilean experts in order to enable the country to derive the utmost advantage from the process of industrialization.

STUDY OF TAXATION IN CAPITAL-EXPORTING AND CAPITAL-IMPORTING COUNTRIES OF FOREIGN PRIVATE INVESTMENT (E/CN.12/298)

95. Pursuant to the Commission's resolution 3 (IV) and a recommendation of the United Nations Fiscal Commission, the first volume of this study, namely *United States Income Taxation of Private United States Investment in Latin America*, prepared by the Fiscal Division of the Department of Economic Affairs, was published in January 1953.

96. The volume is divided into five parts. Part I briefly surveys the United States income tax law and the extent to which incomes from abroad are made subject to it. It treats in some detail those provisions of the Internal Revenue Code which are designed to prevent double taxation of United States citizens, residents and corporations receiving income from foreign sources or to grant preferential treatment to certain foreign incomes as against United States incomes of equal size and nature.

97. Part II discusses and evaluates the impact of the United States tax pattern from the viewpoint of the United States investor, while part III approaches the same material from the perspective of the Latin-American countries. Part IV deals with and analyses the proposals which have been made to change the present

method of taxing foreign income. Part V is a preliminary analysis of the attitudes of United States business towards investment in Latin America.

OTHER PROJECTS

98. Work on certain projects of the work programme, 1952-53, as approved by the fourth session and the Committee of the Whole, has not been completed or has had to be postponed due to lack of sufficient staff and other resources. The secretariat was not able to submit studies or reports to the fifth session, on the following projects: monetary and fiscal policies relative to the requirements of economic development (resolution 3 (IV)); further study on the textile industry (resolution 11 (IV)); study on requirements of energy in relation to economic development (resolution 38 (A.C. 16)); study on operation of the Free Zone of Colon, Republic of Panama (resolution 25 (IV)); study on expansion and diversification of Latin-American exports (resolution 21 (IV)); and final study on economic and legal status of foreign investments in Latin America (resolution 8 (IV)). In calling attention to these projects it should be noted that the fourth session and the meeting of the Committee of the Whole gave the Executive Secretary discretion to adapt the programme of work to circumstances that might arise and to staff and other resources available to the secretariat.

99. The meeting of experts on monetary and fiscal policies, with particular reference to their relation to economic development, to be sponsored by the Commission and the Technical Assistance Administration, with the collaboration of the United Nations Secretariat at Headquarters, of the International Monetary Fund and other international agencies, was originally planned for the latter part of 1952. This meeting has been postponed, partly because of the shortage of funds and also due to the fact that the secretariat required more time for the preparation of the studies and other background documentation for the meeting. The ECLA secretariat and the secretariat of the Fund have agreed on the papers which are to be prepared by them, and work is progressing.

100. It has not been possible to initiate a further study on the textile industry since the staff and other resources available for industrial studies have had to be used entirely for the studies on iron and steel and on the pulp and paper industries. There does not seem to be any prospect of initiating another textile study during 1953 or 1954 unless additional resources should be made available specifically for this purpose.

101. The Executive Secretary is aware of the urgent necessity to initiate a study of energy resources and requirements in Latin America, but up to the present has not been able to do so. The postponement of this project has been largely a question of lack of resources. However, the Executive Secretary expects soon to initiate the work in this important field of economic development.

102. The secretariat plans to undertake a study of the Free Zone of Colon, Republic of Panama, during 1953.

103. Resolution 21 (IV) adopted at Mexico City apparently contemplated a separate study on the possibilities of expanding and diversifying Latin-American exports. The secretariat has in fact done considerable

work in this field, particularly with respect to agricultural products, but generally speaking the results of these investigations are being incorporated in studies covering a wider field of subject matter—for example, the study on the economic development of Ecuador, agricultural country studies, the chapters on agriculture and mining in the *Economic Survey 1951-52*, the study on intra-regional trade, and part II of the study of technique of programming economic development. Nevertheless, the secretariat contemplates carrying forward other studies which will be more specifically concerned with the problem of relating trade to economic development and of increasing and diversifying production for export.

104. The study on economic and legal status of foreign investments is in fact a series of country studies which was initiated in 1950 in collaboration with the secretariat of the Department of Economic Affairs at United Nations Headquarters. A number of these country studies were presented to the fourth session. Since then the remaining countries have been covered, and it is now necessary to revise and bring up to date the studies on all countries. It is hoped to publish these studies, with a general introduction, as a single document, before the end of 1953.

105. The secretariat had planned to start the publication of the *Quarterly Economic Bulletin* prior to the fifth session of the Commission. However, since the *Economic Survey* covers the period until the end of 1952, it was decided to publish the first issue in the course of 1953.

B. Co-operation with member Governments

106. The Executive Secretary and senior economists of the secretariat have come increasingly into closer contact with government officials and economists for the purpose of collecting and analysing statistical data and other information and of discussing economic problems of individual countries—particularly in relation to the work of the Commission.

107. Governments have provided, in many cases, special facilities for gathering information required by the secretariat in its work. For example, the study on economic development of Ecuador could not have been carried out successfully without the full co-operation and assistance given by the Government of Ecuador to the ECLA economists who went to the country to collect information and make a first-hand investigation of problems. Another illustration of this type of co-operation was the loan of eight agronomists for a period of three months by the Chilean Government to assist the secretariat in carrying out a field survey of factors affecting agricultural production in the Central Valley

of Chile. This study has particular significance because of the method of sampling used, which might be extended to other countries for similar purposes. As may be seen from the report on the Central American project (E/CN.12/296), the Central American Governments have collaborated closely with the secretariat in undertaking this programme. Similar examples might be given for other countries particularly with respect to the meeting of experts on the iron and steel industry, held in Bogota in October 1952, and the information gathered for the studies on the pulp and paper industry and on intra-regional trade.

108. Another form of co-operation has been the round-table discussions which the Executive Secretary and senior economists have held in a number of countries with government officials and economists concerning specific economic problems in those countries. It is felt that these discussions have been particularly valuable when well organized in advance so as to deal with problems not only of special interest to the governments, but also related to work projects being undertaken by the secretariat.

C. Co-operation with other units of the United Nations Secretariat

109. The secretariat of the Commission is a part of the United Nations Secretariat and its staff is appointed by the Secretary-General in accordance with the Commission's terms of reference.

110. The work of the Commission's secretariat is an integral part of the United Nations activities in the economic field and is co-ordinated, especially regarding avoidance of overlapping and duplication, with the programme of work undertaken by other units at Headquarters as well as with the work of the secretariats of other regional commissions.

111. Through inter-secretariat consultations a number of projects are undertaken on a co-operative basis, such as the studies on foreign investment, taxation and trade.

112. The collaboration with the other regional commissions has been concentrated primarily in the field of trade, and the General Assembly in its resolution 627 (VII) took note of and commended the collaboration between regional commissions "in promoting more trade between the countries of their respective regions". Considerable help was given by the secretariat of the Economic Commission for Europe in the preparation of the Bogota Iron and Steel Meeting, and one of the senior members of the ECE staff attended this meeting and contributed to the technical and economic discussions. Co-operation between both commissions in these fields will continue in the future.

Part II—RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

A. Introduction

113. The Commission has always maintained close working relations with other international agencies operating in Latin America in economic and related fields. FAO and IA-ECOSOC are the two agencies with which the secretariat collaborates particularly closely. However, there are frequent consultations, collaboration on

specific projects and exchange of information with other organizations—particularly with the International Monetary Fund, the International Bank for Reconstruction and Development and the International Labour Office. Furthermore, work in certain fields is co-ordinated through inter-agency working groups, for example, the Inter-Agency Working Party on technical assistance

for the promotion of economic integration and reciprocity in Central America and the Inter-Agency Regional Co-ordination Committee on Migration.

114. *Inter-Agency Regional Co-ordination Committee on Migration.* Several agencies are participating in this Committee—including ECLA, ILO, FAO, UNESCO, WHO as well as ICEM (Inter-governmental Committee for European Migration). The Committee has held three meetings during the past year: one on 26-27 June 1952 in São Paulo, Brazil; another on 27-28 November 1952 in Lima, Peru; and the third on 13 April at Hotel Quitandinha, Petrópolis, Brazil. The Committee submitted a report to the fifth session of the Commission, in which it endorsed the ECLA proposal to make an intensive study of migration in relation to economic development in a specific area (E/CN.12/323). The Committee performs a useful work in bringing together international agencies interested in migration activities in the region. Its main purpose is to act in an advisory capacity in order to co-ordinate activities and prevent duplication of work in the field of migration. The secretariat of the Committee is provided by the International Labour Office.

B. Specialized agencies

FOOD AND AGRICULTURE ORGANIZATION

115. In accordance with the FAO/ECLA agreement, the chief of the ECLA Agriculture Division is a senior FAO economist, and the work of the division is done with the collaboration of FAO. The division is responsible for the preparation of the chapter on agriculture in the *Economic Survey* and for other agricultural studies including country studies of a special nature such as that made in the Central Valley of Chile (see E/CN.12/306).

116. As may be seen from the documents presented to the fifth session of the Commission, it has been possible to widen the scope of collaboration between the two organizations, and to give greater emphasis to economic problems of agriculture, particularly in relation to overall development.

117. In addition to the studies referred to above, the secretariats of the Commission and FAO have collaborated in the Agricultural Credit Seminar, held in Guatemala City from 15 September to 15 October 1952 (E/CN.12/305); in the preliminary study of the possibility of expanding the pulp and paper industry in Latin America (E/CN.12/294); and, together with the secretariat of the Economic Commission for Europe, in *A Study of Trade between Latin America and Europe*. FAO also had a representative in the Working Party on the technical assistance programme for promotion of economic integration and reciprocity in Central America; the Chairman of this Working Party is a senior ECLA economist from the Mexico office of the Commission.

INTERNATIONAL MONETARY FUND

118. Reference has already been made to the collaboration of the Fund in the preparation of studies for the meeting of experts on monetary and fiscal policies. The secretariat of the Fund has also expressed an interest in the secretariat's activities relating to the possibility of increasing multilateral payments arrangements

between Latin-American and European countries, and there has been an extensive exchange of views on this subject. The two secretariats maintain constant contact with each other with respect to problems of statistical data on trade and balance of payments as well as on other subjects of common interest.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

119. In addition to an exchange of views and information from time to time on various problems or projects, the secretariat has consulted with the Bank concerning the programme of economic integration and reciprocity in Central America, with particular reference to certain projects.

OTHER

120. As pointed out above, the secretariat's principal contact with other specialized agencies is through the Inter-Agency Regional Co-ordination Committee on Migration. However, special mention should be made of ILO's interest and participation in the meeting of experts on the iron and steel industry held in Bogotá in October 1952; and of the participation of ICAO in the technical mission which made a survey of transportation problems in Central America.

121. It should also be noted that UNESCO has appointed a Latin-American regional representative in the field of social sciences, with headquarters in Havana, which should lead to closer relations with that organization, specially in the field of technical training and teaching of economics in Latin-American countries.

C. Inter-American Economic and Social Council

122. The Committee of the Whole of the Economic Commission for Latin America, at its meeting in February 1952, and the third extraordinary meeting of the Inter-American Economic and Social Council, held in Caracas from 9 to 21 February 1953, took note of the co-operation and co-ordination between both agencies at the secretariat level through the Co-ordination Committee and expressed satisfaction at the way in which the secretariats have not only avoided overlapping and duplication but have also extended the scope of their collaboration.

123. The third meeting of the Co-ordination Committee was held in Washington, D.C., on 12 June and 27 June 1952. The Committee directed special attention to further discussion of some of the problems which had comprised its agenda for the second meeting, particularly the financing of economic development and monetary and fiscal problems. The Committee agreed to continue consultations with respect to the progress of existing work programmes and on items proposed for inclusion in the agenda of forthcoming sessions.

124. At this meeting it was also agreed that the secretariats of the two organizations would undertake jointly a study of the incidence and the effects of taxation on the sugar industry in the Central American and Caribbean countries. This study, in which IA-ECOSOC, ECLA and the Fiscal Division of the United Nations collaborated, has since been published by IA-ECOSOC (E/CN.12/311).

125. The fourth meeting of the Co-ordination Committee, held at Hotel Quitandinha, Petrópolis, Brazil, 11-13 April 1953, considered the current work programmes of the Commission and of IA-ECOSOC. Various projects that have been completed or were in progress were reviewed with a view to evaluating the results particularly of those on which the two agencies had collaborated. In this connexion, special note was taken of the collaboration on trade statistics and statistical research, the Agricultural Credit Seminar, unification of tariff nomenclature in Central America, the seminar on national income analysis, and the report on "Sugar Taxation in Caribbean and Central American Countries". In the field of housing, ECLA has not taken any action since IA-ECOSOC has had a broad programme in this field. However, the Housing and Town and Country Planning Section of the United Nations Department of Social Affairs, in its co-operation with the Housing Section of the Pan-American Union, is representing ECLA and is acting on ECLA's behalf. IA-ECOSOC has followed with interest the work of the ECLA/TAA technical mission on transport problems and expects to participate in the Meeting of Experts on Transportation at which the report of this mission will serve as a basis for discussion (E/CN.12/320).

126. With regard to co-ordination at the governmental level, the Commission at its fourth session appointed its Executive Secretary to represent it in discussions with a representative to be named by the Organization of American States. IA-ECOSOC recently designated the Secretary-General of the Organization of American States for that purpose.

127. Document E/CN.12/311/Add.1/Rev.1 gives an account of the position taken by the representatives of these two organizations. As may be seen from this document, the representative of IA-ECOSOC suggested that the representative of ECLA "might consider as one of the possible recommendations that meetings of ECLA and IA-ECOSOC should be held at the same time, on dates immediately following one another, and that such meetings should be held at the same place". In reply, the representative of ECLA pointed out that "his mandate would not allow him to entertain this suggestion, since the idea of both consecutive and simultaneous meetings had been fully discussed at the fourth session of ECLA and the response had not been very favourable. Indeed it was precisely because the above formula had not been regarded as acceptable that a resolution had been adopted which recommended that the Organization of

American States and ECLA should appoint representatives to consider the problem of co-ordination". The representative of ECLA suggested instead "that a solution to the problem of co-ordination at the governmental level should be sought through an agreement to avoid the overlapping of IA-ECOSOC and ECLA meetings". A further communication from the representative of IA-ECOSOC to the representative of ECLA referred to resolutions 35 and 36 adopted at the third extraordinary meeting of IA-ECOSOC which dealt with co-ordination with ECLA and with the integration and activities of IA-ECOSOC respectively.

128. With regard to resolution 36, the pertinent passage of which reads: "To request the Executive Committee to prepare a report that, taking into consideration the status of the Inter-American Economic and Social Council, will recommend suitable measures to correct any imperfections there may be and to strengthen every phase of it, especially in the matter of the financial resources required for it to operate properly", the representative of IA-ECOSOC said in reply to the representative of ECLA that "as the report which the Executive Committee is going to undertake forthwith is pending, both the suggestions of my previous letter and those you set forth in yours are rather in suspense. In fact, the Caracas Conference (the tenth Conference of the American States) in the light of such survey might make recommendations involving a change in the present status of the Council".

129. The IA-ECOSOC representative further stated that he was still "equally interested in discussing with you [the representative of ECLA] any means you may consider necessary and sufficient for the fulfilment of the mission with which we have been entrusted".

D. Caribbean Commission

130. Co-operation, including exchange of documentation, has continued with the Caribbean Commission.

E. Non-governmental organizations

131. A number of non-governmental organizations were represented at the fifth session (see part III, section 2 (f), below), and written statements were submitted by the International Chamber of Commerce (E/CN.12/321), the International Confederation of Free Trade Unions (E/CN.12/319), and the International Union of Official Travel Organizations (E/CN.12/322).

Part III—FIFTH SESSION OF THE COMMISSION

A. Membership, attendance and organization of work

1. OPENING AND CLOSING MEETINGS

132. The inaugural meeting was held at the Hotel Quitandinha, Petrópolis, Brazil, on 9 April 1953. His Excellency Dr. Getulio Vargas, President of Brazil, made the inaugural address (see appendix A). After a brief recess the session continued and addresses were delivered by Mr. Antonio Martínez Báez, Chairman of the Commission and head of the Mexican delegation;

by Mr. Humberto Martones, Senator of the Chilean Congress and head of the Chilean delegation; and Mr. Roy Blough, Principal Director of the United Nations Department of Economic Affairs and representative of the Secretary-General. At the second meeting of the session the Executive Secretary of the Commission, Dr. Raúl Prebisch, made a statement (see appendix B).

133. The closing meeting of the fifth session was held on 25 April 1953. The Commission adopted its annual report (including its programme of work and

priorities) to the sixteenth session of the Economic and Social Council. Addresses were delivered at the closing meeting by His Excellency Mr. Horácio Lafer, Minister of Finance of Brazil; by His Excellency Mr. Darío Botero Isaza, Ambassador of Colombia in Brazil and President of the Colombian delegation; by Mr. Euvaldo Lodi, Chairman of the Economic Commission for Latin America and member of the Brazilian delegation, and by Dr. Raúl Prebisch, Executive Secretary of the Commission.

2. MEMBERSHIP AND ATTENDANCE

134. All member governments were in attendance as follows: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, France, Guatemala, Haiti, Honduras, Mexico, Netherlands, Nicaragua, Panama, Paraguay, Peru, United Kingdom, United States of America, Uruguay and Venezuela.

(a) Report of the Chairman and Vice-Chairmen on Credentials

135. The Chairman, in accordance with paragraph 14 of the Commission's rules of procedure, reported to the meeting held on 23 April that credentials of the delegations to the fifth session as presented to the Executive Secretary had been examined by the Chairman and Vice-Chairmen and been found to be in order.

(b) Delegations

Argentina

Representative: Juan Isaac Cooke, Ambassador to Brazil.

Members: Ovidio S. Ventura, Italo José Peretti, Horacio Alberto Portela, Manuel Balboa, Adolfo Raúl España Solá, Gabriel Martínez, Adolfo Horacio Alsina, Juan José Billard, Juan Pascual Martínez, Luis F. T. Camps, Anibal Pérez.

Bolivia

Representative: Néstor Covallos Tovar, Ambassador to Brazil.

Members: Guillermo Alcázar, Javier Santibañez.

Brazil

Representative: Horácio Lafer, Minister of Finance.

Members: Euvaldo Lodi, Décio Honorato de Moura, Anápio Gomes, Josué de Castro, Arizio de Viana, Brasília Machado Neto, Eugênio Gudin, Alkindar Junqueira, Francisco Clementino de San Tiago Dantas, Valentim Bouças, Bruno Martins, Edmundo Pena Barbosa de Silva, Roberto de Oliveira Campos, Romulo de Almeida, Cleantho Paiva Leite, Otávio de Bulhões, Eduardo Lopes Rodrigues, João Gonçalves de Souza, Alberto de Oliveira Mota Filho, Alvaro Teixeira Soares, Antônio Roberto de Arruda Botel, João Baptista Pinheiro, Miguel Alvaro Ozorio de Almeida, Antônio Francisco Azeredo de Silveira, Galba Samuel Santos, Olinto Pinto Machado, Jorge Zarur, José Garrido Torres, Abelardo Vilas Boas, Alexandre Kafka, Thomaz Pompeu Accioly Borges, Ernesto de

Oliveira, Jesus Soares Pereira, Domar Campos, José Carlos Pereira de Souza, Ernesto Street, George Kingston, Luis Carlos de Andrade, Tarcico José Villela, Angelo da Silva Neves, Murillo Octacema F. Pessoa, José Knaack Sousa, Genival de Almeida Santos, Herculanio Borges da Fonseca, Antonio Patriota, Joaquim Ferreira Mangia, Ruy Miller de Paiva, Arthur Gouvea Portella, Braulino Botelho Barbosa, Frederico Carlos Carnaúba.

Chile

Representative: Humberto Martones.

Members: Alberto Sepúlveda Contreras, Eugenio Bertens Rivera, Samuel Radrigan, Felix Ruiz, Jacobo Schatan, Jorge Vial.

Colombia

Representative: Darío Botero Isaza, Ambassador to Brazil.

Members: Jorge Mejía Palacio, Joaquín Prieto.

Costa Rica

Representative: Gonzalo J. Facio.

Members: Luis Dobles Sánchez, Ambassador to Brazil; Juan W. Valenzuela Courregé.

Cuba

Representative: Gustavo Gutiérrez Sánchez.

First Members: Andrés Vargas Gómez, Nicasio Silverio Gómez.

Dominican Republic

Representative: Victor Garrido, Ambassador to Brazil.

Ecuador

Representative: Ricardo Crespo Ordóñez.

Members: Santiago Maspons, José Corsino Cárdenas

El Salvador

Representative: Rafael Glower Valdivieso.

Members: Alfredo Martínez Moreno, Jaime Quésada.

France

Representative: Lionel de Tinguy du Pouet.

Members: Georges Villiers, Jean Cottier, Jules-Emile Campagne, Jean-Félix Charvet, Jean-Paul Anglès, André Mercier, Daniel Busquet, Henri Fillios.

Guatemala

Representative: Manuel Noriega Morales.

Member: Enrique Santa Cruz.

Haiti

Representative: Pierre Rigaud, Minister to Brazil.

Members: Pierre Hudicourt, Jean-Marie Mesidor.

Honduras

Representative: Raúl Alvarado Tróchez, Minister to Brazil.

Members: Pedro Pineda Madrid, Jorge Federico Travieso.

Mexico

Representative: Antonio Martínez Báez.

Members: Gonzalo Robles, Fernando Zamora, Armando C. Amador, Alfredo Gutiérrez.

Netherlands

Representative: C. H. H. Jong Baw.

Members: Richard H. Fein, H. S. Radhakishun.

Nicaragua

Representative: Luís Augusto Cantarero.

Members: Efraín Castillo Borge, Jorge Ulises Chévez.

Panama

Representative: Eduardo MacCullough.

Paraguay

Representative: Augusto Urbieta Fleitas.

Members: Victor González, Rodolfo Núñez, Julio C. Colberg.

Peru

Representative: Emilio Barreto.

Member: Ricardo E. Caverio.

United Kingdom

Representative: Geoffrey Harington Thompson, K.C.M.G., Ambassador to Brazil.

Members: W. Godfrey, C.B.E., L. C. Mackenzie, G. H. S. Jackson.

United States of America

Representative: Merwin L. Bohan.

Members: Robert E. Asher, James C. Corliss, Edmund H. Kellogg, Fred B. Smith, George Wythe, Robert P. Terrill, Jean Jackson, Kathryn Wylie.

Uruguay

Representative: Giordano Bruno Eccher, Ambassador to Brazil.

Members: Aurelio Pastori, Alfredo L. Weiss, Adolfo Tejera, Jorge Barreiro, Julio Iturbide.

Venezuela

Representative: Antonio Casas Briceño.

Members: Carlos Eduardo de la Madriz, Bartolomé Antonio Alamo.

(c) Representatives of Specialized Agencies

International Labour Office: P. Silberer, Pericles de Souza Monteiro.

Food and Agriculture Organization: W. G. Casseres, V. Marrama, S. van der Recke.

United Nations Educational, Scientific and Cultural Organization: Kurt Forcart.

World Health Organization: M. J. Ferreira.

International Bank for Reconstruction and Development: Harold Larsen.

International Monetary Fund: Jorge del Canto, E. Walter Robichek.

World Meteorological Organization: Francisco Xavier Rodrigues de Souza, José Carlos Junqueira Schmidt.

(d) Representatives of Inter-American Economic and Social Council

Nicasio Silverio, Julio Ernesto Heurtematte, Amos E. Taylor.

(e) Representative of the Caribbean Commission

C. H. H. Jong Baw.

(f) Representatives of non-governmental organizations

Category A

International Chamber of Commerce: Brasílio Machado Neto, Henryk Stebeleski.

International Confederation of Free Trade Unions: João Batista de Almeida, Angelo Parmigiani, Joviano de Araújo.

International Co-operative Alliance: Fabio Luz Filho.

World Federation of Trade Unions: Américo Lázaro Peña, Roberto Morena, Ramiro Luchesi.

Category B

Commission of the Churches on International Affairs: Jesué d'Afonseca, Andrew Mouravieff, Edgar Chandler.

Inter-American Council of Commerce and Production: Abelardo Vilas Boas.

Inter-American Federation of Automobile Clubs, International Automobile Federation, International Touring Alliance: Sylvio A. Santa Rosa, Juvenal Murтинho Nobre.

Inter-American Statistical Institute: Jorge Kingston.

International Catholic Migration Commission: Francisco Cantuti Castelvetti.

International Committee of Schools of Social Work: Theresa M. Porto da Silveira.

International Conference of Catholic Charities: Francisco Cantuti Castelvetti.

International Fiscal Association: Gilberto de Ulheia Canto.

International Labour Assistance: Domingo Velasco.

International Organization for Standardization: Márie Brandi Pereira.

International Road Federation: Francisco Saturnino Brága, José Carro.

International Union of Family Organizations: Pedro Paulo Paes de Carvalho.

Lions International: Arnaldo de Morais, Armando Fajardo.

South American Petroleum Institute: Leopold Américo Miguez de Mel.

World's Alliance of Young Men's Christian Associations: A. Hugo Grassi.

World Jewish Congress: Salomón Steinberg.

3. ORGANIZATION OF THE WORK OF THE FIFTH SESSION

(a) Officers

136. The following officers were elected:

Chairman: Euvaldo Lodi (Brazil).

First Vice-Chairman: Gabriel Landa (Cuba).

Second Vice-Chairman: Nestor Cevallos Tover (Bolivia).

Rapporteur: Giordano Bruno Eccher (Uruguay).

(b) Ad Hoc Committees

137. At the 45th meeting, at the close of the general debate, it was agreed to establish six *ad hoc* committees. The agenda items and background documents (see section B below) assigned to each committee, as well as the officers for each committee elected by the Commission, are given below:

Committee I (Current Economic Situation and Prospects)—*Chairman:* Ovidio Santos Ventura (Argentina); *Rapporteur:* Antonio Casas Briceño (Venezuela). Agenda item considered: 4.

Committee II (Economic Development and Technical Assistance)—*Chairman:* Antonio Martínez Báez (Mexico). *Rapporteur:* Roberto MacCullough (Panama). Agenda items considered: 5, 8 and 10.

Committee III (Industries)—*Chairman:* Alberto Sepúlveda Contreras (Chile). *Rapporteur:* Luis Augusto Cantarero (Nicaragua). Agenda items considered: 6 and 7.

Committee IV (Agriculture)—*Chairman:* Ricardo Crespo Ordoñez (Ecuador). *Rapporteur:* Rafael Glower Valdivieso (El Salvador). Agenda item considered: 9.

Committee V (Intra-Regional Trade)—*Chairman:* Augusto Urbieta Fleitas (Paraguay). *Rapporteur:* Abelardo Vilas Boas (Brazil). Agenda item considered: 11.

Committee VI (Co-ordination with the Inter-American Economic and Social Council)—*Chairman:* Manuel Noriega Morales (Guatemala). *Rapporteur:* Lionel de Tinguy du Pouet (France). Agenda item considered: 13.

B. Agenda

138. The Commission at its meeting on 10 April adopted the following agenda:

1. Opening addresses.
2. Election of officers.
3. Adoption of the agenda.
4. Current economic situation and prospects:
 - (a) Trends in production and the rate of development;
 - (b) Inflationary tendencies;
 - (c) Trends in exports and imports;
 - (d) Price movements of export commodities and the terms of trade;
 - (e) Payments problems—changes in reserves and

short-term assets and credit; changes in the pattern of payments with particular reference to Europe; Latin America and the EPU.

Background documents: *Economic Survey 1951-52* (E/CN.12/291/Rev.1); *A Study of Trade between Latin America and Europe*—prepared by the ECLA/ECE/FAO secretariats (United Nations publications Sales No.: 1952.II.G.2); "Possibility of effecting multilateral compensation settlements between Latin-American and European countries through the facilities of the European Payments Union," prepared by ECLA consultant (E/CN.12/299); General Assembly resolution 623(VII) on "Financing of economic development through the establishment of fair and equitable international prices for primary commodities and through the execution of national programmes of integrated economic development".

5. General problems of economic development and methods of programming.

Background documents: Preliminary Study on Technique of Programming Economic Development (E/CN.12/292); "Study on Economic Development of Ecuador" (E/CN.12/295); "Study of Taxation in Capital-Exporting and Capital-Importing Countries of Foreign Private Investment in Latin America," prepared by the Fiscal Division, United Nations Department of Economic Affairs (E/CN.12/298); "Technological Research and Technical Training in Latin America—A preliminary pilot study, with reference to Chile," prepared by the Secretariat with assistance of a group of experts (E/CN.12/300); General Assembly resolution 627(VII) on "Activities of regional economic commissions and economic development of under-developed countries".

6. Development of iron and steel industry in Latin America.

Background documents: *Economic Survey 1951-52* (E/CN.12/291/Rev.1)—Chapter on Industry and Mining; "Study on Iron and Steel Industry" and "Report on Meeting of Experts sponsored by ECLA and TAA" (E/CN.12/293).

7. Production and consumption trends of paper and pulp and Latin-American resources for development of paper and pulp industry.

Background document: "Preliminary Study of Possibilities for the Development of the Pulp and Paper Industry in Latin America", prepared jointly by ECLA/FAO secretariats (E/CN.12/294).

8. Economic development and integration of Central America.

Background documents: "Progress Report on Economic Integration and Reciprocity Programme in Central America" (E/CN.12/296 and Add. 1 and 2); "Progress Report on ECLA/TAA Technical Mission on Transportation Problems of Central America" (E/CN.12/297); General Assembly resolution 627(VII) on "Activities of regional economic commissions and economic development of under-developed countries".

9. Economic problems of agriculture (ECLA/FAO joint work programme). Factors affecting agricultural production and development and their relation to over-all development programming in individual countries.

Background documents: *Economic Survey 1951-52* chapter on agriculture (E/CN.12/291/Rev.1); *A Study of Trade between Latin America and Europe*, prepared by the ECLA/ECE/FAO secretariats (United Nations publication, Sales No.: 1952.II.G.2); "Agricultural Credit Seminar in Central America", report prepared by FAO, ECLA and the Government of Guatemala (E/CN.12/305); "Study on Economic Development of Ecuador" (E/CN.12/295); "Analysis of some factors which act as an obstacle to the increase of agricultural production; a specific investigation based on sampling technique", prepared by ECLA/FAO secretariats (E/CN.12/306); "Relationship of Agriculture to the Economy of Brazil", prepared by FAO/ECLA secretariats (E/CN.12/307); "Progress Report on ECLA/FAO Collaboration" (E/CN.12/309); General Assembly resolution 625(VII) on "Land reform".

10. Technical assistance for economic development.

Background documents: "United Nations (Technical Assistance Administration) technical assistance activities in the ECLA region", report by TAA (E/CN.12/301); "Technical Assistance activities under the expanded programme in the countries of the ECLA region", information paper prepared by secretariat of TAB (E/CN.12/302); "Report on ECLA/TAA Economic Development Training Programme" (E/CN.12/303); "Progress Report on Economic Integration and Reciprocity Programme in Central America" (E/CN.12/296); "Progress Report on ECLA/TAA technical mission on transportation problems of Central America" (E/CN.12/297); "Study on Iron and Steel Industry and Report on Meeting and Experts sponsored by ECLA and TAA" (E/CN.12/293); General Assembly resolution 621(VII) on "Expanded Programme of Technical Assistance for the economic development of under-developed countries".

11. Problems of intra-regional trade and possibilities of expanding trade among the southern South American countries (Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay).

Background document: Preliminary study prepared by the secretariat (E/CN.12/304).

12. Work programme and priorities 1953-1954.

General Assembly and Economic and Social Council resolutions on priorities and co-ordination of the work of the United Nations and the Specialized Agencies—with covering note by the Executive Secretary (E/CN.12/310); "Work Programme and Priorities 1953-1954." Statement by the Executive Secretary (E/CN.12/328).

13. Co-ordination with IA-ECOSOC.

Memorandum by Executive Secretary (E/CN.12/311 and Add.1/Rev.1); Report of Fourth Meet-

ing of the Co-ordination Committee at the Secretariat Level (E/CN.12/320).

14. Consultative arrangements with non-governmental organizations.

Memorandum by Executive Secretary (E/CN.12/312).

15. Consideration and adoption of the annual report of the Commission to the Economic and Social Council.

16. Date and place of sixth session of the Commission.

C. Account of proceedings

INTRODUCTION

139. At its fourth session, held at Mexico City in June 1951, the Commission had expressed the view that, in the process of effectively entering "the field of concerted inter-governmental action", its work had "reached the stage where the Commission could assume the practical and highly useful rôle of making recommendations to member Governments."

140. It has been evident, from the discussions and results of the fifth session, that the Commission has, during the past two years, entered into the field of practical action, and that the Latin-American Governments consider the Commission an important regional organization which has now become an efficient instrument for concerted inter-governmental action in the region, and, owing to its character as a United Nations body, is in a position to assist member Governments in orientating their international economic relations with other areas of the world. As may be seen from the following account of the debates and decisions taken during the session, the discussions dealt in an effective way with substantive matters of immediate concern to governments. Generally speaking, the delegations indicated their appreciation and satisfaction with the studies and reports that had been prepared by the secretariat and which proved to be a solid basis for discussion. Although the session took up a rather wide range of subjects, the principal issues centred on concepts related to the technique of economic development programming and the need to accelerate the rate of economic growth through industrial expansion and promotion of intra-regional as well as international trade. In this connexion the Commission called for intensification of studies of iron and steel (including transforming industries), paper and pulp, and chemical and other industries. An important feature of the work in this field was the decision to investigate the possibilities of establishing processing industries utilizing local raw materials.

141. The project relating to the processing of raw materials was closely linked with the discussion of terms of trade, which led to the unanimous adoption of a resolution (46(V)) which in many respects was a unique and remarkable accomplishment in bringing together widely divergent points of view of primary producing and highly industrialized countries.

142. The Commission's activities in Central America were wholeheartedly endorsed and satisfaction was expressed with the progress achieved under the United Nations Expanded Programme of Technical Assistance.

143. While the work programme, as approved at the fifth session, contains a number of new projects, these are all related to the basic continuing long-range programme laid down at the fourth session. The following account of the discussions and action taken by the Commission during the fifth session is based mainly on the reports of the six *ad hoc* Committees which worked intensively on the agenda items assigned to them.

I. CURRENT ECONOMIC SITUATION AND PROSPECTS (COMMITTEE I)²

(a) *The balance of payments situation*

144. With reference to the relevant chapters of the *Economic Survey of Latin America, 1951-52* (E/CN.12/291/Rev.1), several delegations referred to the present balance-of-payments situation of the Latin-American countries and, in particular, to the level of monetary reserves which, according to some delegations, currently points to the difficulty of maintaining the rate of economic development experienced during recent years. Attention was drawn to differences in the situation of specific countries, but most countries were evidently interested in possible changes in conditions abroad which might increase the flow of foreign exchange to Latin America. Stress was laid on the fall in prices of many primary products during the last two years and on changes in the direction of trade and on the balances of payments both with the dollar area and with the area of inconvertible currencies.

(b) *Multilateral compensation settlements*

145. For several years, one aspect of the balance-of-payments situation has been the trend towards bilateral settlements, with effects on the volume of trade which have not always been favourable. Complying with previous resolutions adopted by the Commission, the secretariat submitted a document prepared by a consultant concerning the possibilities of effecting multilateral compensation settlements between Latin-American and European countries through the facilities of the European Payments Union (E/CN.12/299). On the basis of this study, there was detailed discussion of the question of seeking solutions in the field of multilateral compensation settlements which would bring about increased trade between Latin America and Europe. Attention was drawn to the fact that there was still insufficient specific information on balances of payments for reaching a definite conclusion, and furthermore, that it was very important to consider the possibility of effecting compensations between the Latin-American countries themselves. A resolution (47(V)) was adopted recommending that governments provide the secretariat with the information required for continuing the studies on the subject, and recommending that the secretariat work in collaboration with the interested international bodies and submit its findings to the Commission's member States.

(c) *Trade between Latin America and Europe*

146. Another resolution adopted (45(V)) recommends that, in view of the interest aroused by the

² See Summary Records E/CN.12/AC.18/SR.1 to 10, and the report of the Committee's Rapporteur (E/CN.12/AC.18/5/Rev.1).

joint study carried out by the secretariats of ECLA, ECE and FAO concerning trade between Latin America and Europe (E/CN.12/225, see paragraphs 65 to 67 above), it would be of interest to continue studying the evolution of such trade, together with that carried on with other world industrial centres. The purpose of such studies would be to estimate future reciprocal demand for manufactured products, especially capital goods, and raw materials, taking into account any changes in the commodity pattern of trade.

(d) *Terms of trade*

147. The recent worsening of the terms of trade, together with trends in the volume of exports, was the object of deep concern on the part of a large number of delegations. The ensuing debates nevertheless showed differences of opinion between the delegations of industrial countries on the one hand and those of the Latin-American countries on the other, concerning the importance of these events and their influence on economic development. Five draft resolutions were submitted, and a long debate ensued in which the issues were clarified. Some delegations thought that the Commission should not express an opinion on the matter before seeing the report of the group of experts designated by the Secretary-General of the United Nations under General Assembly resolution 623 (VII). Most of the delegations considered it desirable that the Commission should request the secretariat to examine the various aspects of the problem, which were of special interest to Latin America, including the advisability of encouraging the processing of raw materials hitherto exported in crude form, the effects of competition of synthetic substitutes and of crops introduced into traditionally importing countries, the problems relating to the marketing of basic products, and the desirability of making multilateral commodity agreements. They also felt that it would be appropriate to make recommendations to the governments of both Latin-American and industrial countries. After comprehensive discussion in a spirit of full understanding and co-operation, concrete points were clarified, and a resolution (46(V)) acceptable to all delegations was adopted, without implying any prejudice to the principles maintained by the respective countries during earlier discussions.

(e) *The annual Economic Survey*

148. This document, which served as the basis for a good part of the Committee's work, was the object of general praise and also of comments by some delegations which did not agree with some of the conclusions and statistics appearing in the *Survey*. A resolution (44(V)) was adopted which took note with satisfaction of the document, requested the secretariat in future to broaden the treatment of subjects not sufficiently covered, and recommended that governments provide the necessary information through the competent channels. The secretariat was also asked to take into account the observations made in the course of the debate, and to include in future editions of the *Survey* an explanation of the statistical concepts and methods employed. At the end of the discussion, the Executive Secretary expressed appreciation of the constructive spirit of the resolution and said that he would receive with great pleasure any observations and

take them into account in forming a final judgment on the statistics and conclusions contained in those parts of the *Survey* where discrepancies were reported, for the purpose of progressively improving future surveys.³

II. ECONOMIC DEVELOPMENT, TECHNICAL ASSISTANCE AND RELATED MATTERS (COMMITTEE II)⁴

(a) *Technique of programming economic development*

149. The discussion of this subject was of great importance in view of the number and scope of the economic problems studied. The Commission unanimously recognized the remarkable interest in and timeliness of the secretariat's preliminary study on the technique of programming economic development (E/CN.12/292). Its theoretical basis and its general structure were carefully analysed. It was generally felt that the present rate of economic growth in Latin America as a whole and in many individual countries was inadequate and that the application of integrated development policies was one of the most effective means of accelerating economic development. It was strongly hoped that the secretariat would continue its research in this field and that governments would participate in perfecting the work by contributing information concerning their experience and also offering their criticisms and suggestions for further improving the work carried out by the secretariat. Many delegations were anxious that, in the continuation of the studies of the technique of programming, the problems relating to implementation of programmes, particularly those dealing with the necessary fiscal, monetary and foreign trade policies, should be investigated.

150. The Commission took note of the statement made by the Brazilian representative that the Economic Development Bank of his country had requested the Executive Secretary of the Commission to co-operate with it in carrying out a study of the data required for formulation of an economic development programme for Brazil, in keeping with the basic features of the method outlined in the above-mentioned document. Lastly, it was realized that the secretariat studies dealing with this subject should be submitted at the proper time to a group of experts from Latin America and other regions for their consideration. A resolution (48(V)) was adopted.

(b) *Technical Assistance*

151. Delegations were in agreement in emphasizing the keen interest shown by their countries in the United Nations Expanded Programme of Technical Assistance.

152. The debate stressed the need for co-ordinating technical assistance activities, both in the national and international sphere. In this connexion, several delegations mentioned that their governments had established organizations for the purpose of co-ordinating their internal technical assistance activities.

³ One delegation formulated reservations to the resolution with regard to the chapters in the *Economic Survey of Latin America* which referred to its country, because it considered that certain errors were made and certain conclusions arrived at which did not reflect the true tendency of the national economy.

⁴ See Summary Records E/CN.12/AC.19/SR.1 to 10 and the Rapporteur's report (E/CN.12/AC.19/10).

153. Attention was drawn to the desirability of ensuring continuity in carrying out technical assistance programmes. It was pointed out that the present method of financing the Expanded Programme of Technical Assistance by means of voluntary annual contributions was hampering the attainment of that aim.

154. The close relationship between economic development and technical assistance was emphasized. Several delegations felt that the ECLA studies of the technique of programming and economic development would be most helpful in determining the requirements for technical assistance in the various countries.

155. The majority of delegations expressed concern at the financial difficulties which might hamper the organized programme of technical assistance during the current year. A resolution (51(V)) covering these and other points was adopted.

(c) *Economic integration of Central America*

156. The Commission heard with special interest the views of delegations on the progress achieved in the execution of the programme for economic integration of Central America, acknowledged the invaluable contribution made by the Committee on Economic Co-operation of the Ministers of Economy of Central America and the ECLA secretariat to the work undertaken in this field, and recommended the continuation of the studies and tasks which are necessary in order to continue the work of economic integration (resolution 50(V)). The Central American delegations pointed out that occasional political differences in no way affected the intention of their governments to carry out the work already begun. Their countries fully realize—and that realization is daily growing stronger—that economic integration is a necessary preliminary to an accelerated economic development of the region.

(d) *Technological research*

157. The secretariat's report on technological research and technical training in Latin America (E/CN.12/300) was carefully considered. The Commission recommended that, with a view to broadening the secretariat's studies, account should be taken of the relationships between technological research institutes and technical colleges (resolution 53(V)).

(e) *Taxation of foreign private investment*

158. A prolonged discussion took place which emphasized the difference still existing between the points of view of capital-importing and capital-exporting countries. It was however, possible, thanks to the spirit of friendly co-operation which was displayed by all delegations, to embody the consensus of the Commission in a unanimous resolution (52(V)) which recommends the continuation of secretariat studies of the subject.

(f) *Studies of economic development of individual countries*

159. The Commission considered the secretariat's study on the economic development of Ecuador (E/CN.12/295) and analysed carefully some of its fundamental aspects and major conclusions. The Commission felt that it should draw attention to the fact that this type of study was fundamental to the preparation of economic development plans (resolution 49(V)).

(g) *Distribution of income in relation to economic development*

160. The Commission adopted a resolution (54(V)) recommending to the governments that, in preparing and carrying out economic development programmes, they should bear in mind that any increase in a country's real income should benefit the entire population equitably.

(h) *Economic integration*

161. The problem of the gradual and progressive integration of the Latin-American economies discussed at previous ECLA sessions, was the subject of full debate. The discussion had the useful effect of emphasizing, on the one hand, the importance that every delegation attaches to the objective of economic integration and, on the other, their points of view on the more substantive question of the necessity of integrating the economies of the region. The discussion found concrete expression in a resolution (55(V)) adopted by the Commission which recommends that the secretariat should investigate the advantages and possibilities offered by Latin-American economies for the achievement of a gradual and progressive integration.

(i) *Development of the tourist trade*

162. The Commission considered the importance of the tourist trade as a means of intensifying economic development, as well as of drawing peoples together culturally and politically. The Commission requested the secretariat to co-operate with other bodies dealing with this question (resolution 56(V)).

III. STUDIES OF SPECIFIC INDUSTRIES
(COMMITTEE III)^a

(a) *Scope for ECLA activities in the field of research on specific industries*

163. The studies submitted to the fifth session of ECLA, and more particularly the Executive Secretary's statement (see appendix B) at the first plenary meeting set forth the reasons for intensifying the industrial development of Latin America. Many countries will have to replace imports of industrial goods by equipment and other capital goods necessary for their industrialization and the technical improvement of their agriculture. This substitution can only proceed step by step, starting with those sectors where an adequate supply of raw materials is available and where demand is such that domestic production proves to be the most advantageous solution. These sectors will not necessarily be the same in the different countries.

164. Clearly, for the purpose of the development of specific industries, a thorough analysis of the conditions prevailing in the region is required. This should cover the possible costs of production, investment requirements, conditions of competition between domestic and imported goods, and the possible saving of foreign exchange through substitution of imports by national production. The Commission at its fifth session, therefore devoted considerable attention to the study of specific industries, particularly iron and steel, paper and

pulp, basic chemical products and non-ferrous metals and to the inventories of the corresponding natural resources.

165. The secretariat's study on the iron and steel industry (E/CN.12/293, see paragraphs 42 to 46 above) is the first detailed analysis of this type and serves to illustrate the possibilities of intensive research on specific industries. It is, in fact, an integrated study of the technical and economic factors that influence the iron and steel industry in all those Latin-American countries which offer some prospects for its establishment. Like any first experiment, it suffers from many shortcomings; the figures arrived at and stated to be typical of the costs, merely reflect the influence exerted on production and investment costs by the diverse local factors prevailing in the different countries.

166. Quite apart from the economic data which it yielded and which are set forth in the study, the Meeting of Experts on the Iron and Steel Industry in Latin America, held in Bogota in October 1952, the report on which is included in the same document E/CN.12/293, was a unique opportunity for considering a series of technical problems hampering the development or raising the cost of production in Latin America, the latter feature being chiefly a consequence of the characteristics of the available raw materials and of narrow markets.

167. The Bogota meeting had the benefit of the co-operation of experts from countries where similar conditions are encountered. The solutions offered by these experts for the various problems are of great help to the Latin-American countries; these solutions open up new vistas for the utilization of many of the region's raw materials. Furthermore, the contacts established by the Latin-American experts will help to increase their specialized knowledge. The technical and economic studies collected in this way will form a valuable source of reference material both for economists and for the experts directly concerned.

168. At the same time this type of study, which is indispensable for a thorough estimate of the prospects of the region's industrial development, represents a positive means of fostering the development of the Latin-American countries, extending the sources of their raw material supplies and enabling them to raise the productivity of existing industry.

169. Although with the completion of the study and with the Bogota meeting, the original purpose which the secretariat had set itself in the field of iron and steel had been achieved, the industries covered by the study and the organizations and experts who participated have realized the advantages of international co-operation for the solution of many of their problems. In keeping with this realization, one of the Commission's resolutions (57(V)) requests the Executive Secretary to continue and broaden research and co-operative action in this field. A programme was set forth which may be used as an agenda for a second meeting of experts, including an item relating to the iron and steel transforming industries.

170. It is pointed out that some of the subjects suitable for continuing international co-operation in the field of iron and steel in Latin America are: the compilation and dissemination of statistical data; the

^a See Summary Records E/CN.12/AC.20/SR.1, 2 and 3 and Rapporteur's report (E/CN.12/AC.20/5/Rev.1).

analysis and dissemination of technical information; the study of existing industry and of programmes of industrial expansion; the study of norms and standards and the like.

171. In connexion with the matters referred to in the foregoing paragraph and also as regards incentives for the development of iron and steel transforming industries, the co-operation of governments is desirable. Resolution 57(V) authorizes the Executive Secretary to convene a committee of experts to examine the studies prepared by the secretariat and to advise him in planning future work programmes.

172. The resolutions adopted by the Commission with respect to the possibilities of developing other industries (58(V) and 59(V)) include a recommendation that the relevant studies should be prepared by the secretariat and that, at least in the case of paper and pulp, they should be discussed at meetings of experts similar to that held at Bogota.

(b) *Decisions adopted on studies of specific industries*

173. (i) *Iron and steel and mining.* Resolution 57(V) notes with approval the secretariat's studies and the results of the Bogota meeting and recommends that the Executive Secretary continue and broaden these studies. It singles out some specific points as being so important that they should be included in future studies, viz.: the collection and dissemination of statistical data and of technical information; standardization of technical terminology, units of measurement and indices for quality control of products, and of the various phases of production. It recommends that the Executive Secretary should, when he considers it desirable, and in co-operation with governments, the Technical Assistance Administration and the specialized agencies interested, convene a committee of experts to advise the secretariat in the analysis of past studies and concerning the continuation of research. Lastly, as a reflection of the general appreciation of the advantages of meetings like that held in Bogota, it also recommends a series of specified studies representing an agenda for a second meeting of iron and steel experts. In addition, the resolution recommends that when resources permit a study of the mining and metallurgy of non-ferrous metal ores should be prepared.

174. (ii) *Paper and pulp.* Resolution 58(V) reflects the interest which this subject aroused among the delegations. Its operative part recommends that the research undertaken in conjunction with FAO should be continued, with emphasis on certain specified points. In addition, it recommends that the Executive Secretary should organize a meeting, to be attended by experts with specialized knowledge of the paper and pulp industry in Latin America and by specialists from other parts of the world, to examine the results of the above research work and to consider the economic and technical aspects of the industry.

175. (iii) *Chemical industry.* Resolution 59(V) reaffirms and extends the scope of an earlier resolution adopted at the fourth session and gives special emphasis to two groups of products, viz.: acids and alkalis. It recommends that the secretariat should also study the products which correspond to the largest imports in this field in the region as a whole.

176. (iv) *Inventory of non-agricultural natural re-*

sources. Resolution 60(V) recommends, as a first step towards an appraisal of non-agricultural natural resources, that the secretariat should prepare, in co-operation with governments, a compilation and classification of available data on non-agricultural natural resources in Latin America.

IV. ECONOMIC PROBLEMS OF AGRICULTURE
(COMMITTEE IV)*

(a) *Highlights of the discussion of economic problems of agriculture*

177. Among the many important matters discussed by the Commission regarding economic problems of agriculture in Latin America, the problem of agrarian structures (land tenancy, size of farms, and other institutional factors) received special attention. It was felt that agrarian structures are an element of fundamental importance which should be taken into account in ECLA's studies on programming economic development in the Latin-American countries.

178. The Commission reviewed the present agricultural situation in the different countries, showing special interest in the work of the secretariat on various aspects of the Latin-American agricultural economy which had not been sufficiently analysed in the past. It took note with special interest of the chapter on agriculture in the *Economic Survey of Latin America, 1951-52*; of the study on factors affecting agricultural production which was carried out through a field investigation in the Central Valley of Chile (see paragraphs 60, 61 and 62 of this report); and of the study of Ecuador's agricultural progress in relation to its over-all economic development. Several delegations made suggestions as to how the secretariat might improve studies of this type.

179. In the course of the discussions, delegations expressed their concern over the fact that investment in agriculture, like energy and transport, has lagged behind the rate of investment in other sectors of the Latin-American economy. If the terms of trade should worsen and lead to an even lower rate of investment, serious dislocations would result in agriculture, energy and transportation. This would be especially serious in the case of agriculture, where other factors besides the lag in investment have accounted for a slow increase of production in relation to population growth, and for a reduction in exportable surpluses. Delegations particularly mentioned the problems confronting certain countries as a result of the decline in the production of some agricultural items and of the necessity to increase food imports.

180. The Commission examined national agricultural development programmes and activities and the agricultural production goals established by some countries. It is evident that very significant results are being obtained in the field of agricultural research and that there has been considerable expansion of government credit and government extension services. Moreover, governments have adopted various measures for encouraging production through the establishment of subsidies and minimum prices. However, it is observed that, in most cases, agricultural development policies are formed in-

* See Summary Records E/CN.12/AC.21/SR.1 to 8 and Rapporteur's report (E/CN.12/AC.21/9).

dependently from other sectors of the economy or, at least, in the absence of a general investment programme.

181. In connexion with problems of Latin-American agriculture which require more attention, the Commission referred to the cultivation and marketing of coffee as an important factor in the economic development of producer countries. The nature of the coffee crop is such that the mechanization of important phases of production, especially harvesting, is extremely difficult at the present level of techniques, and this results in a very low output per manpower input. This condition tends to maintain large sectors of low-income population who contribute little to the formation of an effective demand for manufactured products, and thus constitute an obstacle to industrial development and general economic progress.

182. Finally, considering that one of the principal objectives of economic development is a higher living standard for the farm worker and his family and the improvement of his institutions, the Commission discussed the possibilities of establishing industries in Latin America to assure greater agricultural productivity, and it agreed that the secretariat should study the possibility of setting up or adding to such industries within a plan for expanding both intra-regional and extra-regional trade.

(b) Decisions taken by the Commission in the field of agriculture

183. As a result of its consideration of agricultural problems, the Commission adopted a series of resolutions relating to: sampling techniques and their use in the study of economic problems of agriculture (61 (V)); country studies on agricultural development (62 (V)); studies of the coffee industry in relation to economic development (63 (V)); agricultural statistics (64 (V)); agricultural credit (65 (V)); land reform (66 (V)); banana industry (67 (V)); and hard fibres (68 (V)).

V. PROBLEMS OF INTRA-REGIONAL TRADE
(COMMITTEE V)¹

1. *Basic concepts underlying the discussions on intra-regional trade*

184. The discussion of these problems was based on the preliminary study prepared by the secretariat (E/CN.12/304, see paragraphs 74 to 81 above) which analyses the characteristics of this trade among the seven southern countries of the continent (Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay). This group of countries now accounts for about 80 per cent of total intra-regional trade.

185. In its consideration of this subject, the Commission had in view the importance of intra-regional trade to the general problem of economic development in the area. The implementation of an industrialization policy is often hampered by the small size of domestic markets, which in many cases cannot support the operation of industries on a scale large enough to give satisfac-

tory economic results. Furthermore, since it is difficult to find export markets for manufactured products in the industrialized countries, Latin America itself logically offers a much easier market for such products.

186. The study submitted by the secretariat shows that, in spite of this, intra-regional trade has been weakening, in contrast to the progress which has been made in economic development. This anomaly is in part explained by the fact that, faced with the necessity of selectively restricting imports so as to provide sufficient foreign exchange for imports of capital goods needed for accelerating the rate of development, Latin-American countries have applied restrictions among themselves which are employed for trade with other areas.

187. There are also other contributing factors, many of them bound up with problems of commercial or payments policies. One of these is the fact that a shortage of foodstuffs coincided with balance-of-payments deficits in some countries of the region which have not been able to build up a sufficient export trade with the suppliers of these foodstuffs.

188. In considering payments problems, several factors were mentioned which exercised an adverse influence on intra-regional trade; such as price differentials for the same product being exported to two or more countries; the lack of parity between various national currencies, and in general the absence of a system of multilateral compensation.

189. On the basis of the secretariat's study, the Commission also discussed problems of maritime transport.

190. Commercial policy was considered one of the principal problems affecting the possibility of encouraging a vigorous intra-regional trade. Firstly, Latin-American countries require a commercial policy which would help them in sustaining their raw material exports to the world market. Secondly, in their anxiety to protect nascent industries they adopt restrictive policies with regard to imports of certain manufactured products. These restrictions, when applied piecemeal, work against the promotion of trade within Latin America itself. It can therefore be seen that it is essential to formulate a common commercial policy which would take into consideration both the requirements of economic development in each country and the benefits which can flow from greater intra-regional trade.

2. *Resolution on intra-regional trade*

191. The Commission approved a resolution (69(V)) referring to three important questions: commercial policy, transport, and the situation of the land-locked countries of the area.

(a) *Commercial and payments policy*

192. With reference to commercial and payments policy to which the first part of the resolution refers, there is a fundamental recommendation which relates to the work to be undertaken by the secretariat. It underlines the need for broader investigations into co-operation between the Latin-American countries in the matter of commercial policy and into the possibilities of devising practical solutions facilitating the development of this trade. It is recommended that this broader research should be accompanied by a secretariat

¹ See Summary Records E/CN.12/AC.22/SR.1 to 7 and Rapporteur's report (E/CN.12/AC.22/2).

study of the prospects of laying the basis for a commercial policy applicable to intra-regional trade.

193. The recommendation contains seven specific items ranging from general matters, such as problems arising out of the payments mechanism, to more particular aspects of trade, such as the study of the possible simplification of the administrative procedures applied to commercial transactions among the Latin-American countries. Under one of these points it was intended to give expression to the different opinions expressed concerning the possibilities of more extensive intra-regional trade based on the exchange of raw materials and manufactured goods, produced now or henceforth in Latin America. One view expressed related to the importance of a comprehensive study leading to a more exact appraisal of the possibilities offered by consumer and supplier markets in Latin America. It was also pointed out that any analysis of this aspect of intra-regional trade should take account of imports from other regions.

194. In the Commission's discussions it was pointed out in particular that in the economic development plans of each Latin-American country, special importance should be attached to the possibility of fixing production targets for certain manufacturing industries which could supply a wider Latin-American market near the domestic market.

195. For the purpose of setting up these targets, more reliable specific studies are required concerning processed goods and raw materials now being traded among the Latin-American countries or likely to enter intra-regional trade in the future.

196. Accordingly, it was felt that trade agreements relating to specific products may represent a first step leading to broader intra-regional trade, and hence it was thought that a study of the means conducive to such agreements ought to be prepared.

197. Section 2 of the resolution recommends that the secretariat, in its surveys of intra-regional trade, should consider the effects which the application of the General Agreement on Tariffs and Trade (GATT) may have on the increase of that trade, in the light of the fact that the position of the countries parties to this Agreement differs from that of the countries which are not.

198. The unanimous wish was expressed that the question of payments should be dealt with more broadly. It was emphasized that a system for the settlement of the commercial balances of the Latin-American countries might, through the adoption of a homogeneous policy, yield the means of partly remedying the present position. Accordingly, it was recommended, in the light of the preliminary conclusions set forth in document E/CN.12/304, that the secretariat should study incentives to encourage exports by countries suffering from a shortage of foodstuffs to the countries supplying foodstuffs.

(b) Problems of transport and frontier traffic

199. The problems of maritime transport are dealt with in section 3 of the resolution (69(V)). The preliminary study referred to above (E/CN.12/304) contains a special chapter about maritime transport problems as they affect the countries of southern South America; it brings out the connexion between the level

of intra-regional trade and the problem of transport. In view of the influence of the freight rates charged for commodities entering into trade, and of the possibilities of a better utilization of national merchant marines, it was felt that this subject should receive attention. Although it was touched upon in the preliminary study, some of the aspects of this question require more thorough analysis. It was also pointed out that some related problems, such as harbour regulations, free zones, bonded warehouses and (to the extent compatible with the terms of reference) frontier traffic, should be analysed.

(c) Position of the land-locked countries of Latin America

200. In keeping with the general purpose of the study to be prepared by the secretariat under resolution 20 (IV) adopted at ECLA's fourth session, and the present resolution 69 (V), it was unanimously agreed that, in view of their geographical position, the land-locked countries had peculiar problems which required special attention.

(d) Meeting of experts

201. Lastly, the secretariat was authorized to organize special meetings of experts, when necessary, for the purpose of discussing topics to be specified by it. In addition to adopting the specific recommendations contained in the resolution, the wish was expressed that a study of intra-regional trade covering all Latin America should be undertaken and kept up to date, reports thereon to be submitted at future sessions of the Commission.

VI. CO-ORDINATION WITH INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL (COMMITTEE VI) ^a

202. The Commission took note with special interest of the third and fourth meetings of the Committee on Co-ordination at secretariat level held respectively in Washington in June 1952 and at Hotel Quitandinha, Petrópolis, Brazil, during the fifth session of the Commission, and commended the secretariats of the Commission and the Inter-American Economic and Social Council for what had been achieved in carrying out the resolutions approved by the two organizations at their respective sessions of Mexico and Panama in 1951. The Commission suggested that the activities of the Co-ordination Committee at the secretariat level should be continued, taking into consideration the growth and nature of the work of the two organizations.

203. With respect to co-ordination at the government level, the Commission was informed of the exchange of letters between the Director-General of the Organization of American States and the Executive Secretary of the Commission, an account of which is given in paragraphs 122 to 129 of this report (see also E/CN.12/311/Add.1/Rev.1). It approved the position adopted by the Executive Secretary in his correspondence with the Director-General of the Organization of American States and recommended that he take into account the desirability of scheduling, as a general

^a See Summary Records E/CN.12/AC.23/SR.1 to 3, and Rapporteur's report (E/CN.12/AC.23/2/Rev.1).

rule, the Commission's sessions and the extraordinary meetings of the Inter-American Economic and Social Council, so as to ensure a calendar of meetings making provision for adequate intervals between their major conferences (resolution 70 (V)).

VII. RELATIONS WITH NON-GOVERNMENTAL ORGANIZATIONS

204. The Commission decided (resolution 71 (V)) to amend its rules of procedure with respect to non-governmental organizations in accordance with the recommendations of the Economic and Social Council. The rules of procedure, as amended, are attached to this report as appendix D.

VIII. INTER-AGENCY REGIONAL CO-ORDINATION COMMITTEE ON MIGRATION

205. The Commission took note of the report of the Inter-agency Regional Co-ordination Committee on Migration (E/CN.12/323).

IX. DATE AND PLACE OF SIXTH SESSION

206. The Commission accepted the generous invitation

of the Government of Colombia to hold the sixth session in Bogota. The resolution (72 (V)) provided that the date should be fixed by the Executive Secretary, in consultation with the Chairman of the Commission, in the light of decisions by the Economic and Social Council of the United Nations regarding its calendar of meetings. During the debate on this subject, the Executive Secretary pointed out that, if it were decided to hold the next session in 1955, he would, in consultation with the Chairman, fix a date for a meeting of the Committee of the Whole in 1954, the agenda of which would include a review of the Commission's work programme and the preparation and approval of the annual report to the Economic and Social Council in accordance with the Commission's terms of reference.

X. RESOLUTION FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL

207. The Commission adopted a resolution for action by the Economic and Social Council (see part IV below).

Part IV—RESOLUTIONS ADOPTED AT THE FIFTH SESSION

208. The Commission at its fifth session adopted the following resolutions:

- 44 (V). Economic Survey of Latin America 1951-52.
- 45 (V). Trade between Latin America and industrial countries.
- 46 (V). Terms of trade.
- 47 (V). Multilateral settlements of payments.
- 48 (V). Technique of programming economic development.
- 49 (V). Studies of economic development in individual countries.
- 50 (V). Economic integration of Central America.
- 51 (V). Technical assistance.
- 52 (V). Taxation in capital-exporting and capital-importing countries of foreign private investments in Latin America.
- 53 (V). Technological research and training of experts in Latin America.
- 54 (V). Distribution of income in relation to economic development.
- 55 (V). Economic integration.
- 56 (V). Promotion of tourism.
- 57 (V). Iron and steel industries and mining.
- 58 (V). Pulp and paper industries.
- 59 (V). Chemical industries.
- 60 (V). Inventory of non-agricultural natural resources.
- 61 (V). Sampling techniques and their use in the study of economic problems of agriculture.
- 62 (V). Country studies on agricultural development.
- 63 (V). Studies of the coffee industry in relation to economic development.
- 64 (V). Agricultural statistics.
- 65 (V). Agricultural credit.
- 66 (V). Land reform.
- 67 (V). Problems of the banana industry.
- 68 (V). Hard fibres.
- 69 (V). Intra-regional trade.

70 (V). Co-ordination with the Inter-American Economic and Social Council.

71 (V). Amendments to the rules of procedure.

72 (V). Date and place of sixth session.
Draft resolution for action by the Economic and Social Council.

209. The texts of these resolutions were as follows:

ECONOMIC SURVEY OF LATIN AMERICA

*Resolution 44 (V) adopted on 25 April 1953
(E/CN.12/329)*

The Economic Commission for Latin America

Takes note with satisfaction of the Economic Survey of Latin America 1951-52 (E/CN.12/291/Rev.1), submitted by the secretariat; and

Considering

(a) That it is desirable to complete those topics in the *Survey* which it has not been possible to deal with fully owing to lack of information,

(b) That the considerations and observations made in the course of the debates, as well as the information that countries may submit with regard to the *Survey*, should be taken into account;

Recommends

1. To governments that, through their appropriate agencies, they furnish regularly and periodically to the secretariat, when possible, such available statistical information as the secretariat may require for the *Economic Survey*;

2. To the secretariat:

(a) That whenever necessary for the studies it is carrying out, it send qualified personnel to the various countries in order to collect information and statistical

data and study on the spot the aspects of particular concern;

(b) That it take into account the observations made in the course of the debate, as well as the comments that governments may send to it;

(c) That the *Economic Survey of Latin America* be accompanied by an explanation of the concepts and methods of calculation used in the preparation of statistics included in the *Survey*.

TRADE BETWEEN LATIN AMERICA AND INDUSTRIAL COUNTRIES

*Resolution 45 (V) adopted on 25 April 1953
(E/CN.12/330)*

The Economic Commission for Latin America,

Having examined with interest the studies that the secretariat has submitted on Latin America's foreign trade, in particular the Study of Trade between Latin America and Europe and the Economic Survey of Latin America 1951-52, and

Considering

(a) That it is in the general interest that these studies be continued and broadened in the future,

(b) That important changes in the structure of trade may result on the one hand from the increase in population, the modernization of agriculture and industrialization in Latin America, and on the other from technical and economic evolution in its trading partners, and that it is important that all countries concerned receive guidance on the direction and nature of these possible structural changes,

Requests the secretariat

1. To continue, in co-operation with the secretariats of the various competent agencies of the United Nations, particularly the secretariat of the Economic Commission for Europe, to follow the evolution of trade between Latin America and the principal world industrial centres;

2. To analyse, together with those agencies, the probable development:

(a) Of Latin-American demand for the products of the industrially developed countries, especially the different categories of capital goods;

(b) Of the demand of the industrial countries for the products that are of special concern to Latin America;

3. To examine the possibilities of the respective countries satisfying future demands;

4. To bring the results of these studies to the attention of the various interested countries;

Authorizes the Executive Secretary to consult, if he deems it advisable, with expert working groups to advise him on the different aspects of these studies.

TERMS OF TRADE

*Resolution 46 (V) adopted on 25 April 1953
(E/CN.12/331)*

The Economic Commission for Latin America,

Considering that, among the problems connected with the economic development of the Latin-American coun-

tries, the terms of trade are of particular importance in view of their influence on the rate of economic development,

Having noted the attention given to the movements of the terms of trade by the secretariat in its annual Economic Surveys and also in the various special reports and other documents prepared for the consideration of the Commission,

Recognizing the need to increase the real income of countries in the process of development and that one of the means of doing so would be the promotion of a higher degree of domestic processing of the primary products exported by such countries,

Taking into account General Assembly resolution 623 (VII), whereby, inter alia, the Secretary-General of the United Nations was requested to appoint a group of experts to report on practical measures designed to implement certain of the recommendations relative to the problem of maintaining adequate, just and equitable prices and price relationships in international trade, and

Taking into account also that resolution 32, adopted by the Inter-American Economic and Social Council during its third extraordinary meeting, recommends that the Executive Secretary of that Council should study the terms of trade in inter-American commerce, in co-ordination with the Economic and Social Council of the United Nations and the Economic Commission for Latin America;

Resolves

1. To draw the attention of all member Governments to the results of the studies carried out by the secretariat in connexion with the problem of the terms of trade, to the debates on this subject during the fifth session of the Commission and also to the common desire that these terms of trade should be conducive to progressive economic development in the Latin-American countries;

2. To recommend to the governments of the Latin-American countries that, as part of their economic development policies and in connexion with the terms of trade, they adopt practical measures with a view to encouraging, under conditions of increasing efficiency, the transformation, treating, refining, smelting, manufacturing, or any other form of processing of raw materials which are at present being exported either in a crude or semi-processed state, and that, in order to facilitate the introduction of basic, semi-processed and processed products into world markets, they consider undertaking negotiations with the countries concerned for the purpose of reducing barriers which may hamper or impede trade in such products and of ensuring trade in primary products on a more regular and stable basis;

3. To recommend to the governments of other countries having trade relations with Latin America that they give due consideration to the methods, policies and negotiations to which reference is made in paragraph 2 above; and

4. To request the secretariat:

(a) To continue analysing the problem in all its aspects, according special attention to the effects of changes in the terms of trade on the rate of economic development of the Latin-American countries;

(b) That in its studies on the terms of trade, particular attention be given to:

- (i) The measures which would contribute to carrying into effect policies to encourage the transformation, treating, refining, smelting, manufacturing or other processing, under conditions of increasing efficiency, of raw materials now being exported by the Latin-American countries either in a crude or semi-processed state, taking into account the repercussions of such policies on both the exporting and importing countries;
 - (ii) The effect exercised on the export proceeds of primary products by competition from synthetic substitutes and by agricultural crops introduced into countries which traditionally imported these products and into dependent territories, as well as into other areas of the world;
 - (iii) The special position of countries with an economy based either on one or a limited number of export commodities, as regards the regular placing of their goods on the world market and the obtaining of equitable prices;
 - (iv) The possibility of establishing international multilateral or bilateral commodity agreements or arrangements; and
 - (v) The advisability of encouraging domestic savings and of providing incentives for the investment both of domestic and foreign capital, as a means of accelerating the industrialization of the Latin-American countries, with a view to contributing to the attainment of satisfactory levels of the terms of trade; and
- (c) To collaborate with other competent international bodies and, through the Secretary-General of the United Nations, to make available to the group of experts to be appointed under General Assembly resolution 623 (VII) the findings of such studies as it has made or may make in the future.

MULTILATERAL SETTLEMENTS OF PAYMENTS

*Resolution 47 (V) adopted on 25 April 1953
(E/CN.12/332)*

The Economic Commission for Latin America

Takes note with satisfaction of the report on the possibility of effecting multilateral compensation operations between Latin-American and European countries through the European Payments Union (E/CN.12/299), as well as of the efforts made by the secretariat to carry forward the study of the problem recommended during the fourth session; and

Considering

(a) That it is necessary to make a more detailed study of the subject in order to analyse mutual commercial and payments relations among the countries of Latin America and also between these countries and the countries of Europe, and having regard also for the efforts being made to achieve international currency convertibility, and

(b) That it is advisable to examine the possibilities and methods of effecting multilateral settlements of

payments between Latin America and Europe, as well as among the Latin-American countries;

Resolves

1. To request the secretariat, with the collaboration of the appropriate international agencies, to continue the studies already begun and examine the possibilities and methods of effecting multilateral settlements of payments between countries in Latin America and in Europe, as well as among Latin-American countries;

2. To recommend to the governments that their appropriate agencies co-operate with the secretariat in furnishing, in so far as is possible, the information that may be necessary for such studies; and

3. To recommend to the secretariat that it take measures to ensure that the reports arising out of this study should be forwarded to governments as they are completed and at least three months before the date of the sixth session of the Economic Commission for Latin America.

TECHNIQUE OF PROGRAMMING ECONOMIC DEVELOPMENT

*Resolution 48 (V) adopted on 25 April 1953
(E/CN.12/333)*

*The Economic Commission for Latin America,
Considering*

That the secretariat's studies of the economic development of Latin America indicate that the present rate of growth in many of the Latin-American countries and in the region generally is unsatisfactory,

That many Latin-American countries are carrying out development plans designed to intensify the rate of growth of their economies,

That the various member governments have taken cognizance of the fact that the application of integrated development policies is one of the most effective means of intensifying economic growth,

That the inadequacy of statistics and basic surveys in many countries is seriously hampering the preparation of integrated development programmes,

That a knowledge of the experience of some member governments in this field will be of great value to other interested governments,

That it is generally agreed that economists should receive a more intensive basic training in problems of economic development and the technique of programming,

Resolves

To take note with satisfaction of the "Preliminary Study on Technique of Programming Economic Development" (E/CN.12/292) submitted by the secretariat;

To take note likewise of the agreement concluded between the secretariat and the National Bank of Economic Development of Brazil for joint study of the data necessary for the preparation of a programme for the economic development of that country on the lines proposed in the aforesaid document;

To recommend that member governments:

(a) Submit the "Preliminary Study on Technique of Programming Economic Development" (E/CN.12/292) to the competent agencies in their countries for

consideration, so that their experience and criticism may contribute to its improvement; and that to this end these agencies maintain, so far as possible, close and continuing contact with the Commission's secretariat at the technical level; and

(b) That, so far as possible, they improve the tabulation of statistics relating to national income and wealth and other data essential for the preparation of integrated programmes of economic development;

To draw the attention of governments to the desirability of employing the technique of programming so as to formulate the soundest possible policies of economic development;

To recommend that the secretariat:

1. Continue its studies concerning the technique of programming economic development in the light of the evidence supplied and the criticisms suggested by member governments, and amplify these studies by an analysis of the aspects of fiscal, monetary and foreign exchange policy involved in the execution of development programmes;

2. Bear in mind, in each case, the influence of terms of trade, rates of capitalization, flow of foreign capital and other factors basic to economic development;

3. In the surveys of countries where there are regions with varied physical, economic and social features, take into account the objective of balanced development in those regions on the basis of different economic and cultural approaches to the problem;

4. Submit the conclusions reached in its studies to a group of experts, to be set up at the appropriate time in conjunction with the Technical Assistance Administration for the purpose of discussing the chief theoretical and practical problems of economic development in Latin America, particularly the most adequate techniques of programming;

5. Maintain and expand so far as possible the programme for the training of Latin-American economists in problems of economic development and the technique of programming, established in co-operation with the Technical Assistance Administration;

6. Prepare a report for the information of member countries on the background, statistical data and other investigations of the kind needed for preparing general plans of development; and

7. Extend its technical co-operation to governments requesting it for the preparation of their plans of development.

STUDIES OF ECONOMIC DEVELOPMENT IN INDIVIDUAL COUNTRIES

*Resolution 49 (V) adopted on 25 April 1953
(E/CN.12/334)*

The Economic Commission for Latin America,

Considering that comprehensive surveys of a country's economy constitute the fundamental basis for its development plans and that such studies may likewise be useful reference material for similar surveys in other countries,

Takes note with satisfaction of the study on the

economic development of Ecuador (E/CN.12/295), submitted by the secretariat; and

Recommends that the secretariat, upon request and within the limits of available resources, send working groups to carry out comprehensive studies on the possibilities of economic development, in accordance with General Assembly resolution 627 (VII).

ECONOMIC INTEGRATION OF CENTRAL AMERICA

*Resolution 50 (V) adopted on 25 April 1953
(E/CN.12/335)*

*The Economic Commission for Latin America,
Considering*

(a) That in pursuance of resolution 9 (IV) on economic development of Central America, the Governments of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua have set up a Committee for Economic Co-operation composed of their Ministers of Economy, for the purpose of carrying out a programme of gradual and progressive integration of their economies based on principles of co-operation and reciprocity, and

(b) That the Executive Secretary has presented a report on the studies and work carried out to date in connexion with that programme (E/CN.12/296 and Add.1 and 2 and 297),

Takes note with satisfaction

(a) Of the setting up of the Committee for Economic Co-operation of the Ministers of Economy of the Central American Isthmus, the first meeting of which was held successfully in Tegucigalpa, Honduras, in August 1952, as well as of the report on the subject submitted by that Committee (E/CN.12/AC.17/24);

(b) Of the preliminary studies carried out by the Executive Secretary which served as a basis for the resolutions adopted by the Committee for Economic Co-operation at its first meeting;

(c) Of the approval which the United Nations Technical Assistance Board has given to an initial group of technical assistance projects for Central American economic integration, which form part of the programme drawn up by the respective governments based on the work carried out jointly by the Executive Secretary, the Technical Assistance Administration, the Food and Agriculture Organization, the International Labour Organisation and the United Nations Educational, Scientific and Cultural Organization;

(d) That the United Nations Technical Assistance Board has appointed a resident representative to the Governments of the Central American Republics who will co-ordinate technical assistance activities in those Republics, especially those relating to the economic integration programme;

(e) That the Committee for Economic Co-operation set up a sub-committee to prepare a draft uniform customs nomenclature for Central America and that this sub-committee has concluded its work; and

(f) That, in relation to the studies for the Central American economic integration programme, a joint mission of the Technical Assistance Administration and the ECLA secretariat, with the collaboration of the

International Civil Aviation Organization, has been preparing a report on transportation in Central America which will be discussed at a seminar to be held in the near future in San José, Costa Rica; and

Resolves

1. To express its satisfaction with the way in which the Committee for Economic Co-operation of the Ministers of Economy of the Central American Isthmus is implementing resolution 9 (IV) of the Commission;

2. To recommend to the secretariat that it continue to carry out the studies and work necessary for the Central American economic integration programme; and

3. To recommend to the Technical Assistance Administration and the specialized agencies of the United Nations that, in co-ordination with the Committee for Economic Co-operation, they continue to give due attention to projects relating to the Central American economic integration programme.

TECHNICAL ASSISTANCE

*Resolution 51 (V) adopted on 25 April 1953
(E/CN.12/336)*

The Economic Commission for Latin America, Considering

(a) That the United Nations Expanded Programme of Technical Assistance is a form of international co-operation of growing usefulness for the countries of Latin America,

(b) That its usefulness depends mainly on the unbroken continuation of technical assistance, which, if it is to become increasingly effective, should be planned on a basis longer than a one-year period, and

(c) That the financial resources now at the disposal of the organizations participating in the programme are inadequate to meet the cost of the technical assistance projects drawn up by them at the request of the several governments concerned,

1. Takes note with satisfaction of

(a) The progress achieved under the Expanded Programme of Technical Assistance;

(b) The efforts being made by governments and by the Technical Assistance Board to co-ordinate their activities in this field;

(c) The studies and reports relating to technical assistance which the Commission, the United Nations Technical Assistance Administration and the Technical Assistance Board have submitted;

(d) The fruitful collaboration in the field of technical assistance now existing between the Commission, the Technical Assistance Administration and the other bodies participating in the Expanded Programme;

(e) The positive results achieved by the groups of experts set up jointly by the Commission and the Technical Assistance Administration;

(f) The satisfactory beginning of the programme of training in problems of economic development which was undertaken by the Commission in co-operation with the United Nations Technical Assistance Admin-

istration and which is being carried on at the Commission's headquarters;

(g) The growing importance attached by governments and by participating organizations to technical assistance designed to give effect to the recommendations made in earlier studies and reports; and

(h) The resolution of the Technical Assistance Committee of the United Nations Economic and Social Council requesting the Technical Assistance Board and participating organizations to liberalize the rules governing the grant of equipment as an integral part of technical assistance;

2. *Expresses* its concern at the financial limitations from which the programme suffers and which have retarded the rate of progress previously attained;

3. *Recommends* that the Economic and Social Council urge governments to endeavour to make such contributions to the Special Account as will enable the programme to continue on a sound basis;

4. *Urges* the Economic and Social Council to recommend to the General Assembly that it make satisfactory arrangements based on the study, concerning the feasibility of working out estimates for the programme on a basis longer than a one-year period, now being undertaken in conformity with General Assembly resolution 621 (VII);

5. *Recommends* that governments which have not yet done so, take appropriate administrative steps for working out national arrangements designed to ensure adequate co-ordination between the existing activities of the Expanded Programme, of the Organization of American States and of other programmes;

6. *Requests* the Executive Secretary of the Commission to convey to the Executive Chairman of the Technical Assistance Board its wish that the Board continue its endeavours to achieve more effective co-ordination of the activities of the organizations participating in the Expanded Programme and between these activities and those of the Organization of American States and of other existing programmes;

7. *Expresses* the wish that fuller information concerning the results of the various technical assistance activities be obtained; and

8. *Requests* the Executive Secretary of the Commission to transmit this resolution together with the records of the debate on technical assistance held in Committee II at the Commission's fifth session to the Executive Chairman of the Technical Assistance Board.

TAXATION IN CAPITAL-EXPORTING AND CAPITAL-IMPORTING COUNTRIES OF FOREIGN PRIVATE INVESTMENTS IN LATIN AMERICA

*Resolution 52 (V) adopted on 25 April 1953
(E/CN.12/337)*

The Economic Commission for Latin America

Takes note with satisfaction of the study, "Taxation in Capital-Exporting and Capital-Importing Countries of Foreign Private Investment in Latin America" (ST/ECA/18 and E/CN.12/298); and

Considering

(a) That the above study reaches conclusions of a

preliminary nature and that it emphasizes the desirability of continuing research on this subject both in capital-importing and capital-exporting countries,

(b) That it is essential to continue creating favourable conditions both in the capital-exporting and capital-importing countries for investments abroad of private capital,

(c) That for this purpose it is necessary to proceed with the study, among other matters, of the various tax systems, and

(d) That it is desirable to study the effects which taxes levied by the capital-exporting countries on income from foreign investment have on the capital-importing countries,

Resolves

To request the Executive Secretary, in collaboration with the competent international bodies, to continue the studies of taxation in capital-exporting and capital-importing countries of foreign private investment in Latin America; and

To request the Executive Secretary to place the studies mentioned in the preceding paragraph before member countries as soon as they are completed.

TECHNOLOGICAL RESEARCH AND TRAINING OF EXPERTS IN LATIN AMERICA

*Resolution 53 (V) adopted on 25 April 1953
(E/CN.12/338)*

The Economic Commission for Latin America,

Bearing in mind the study submitted by the secretariat pursuant to resolution 13 (IV) of 16 June 1951 (E/CN.12/300),

Recognizing that the pilot study on the present condition of and on the most urgent requirements for technological research and for the training of experts in Chile has made it possible to test methods and to give direction to this type of study,

Considering that this pilot study shows the desirability of enlisting the co-operation of other international bodies in order to extend such research to the other Latin American countries,

Considering that the said resolution provides for the collection of the necessary information concerning the resources of member countries in the field of technological research, as a preliminary requirement for the convening of a meeting of experts to prepare a report and make recommendations for the setting up or improving of technological research centres, and

Considering that a study on technological research should be supplemented by a study of the related problem of the training of qualified research workers and of technicians capable of applying the results of their research, so that the three different aspects of the same problem should not be arbitrarily segregated,

Notes with satisfaction the study entitled "Technological Research and Technical Training in Latin America" (E/CN.12/300); and

Recommends that the secretariat

1. When carrying out the study on technological research in the other Latin-American countries, should

at the same time determine the stage reached in the training of experts and technological research workers, particularly with regard to the prevailing relations between technological research institutes and technical training schools;

2. In carrying out these studies, consider, *inter alia*, the experience already gleaned in certain Latin-American countries of co-operation among employers, in the training of qualified manpower; and

3. Enlist, in carrying out this work, the co-operation of international agencies which, like the United Nations Educational, Scientific and Cultural Organization and the International Labour Organisation, can most effectively collaborate in these fields.

DISTRIBUTION OF INCOME IN RELATION TO ECONOMIC DEVELOPMENT

*Resolution 54 (V) adopted on 25 April 1953
(E/CN.12/339)*

*The Economic Commission for Latin America,
Considering that*

(a) The resolution concerning programmes of economic development, approved at the fourth session of the Commission, in paragraph 1 (d) sets forth the need "to determine the probable effects of the programme on national income and its distribution among the various branches of production, of goods and services, with a view to calculating its effects on real per capita income",

(b) In the under-developed countries there are large masses of the population living under precarious economic conditions, and

(c) Any economic development programme should have no other object than to raise the standard of living of these countries as rapidly as possible,

Recommends that

1. The Latin-American Governments, in formulating and implementing their economic development programmes, take into consideration the measures which are required to achieve the above objective so that any increase in real income will benefit the entire population equitably; and

2. The secretariat, in carrying out its studies, bear the above objective in mind.

ECONOMIC INTEGRATION

*Resolution 55 (V) adopted on 25 April 1953
(E/CN.12/340)*

*The Economic Commission for Latin America,
Considering*

(a) The terms of paragraph IV of its resolution of 20 June 1950 (E/CN.12/194) which stated that the Latin-American countries should achieve a better integration of their economies,

(b) The terms of its resolution of 16 June 1951 (E/CN.12/275), which set forth the wishes of the Central American countries for the integration of their national economies,

(c) Document E/CN.12/296, submitted by the sec-

retariat, which points to the advisability of the economic integration of the said countries,

(d) That various other Latin-American governments have already taken steps for the better integration of their economies,

(e) That economic development is the course to be followed by the Latin-American countries for the purpose of raising their standards of living to a level similar to that prevailing in countries which are more highly developed,

(f) That this economic development calls for the existence of conditions which allow the establishment of sufficiently wide markets for the new products to be introduced, as well as supplementary production, mobility of production, efficient monetary instruments and marketing and other facilities required by that doctrine,

(g) That past experience, together with the results of theoretical research, shows that such conditions were established successfully and operated more efficiently whenever a high degree of economic affinity existed between the interested parties, and

(h) That this economic affinity in fact involves a fairly rapid and intense process of integration, which in turn is both a corollary and an essential condition of economic development,

Recommends that the secretariat

(a) Consider the advisability and the possibilities of gradual and progressive economic integration in the countries of Latin America, as well as the form which such integration should take, determining the necessary measures, procedures and conditions for this purpose;

(b) Take into account, for the purpose described in the preceding paragraph, that:

(i) The process of economic integration should provide the means of attaining a general and progressive improvement of the standard of living of the groups involved in the process, and that an attempt should be made to ensure an equal distribution of the benefits of progress;

(ii) The process of economic integration should not infringe in any way upon the political sovereignty and economic independence of member States; and

(iii) An effort should be made to ensure that these investigations progressively embrace all the Latin-American countries.

PROMOTION OF TOURISM

Resolution 56 (V) adopted on 25 April 1953
(E/CN.12/341)

The Economic Commission for Latin America,

Having considered the economic situation in Latin America and analysed the factors whose favourable development would help in the development of the national economies,

Considering the fact that tourism is one of the effective means of promoting the economic development of certain regions and that it is conducive, moreover, to the cultural and political *rapprochement* of peoples,

Considering that the execution of an effective tourist policy requires, for its proper development, agreements calculated to achieve this purpose among the countries of the region,

Being convinced that the said agreement should be based on impartial studies of the conditions prevailing in Latin America in this particular respect, and that these studies will make it possible to remove the obstacles hampering the expansion of tourism between the Latin-American peoples, and

Noting that there is widespread belief concerning the many advantages which a gradual broadening of the movements of tourists will yield,

Considering that the Transport and Communications Commission of the United Nations has recommended to the Economic and Social Council the calling of a world conference for the purpose of simplifying and liberalizing customs formalities applicable to tourists, and

Considering that the Inter-American Economic and Social Council is carrying out full studies and other useful works relating to this subject,

Requests the secretariat of the Economic Commission for Latin America, in consultation with the Executive Secretary of the Inter-American Economic and Social Council, to work out methods through which the Commission can co-operate in these studies.

IRON AND STEEL INDUSTRIES AND MINING

Resolution 57 (V) adopted on 24 April 1953
(E/CN.12/342)

The Economic Commission for Latin America,
Considering

(a) That the Executive Secretary, as instructed at the fourth session of the Commission, organized in co-operation with the Technical Assistance Administration of the United Nations and with the Government of Colombia a meeting of an Expert Working Group on Iron and Steel Industry in Latin America, held at Bogota from 13 to 31 October 1952, and prepared a report on this subject, and that both the meeting and the report demonstrated the importance of the iron and steel industry for economic development and the need for further research,

(b) That the exchange of experience and knowledge within Latin America is of capital importance, and

(c) That the investigation of new production processes and the dissemination of the relevant conclusions are of great value for the iron and steel industry of the region,

1. *Notes with satisfaction* the report on the iron and steel industry prepared by the Executive Secretary and the method of analysis utilized in the said report;

Expresses its satisfaction with the results obtained by the meeting of the Expert Working Group held at Bogota;

2. *Recommends* that the secretariat continue research relating to the iron and steel industry, and in particular that it:

(a) Collect and distribute statistics concerning the iron and steel and related transforming industries in

Latin America, together with statistics on imports and exports of iron and steel products into and from the countries of the region, and statistics relating to the production of steel and steel-making equipment in the industrialized countries;

(b) Collect, classify and distribute experience and knowledge concerning iron and steel-making problems in Latin America, or otherwise facilitate their exchange;

(c) Study measures for standardizing the technical terminology relating to iron and steel, units of measurement and indices relating to qualities and properties of products and raw materials, and recommend these measures to the governments; and

(d) Investigate generally the conditions affecting the development of the iron and steel and related transforming industries in Latin America;

3. *Authorizes* the Executive Secretary to convene, when the progress of the studies warrants, and in co-operation with the governments, with the Technical Assistance Administration and with interested specialized agencies, a committee of experts:

(a) To consider the studies which have been carried out and to suggest whatever changes in the work programme it may deem desirable;

(b) To advise on the organization of a board of experts from Latin America and other countries to study:

- (i) The factors affecting the yield of blast furnaces;
- (ii) New methods of iron ore smelting;
- (iii) The use of oxygen in converters;
- (iv) The production of ferro-alloys;
- (v) The cost structure of steel rolling and of alternative processes;
- (vi) The quality and standardization of steel products; and
- (vii) The steel transforming industries in Latin America and incentives for their establishment; and

4. *Recommends* that the Executive Secretary, when resources permit, make arrangements along the same lines as the studies relating to the iron and steel industry which were the subject of the Bogota meeting, for carrying out similar studies of the problems affecting mining and the extraction and treatment of non-ferrous metals and the related metalworking industries, in view of the economic and technical importance of these activities in most of the Latin-American countries.

PULP AND PAPER INDUSTRIES

Resolution 58 (V) adopted on 24 April 1953
(E/CN.12/343)

The Economic Commission for Latin America,

Considering that, pursuant to resolution 10 (IV) (E/CN.12/278), the secretariat has submitted a "Preliminary Study of Possibilities for the Development of the Pulp and Paper Industry in Latin America" (E/CN.12/294), carried out jointly with the United Nations Food and Agriculture Organization, which is at present conducting a world-wide survey of this industry,

Considering that the conclusions of that report indi-

cate that Latin-American resources may become the basis for an industry which would fully satisfy the regional demand for pulp and paper, and which would effectively help to meet the growing world demand for these products in the future, and

Considering that it is of the utmost importance to press forward research into the possibilities of developing the pulp and paper industry in Latin America, so as to arrive at a clear understanding of the technical and economic conditions governing this development,

Notes with satisfaction the preliminary study submitted by, and the close co-operation achieved between, the secretariat of the Commission and the United Nations Food and Agriculture Organization;

Recommends that the Executive Secretary

1. Continue, in conjunction with the United Nations Food and Agriculture Organization and with the collaboration of the Technical Assistance Administration and other specialized agencies interested in the subject, the research begun in the preliminary study, by means of economic studies similar to those on iron and steel, so as to determine:

(a) The possibility of utilizing Latin-American resources on a rational and permanent basis for the development of the pulp and paper industry, with special emphasis on the technique of using tropical and sub-tropical woods;

(b) The possibility of establishing other forestry industries integrated with the pulp and paper industry, that may lead to better utilization of the forests and help to reduce the cost of pulp and paper;

(c) The possibility of finding domestic or foreign markets for pulp, paper and the products of the related integrated industries; and

(d) The possibility of utilizing, in the development of the pulp and paper industry, bagasse and other industrial or agricultural by-products;

2. In conjunction with the United Nations Food and Agriculture Organization and the Technical Assistance Administration, and in accordance with the said resolution 10 (IV) (E/CN.12/278), convene a meeting of experts to examine the results of the research work recommended above and, in general, to consider the economic and technical aspects of the pulp and paper industry; and

Recommends that member Governments collaborate to the fullest extent in connexion with the development of these studies and with the meeting of experts.

CHEMICAL INDUSTRIES

Resolution 59 (V) adopted on 24 April 1953
(E/CN.12/344)

The Economic Commission for Latin America,

Considering

(a) The growing importance of the chemical industry within the economies of the Latin-American countries, as evidenced by the momentum which the industry has acquired during recent years, the increase of imports of chemical products and the important part played by chemical fertilizers in agriculture,

(b) The difficulties of shipping certain finished chemical products, such as acids, and

(c) The fact that raw materials, which can be utilized in various chemical industries, exist in many Latin-American countries, but, owing to their characteristics, often require the study of special processing methods,

Reaffirms resolution 10 (IV), adopted in Mexico in 1951, concerning the study of the chemical industry;

Recommends that the secretariat

(a) Initiate as soon as possible technical and economic studies relating to various chemical industries, along the lines of the iron and steel studies, and, with respect to the transport of chemicals, taking into account the studies of other United Nations bodies; and

(b) Give priority to the studies relating to basic chemical products (acids and alkalis) and to the other products which show the largest import figures in the region as a whole.

INVENTORY OF NON-AGRICULTURAL NATURAL RESOURCES

Resolution 60 (V) adopted on 24 April 1953
(E/CN.12/345)

The Economic Commission for Latin America,

Taking into account resolution 5 (IV) relative to the conservation of non-agricultural resources which was adopted by the Commission in June 1951 and which was based in turn on resolution 345 (XII) of the Economic and Social Council,

Considering that the study on the utilization of such resources requires that the Commission have at its disposal the best possible data concerning the availability of the resources which can be used as industrial raw materials, and

Considering further that it is of great importance that the Latin-American countries have knowledge of their own resources,

Recommends that the Executive Secretary compile and classify existing data concerning non-agricultural natural resources, giving preferential attention to hydro-electric resources and to raw materials for those industries which the Commission is already studying under its programme of work; and

Recommends that member Governments carry out a systematic study of their non-agricultural resources, drawing on the services that the United Nations Technical Assistance Administration can place at their disposal.

SAMPLING TECHNIQUES AND THEIR USE IN THE STUDY OF ECONOMIC PROBLEMS OF AGRICULTURE

Resolution 61 (V) adopted on 24 April 1953
(E/CN.12/346)

The Economic Commission for Latin America,

Considering that it is becoming increasingly necessary to improve the means employed for analysing the economy of Latin America, and

Considering the satisfactory results obtained by the

secretariat in analysing economic problems in the agricultural field through the sampling technique and the fact that, as compared with other statistical methods, results can be obtained by this technique at less cost and with greater speed,

Notes with satisfaction the study of a Chilean region, entitled "Analysis of some Factors which act as an Obstacle to the Increase of Agricultural Production" (E/CN.12/306), and

Resolves

1. To suggest that the Latin-American governments which have not yet been able to carry out agricultural censuses employ the sampling technique for the purpose of carrying out statistical surveys;

2. To recommend to the United Nations Technical Assistance Board and the Food and Agriculture Organization that they provide whatever assistance may be requested by the Latin-American countries for the conduct of such surveys and accord these requests due attention and priority; and

3. To recommend that the secretariat continue, in conjunction with FAO, studies of questions relating to agricultural production along the lines of the study referred to in document E/CN.12/306.

COUNTRY STUDIES ON AGRICULTURAL DEVELOPMENT

Resolution 62 (V) adopted on 24 April 1953
(E/CN.12/347)

The Economic Commission for Latin America,

Noting with satisfaction the secretariat's growing interest in the fundamental aspects of Latin-American agrarian economy, which had not hitherto been sufficiently analysed owing to the priority understandably given to industrialization problems,

Considering that broader research in agrarian economy, in its many forms, is needed before programmes for the balanced development of Latin-American economies can be formulated,

Considering that most Latin-American countries depend largely on the export of raw agricultural products to cover their imports, including capital goods required for the development of their industries, and

Considering that the technical improvement of agriculture in Latin America cannot be achieved solely through imports of capital goods, but also requires the expansion of the industries necessary for this advance,

Recommends that the secretariat

1. Continue, in collaboration with FAO, its studies of the agrarian economy of each Latin-American country;

2. In all its research into agrarian economy, proceed on the basis that the essential objects of economic development are to raise the standard of living of the rural workers and their families and to improve their institutions;

3. In these studies, specifically analyse the level of income derived from the various forms of agrarian activities particularly those in which an adequate level of technical improvement has been reached;

4. At the same time consider the potentialities

which exist in Latin America for developing industries likely to ensure higher productivity in agriculture; and

5. In accordance with the resources and facilities which each Latin-American country can offer, study the possibility of setting up or expanding such industries within a plan for increasing intra-regional and international trade.

STUDIES OF THE COFFEE INDUSTRY IN RELATION TO ECONOMIC DEVELOPMENT

*Resolution 63 (V) adopted on 24 April 1953
(E/CN.12/348)*

The Economic Commission for Latin America,

Considering that the production of, and trade in, coffee are of great importance to the economy of several Latin-American countries,

Considering that, with the present technical levels of cultivation and processing of coffee, the efficiency of labour is very low because it is impossible to mechanize important phases of the productive process, and

Considering that the aforesaid characteristics of coffee cultivation tend to keep large sections of the population at low income levels,

Recommends that the secretariat study, in collaboration with FAO and other inter-governmental bodies, in specified areas where coffee is the main source of income, those economic and technical aspects of coffee production which exert the greatest influence on economic development.

AGRICULTURAL STATISTICS

*Resolution 64 (V) adopted on 24 April 1953
(E/CN.12/349)*

The Economic Commission for Latin America,

Considering that in many cases the agricultural statistics of the countries of Latin America are not sufficiently broad, comparable or systematic for the adequate compilation and analysis of the data needed for studies of economic development in agriculture, and

Considering further that these shortcomings may impair the validity of the conclusions reached concerning problems of agricultural economy,

Requests the secretariat

1. When appropriate, to point out with the necessary clarity in its economic studies what the statistical deficiencies are, indicating the sources and, in the case of estimates prepared by the secretariat, the methods followed in the preparation of the data;

2. To undertake, in co-operation with FAO and the Inter-American Statistical Institute, an investigation into the structure of the system of agricultural statistics of the Latin-American countries and of the techniques used by them, for the purpose of indicating where the greatest deficiencies occur and determining in what cases the existing statistics may be accepted and in what cases they should be broader or more thorough so as to conform to specified standards and so as not to impair the validity of the conclusions in the economic studies based upon them; and

3. To endeavour, in co-operation with FAO, to

devise speedy and adequate methods for collecting the available data and information.

AGRICULTURAL CREDIT

*Resolution 65 (V) adopted on 24 April 1953
(E/CN.12/350)*

The Economic Commission for Latin America,

Considering that, pursuant to resolution 14 (IV) adopted at the fourth session, an Agricultural Credit Seminar in Central America was held in Guatemala during September and October 1952, under the aegis of the Government of Guatemala, the Commission and the Food and Agriculture Organization, the preliminary report of which was submitted to this fifth session for study (E/CN.12/305),

Notes with satisfaction the report submitted by the secretariat, FAO and the Government of Guatemala, on the results of the said seminar in Central America; and

Recommends that the secretariat, jointly with the Food and Agriculture Organization, enlisting the co-operation of other United Nations specialized agencies and in consultation with governments, continue the study of agricultural credit problems and arrange for the calling, if and when appropriate, of regional seminars to deal with this subject.

LAND REFORM

*Resolution 66 (V) adopted on 24 April 1953
(E/CN.12/351)*

The Economic Commission for Latin America,

Having noted with satisfaction the interest of the United Nations in the study of land reform problems, and General Assembly resolution 625 (VII) and Economic and Social Council resolution 370 (XIII), which deal specifically with this matter and which suggest that the United Nations and the specialized agencies should carry out studies in this field,

Considering that the system of agrarian structures is an element of fundamental importance in an adequate analysis of the problems involved in the economic development of the Latin-American countries,

Considering that, within such structures, the methods of tenure and land use are of vital importance and should be considered, in Latin America, from the point of view of ensuring a better life for the farmer as a necessary step towards the economic emancipation of the peoples,

Considering that any system of cultivation should tend towards improving the living conditions of the rural population,

Considering that a Latin-American seminar on land problems will be held in Brazil (Campinas, State of São Paulo) in May 1953, at which all questions relating to land reform will be studied by experts, and

Considering that the Commission will collaborate in this seminar, which is sponsored by FAO and the Government of Brazil in pursuance of the aforesaid resolutions,

Recommends

1. That land reform be considered as a basic ele-

ment in secretariat studies of programming and economic development in the Latin-American countries;

2. That, to give effect to the above recommendation, the secretariat should work in close collaboration with the Secretariat of the United Nations at Headquarters and with that of the Food and Agriculture Organization, taking into account the reports of the above seminar and bearing in mind that there should be a high degree of co-ordination between the activities of United Nations organizations in this field; and

3. That the secretariat should submit to the next session the reports and suggested lines of action developed by that seminar, and any other data which it may collect through its own efforts.

PROBLEMS OF THE BANANA INDUSTRY

*Resolution 67 (V) adopted on 24 April 1953
(E/CN.12/352)*

The Economic Commission for Latin America,

Considering that the production and export of bananas have increased in some countries and declined in others (E/CN.12/291/Rev.1),

Considering that during the period 1947-52 this decline was marked in some Central American and Caribbean countries, although there was a considerable increase in Latin America's total production and export of bananas, and

Considering that the countries which feel they are affected should be helped in carrying out measures likely to regain the former level of banana production,

Recommends that the secretariat should

1. Arrange for the carrying out, in collaboration with the Food and Agriculture Organization and the Inter-American Institute of Agricultural Sciences, and at the request of interested governments, of a study of the economic and technological problems of the banana industry; and

2. Give special attention to the economic aspects of the banana industry in the preparation of the next *Economic Survey of Latin America*, taking into account, as far as possible, the results of the study mentioned in the foregoing paragraph.

HARD FIBRES

*Resolution 68 (V) adopted on 24 April 1953
(E/CN.12/353)*

The Economic Commission for Latin America,

Considering that hard fibres, mainly sisal, play an important part in the economy of several Latin-American countries,

Considering that, owing to the drop in the prices of hard fibres on the world market, caused by various factors, the Latin-American producing countries have suffered a substantial reduction in their resources, and

Considering that it is necessary to help the countries affected in this way to find the means of recov-

ering their previous levels of production and export of hard fibres,

Recommends that the secretariat undertake, in collaboration with FAO, a study of the status of the production, industrialization and export of hard fibres—mainly sisal—in the various producing countries of Latin America which request it.

INTRA-REGIONAL TRADE

*Resolution 69 (V) adopted on 24 April 1953
(E/CN.12/354)*

The Economic Commission for Latin America,

Having considered with interest the preliminary study presented by the Executive Secretary in document E/CN.12/304,

Considering that this is of positive technical value and that it represents a first step towards the clarification of questions not previously dealt with, and

Considering that

(a) It is necessary that in the continued study referred to in resolution 20 (IV), the research should be extended to cover the field of trade within the Latin-American region as a whole, since the successful carrying out of a commercial policy calculated to improve this trade depends on a more thorough analysis thereof, if it is to yield precise data,

(b) Therefore, the analysis of the problems outlined in document E/CN.12/304 should be broadened with respect to commercial and payments agreements, raw materials and manufactured goods, and foodstuffs and transport,

(c) By reason of the fact that some Latin-American republics are and others are not parties to the General Agreement on Tariffs and Trade, they are in different positions as far as their trade negotiations with each other are concerned,

(d) In view of the position of the land-locked States of Latin America, it is advisable to give special attention to their foreign trade problems with a view to promoting their economic development and increasing trade within the Latin-American region, and

(e) The complications inherent in trade within the Latin-American region may render it advisable to resort more frequently to the services of experts for the purpose of carrying out the studies referred to herein, and that thus it is desirable to broaden the scope of resolution 20 (IV) in this regard,

Recommends

1. That, in the continuing study referred to in resolution 20 (IV), the secretariat should broaden the scope of its research into co-operation among the Latin-American countries with respect to economic policy, in such a way that practical solutions may be found for the problems affecting the development of trade, and should, in addition, study the possibility of formulating the bases of a commercial policy for Latin-American trade;

And for this purpose instructs the secretariat to study:

(a) With greater emphasis than hitherto, the influence on trade within the Latin-American region as

a whole of foreign trade controls existing in these countries;

(b) In co-operation with the competent international bodies, the problems involved in the payments machinery and administrative procedures in so far as these affect trade within the Latin-American region as a whole;

(c) The simplification of administrative procedures which govern the conduct of commercial transactions among the Latin-American countries;

(d) The possible increase of the consumption of both raw materials and manufactured goods in Latin America, taking into account imports from other regions (in the part of this study which relates to trade in manufactured goods, account should be taken of the present and prospective future demand of Latin America, so that the producing countries may be provided with data that may help them in fixing production targets in certain manufacturing industries);

(e) Measures to stimulate exports by countries suffering from a shortage of foodstuffs to the countries supplying foodstuffs;

(f) Means of encouraging trade agreements relating to specific products; and

(g) The problems of prices and all those other problems affecting the marketing of products which enter into trade within the Latin-American region;

2. That the secretariat

(a) In its surveys of trade within the Latin-American region should consider the effects which the application of the General Agreement on Tariffs and Trade might have on the increase of the said trade; and

(b) Should examine the various ways in which problems might be solved and in due course report the results of its study to the respective governments and to the international organizations concerned;

3. That in the light of the studies of other international bodies, the secretariat should analyse:

(a) The problem of transport as it affects trade within the Latin-American region as a whole, with particular attention to the special aspects which affect the various shipping routes;

(b) The possibility of co-ordinating the services of the national merchant marines, with a view to their better utilization;

(c) The exchange systems applied by the various Latin-American countries in co-ordination with freight charges; and

(d) The problems connected with port regulations, frontier traffic, free zones and warehouses and other similar questions; and

Requests the secretariat to transmit copies of these studies to the governments concerned as and when they are produced;

4. That the secretariat, in its survey of trade within the Latin-American region as a whole, should give special attention to the foreign trade problems of the land-locked countries of Latin America; and

Authorizes the secretariat to convene special meet-

ings of experts as and when necessary, in order to discuss topics to be specified by it.

CO-ORDINATION WITH THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

*Resolution 70 (V) adopted on 23 April 1953
(E/CN.12/326)*

The Economic Commission for Latin America,

Considering the position, adopted at its fourth session, that the Commission should not only be continued on a permanent basis but should broaden its functions and activities,

Having noted with satisfaction that, in accordance with the Commission's recommendation, the Economic and Social Council had, at its thirteenth session decided that the Economic Commission for Latin America should be continued on a permanent basis and had approved the amendments proposed to its terms of reference,

Having noted with equal satisfaction that the General Assembly at its seventh session had reviewed the work of the Commission, particularly in the field of economic development and related activities and, in its resolution 627 (VII), had particularly commended the work of the Commission and stated that its activities should be further intensified,

Considering that the Commission, among other achievements, has conducted studies and research the continuance of which is of great importance for Latin America, and is carrying on practical activities which are of increasing value to the Latin-American countries; that, owing to the high quality of its technical resources, it is helping the governments of Latin America in the orientation of their economic relations, both among their own countries and with the rest of the world; and that it has the authority to make recommendations to member Governments,

Considering that, in view of the foregoing considerations, the Commission should continue to work toward the accomplishment of its purposes, and that no changes in its structure and organization should prejudice the attainment of its objectives, and

Having noted that there is adequate co-ordination at the secretariat level between the Economic Commission for Latin America and the Inter-American Economic and Social Council; that in particular this Council, by a resolution adopted on 21 February 1953, noted that this co-ordination was proceeding satisfactorily, and that the co-ordination of the studies and work of the two organizations largely depended on the arrangements made at that level,

Commends the respective secretariats of the Inter-American Economic and Social Council and of the Commission for what has been achieved in carrying out the resolutions approved by each organization;

Suggests that the activities of the Co-ordination Committee at the secretariat level should be continued, taking into consideration the growth and nature of the work of the Economic Commission for Latin America and of the Inter-American Economic and Social Council;

Notes with satisfaction that the fourth and fifth sessions of the Commission and the Extraordinary Meetings of the Inter-American Economic and Social Council, held at Panama (1951) and Caracas (1953), have demonstrated the progress made in connexion with co-ordination at that level between the Commission and the Inter-American Economic and Social Council;

Confirms the decisions adopted at its fourth session and in particular the recommendation to governments that they make the appropriate administrative arrangements, in accordance with their particular circumstances, with a view to achieving better knowledge of the studies and resolutions of the international agencies and also the highest possible degree of co-ordination of policy in the meetings of the said international bodies and agencies;

Considers that international meetings of an economic nature held in this hemisphere, particularly those of the Economic Commission for Latin America and those of the Inter-American Economic and Social Council, should be so scheduled as to avoid overlapping and to ensure adequate intervals between major meetings;

Notes with approval the position adopted by the Executive Secretary of the Commission in the conversations conducted with the Secretary-General of the Organization of American States, as set forth in document E/CN.12/311/Add.1/Rev.1; and

Recommends to the Executive Secretary, that in his conversations with the Secretary-General of the Organization of American States, he take into account the desirability of scheduling, as a general rule, the Commission's sessions and the Extraordinary Meetings of the Inter-American Economic and Social Council, so as to ensure a calendar of meetings making provision for adequate intervals between major meetings of an economic nature, without prejudice to the possibility of departing from such a schedule if the urgency and importance of the problems to be discussed should make this advisable.

AMENDMENTS TO THE RULES OF PROCEDURE

Resolution 71 (V) adopted on 23 April 1953
(E/CN.12/327)

The Economic Commission for Latin America,

Bearing in mind the recommendation made by the Economic and Social Council concerning the desirability of revising the rules of procedure in so far as they refer to non-governmental organizations,

Resolves to revise the rules of procedure in conformity with the suggestions contained in appendix II of document E/CN.12/312.

DATE AND PLACE OF SIXTH SESSION

Resolution 72 (V) adopted on 25 April 1953
(E/CN.12/355)

The Economic Commission for Latin America,

Bearing in mind rules 1 and 2 of its Rules of Procedure,

Expressing its thanks to the Government of the Republic of Colombia for its generous invitation to hold the sixth session of the Commission in Bogota,

Resolves that the sixth session of the Commission be held in Bogota, at such a date as the Executive Secretary, after consultation with the Chairman of the Commission, shall determine, in the light of decisions by the Economic and Social Council of the United Nations regarding its calendar of meetings.

DRAFT RESOLUTION FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL

Resolution adopted on 25 April 1953
(E/CN.12/356)

210. The Commission decided to submit the following resolution for action by the Economic and Social Council:

"The Economic and Social Council

"Takes note of the fifth annual report of the Economic Commission for Latin America;

"Considers that the work programme of the Commission as established at its fifth session is of primary importance for the economic development of Latin America;

"Endorses the priorities allocated by the Commission to the individual work projects;

"Recommends that the necessary funds should be made available to implement fully the 1953/54 work programme of the Commission, included in its annual report; and

"Takes note of the Commission's decision to hold its sixth session in Bogota, Colombia, at such date as the Executive Secretary, after consultation with the Chairman, shall determine in the light of decisions by the Council regarding its calendar of meetings."

Part V—PROGRAMME OF WORK AND PRIORITIES

211. At the beginning of the fifth session of the Commission the Executive Secretary issued a comprehensive account (E/CN.12/310) on the policy of the Economic and Social Council regarding the review of work programmes and priorities, which in accordance with resolution 451 (XIV) should be made:

(a) In the light of the criteria for priorities established under Council resolution 324 (XI);

(b) In accordance with certain procedures outlined

under Council resolution 402 B (XIII), in so far as they are applicable; and

(c) In the light of the United Nations priority programmes listed under Council resolution 451 (XIV).

212. The Executive Secretary in presenting document E/CN.12/310 pointed out that "the Commission in considering any recommendations which may be made by its members in the form of draft resolutions, which involve further studies and activities, will undoubtedly

wish to be fully aware of the Economic and Social Council policy regarding review of work programmes and priorities".

213. Towards the end of the session, the Executive Secretary prepared a draft work programme and priorities for 1953/54 for consideration by the Commission (E/CN.12/238), which embodied the recommendations of the Commission as contained in resolutions of the fifth session as well as those recommendations of earlier sessions which had not yet been implemented. In preparing the draft work programme, the Executive Secretary took into account the Council's policy as stated above, and attached to the work programme an estimation of its financial implications.

214. The Commission unanimously adopted and approved the following work programme for 1953/54. However, one delegation, while approving the work programme, reserved its position on the financial implications.

215. In considering its work programme, and the priorities attached to various projects, the Commission took into account with appreciation that the General Assembly at its seventh session had considered in particular the activities of the Commission in the field of economic development and trade, and in resolution 627 (VII) had not only noted with satisfaction these activities, but had also commended the Commission and declared that some of these activities should be further intensified (E/CN.12/317).

216. In formulating its programme of work and priorities, the basic criterion which the Commission applied was that stated by the Council in its resolution 362 B (XII) and re-affirmed in the United Nations priority programmes (annexed to resolution 451 A (XIV), paragraph 9 (e)).

217. The relevant paragraph of resolution 362 B (XII) reads as follows:

"... the question of the economic development of under-developed countries in all its aspects is by virtue of Articles 55 and 56 of the Charter a problem to which the Council must ... give most urgent attention because ... 'a more rapid economic development of under-developed countries, in particular an increase of their production, is essential for raising the level of productive employment and the living standards of their populations, for the growth of the world economy as a whole and for the maintenance of international peace and security'."

218. Paragraph 9 (e) of the annex to resolution 451 A (XIV) states, with regard to the list of the United Nations priority programmes in the economic and social fields, that

"This list was drawn up subject to the consideration that one overriding objective should be kept in view at all times, namely the economic and social development of under-developed areas. This overriding priority should apply to all the programmes ... particularly to those in connexion with increased food production and distribution, and increased production in fields other than food ..."

219. The Commission states that its programme of work as a whole and virtually all projects are directed toward the achievement of the above "overriding objective" established by the Council.

220. In regard to the six priority categories laid down by the Council in the United Nations priority programmes, the Commission wishes to emphasize that all the broad groups of projects as well as each specific project in the work programme of the Commission, fall squarely within one or another of the six priority categories established by the Council; thus:

(a) Section I of ECLA's programme, on "Economic growth and technique of programming", is of basic importance to, and is covered by, the Council priority groups A and B (increased food production and distribution, and increased production in fields other than food, respectively);

(b) Section II of ECLA's programme, on "Economic problems of agriculture", is fully covered by the Council priority group A;

(c) Section III of ECLA's programme, on "Industry and mining", is fully covered by the Council priority group B;

(d) Sections IV and V of ECLA's programme on international trade, and annual *Economic Survey* and quarterly *Economic Bulletin* respectively, are all fully covered by the Council priority group C, "Measures for promoting full domestic employment and economic stability within an expanding economy", while particularly section IV, "International Trade", is directly related to economic development.

221. It should also be noted that a number of individual projects within the broad groups of projects of ECLA's programme are covered by more than one of the Council's priority groups. For example ECLA projects such as the training programme for economists (project 5, see also E/CN.12/303) and the study on technical research and training in Latin America (project 6, see also E/CN.12/300) are directly related to the Council priority group E, "Development of education and science". Similarly the ECLA projects in section III, "International Trade", have an important bearing on Council priority groups A and B.

222. The considerations which the Council formulated in connexion with the United Nations priority programmes apply furthermore to various projects included in the Commission's programme.

223. In regard to criteria for priorities (Council resolution 324 (XI)) and procedures of establishment of priorities (Council resolution 402 B (XIII)) the work programme of the Commission fully satisfies recommendations of the Council, which in part have been adopted in accordance with the recommendation of the Advisory Committee on Administrative and Budgetary Questions.

224. In particular an account of co-ordination and co-operation arrangements included in the annual report of the Commission demonstrates that the preparatory work necessary for development of the various projects and their execution is co-ordinated whenever appropriate with other competent bodies and whenever desirable undertaken in co-operation or jointly with international agencies ready to assist or willing to combine them with their own related projects.

225. In accordance with the Council resolution 402 B (XIII) the programme of work has been divided within each broad group of projects (section I-V) into three groups as follows:

(a) *Continuing projects and activities of high priority* consist of projects in which the responsibility of the secretariat, in accordance with the Commission's terms of reference and resolutions, is such that studies and reports are presented on a periodic basis, although such reports and studies may differ from and supplement each other from year to year in substance (different aspects of major problems), in time (developments during a given period) or in scope (country coverage).

(b) *Ad hoc projects of high priority* are special studies or other activities for which an approximate duration can be estimated: for budgetary reasons some projects which would normally require a continuing approach are dealt with on an *ad hoc* basis. Pursuant to the recommendation of the Council and its Co-ordination Committee, an approximate estimate as to the probable duration of all *ad hoc* projects is indicated, except for meetings of experts and conferences where probable date of holding them is indicated.

(c) *Other projects* is a more accurate description of the third group, in previous reports assembled under the heading of those "which might be deferred or eliminated, or undertaken insofar as resources permit". Such projects cannot be placed in a higher priority in view of budget limitations, but their value to the countries of the region should not be dismissed as negligible.

226. Within groups (a) and (b) above, projects or activities have been listed without indication of their relative importance. However, in accordance with the Council's request, within group (c) above, projects have been listed in order of their relative priority.

227. It should be emphasized that no attempt was made to establish relative priority or importance between broad groups of projects into which the work programme of the Commission is divided, i.e.:

Section I: Economic growth and technique of programming;

Section II: Economic problems of agriculture;

Section III: Industry and mining;

Section IV: International trade;

Section V: Annual *Economic Survey* and quarterly *Economic Bulletin*.

228. Thus, it is assumed that high-priority projects in each of the five sections are not differentiated according to their relative importance, as their implementation is essential to the performance of the Commission's basic tasks under its terms of reference.

229. The Commission, at its fourth session, already recognized the necessity for classifying its work projects and priorities along the lines indicated by the General Assembly and the Economic and Social Council and this policy was continued at the meeting of the Commission's Committee of the Whole in 1952. Resolution 420 (XIV) of the Council on the annual report of the Commission stated, *inter alia*, that "the Economic and Social Council . . . considers that the 1952-53 work programme of the Commission included in its annual report is of primary importance for the economic development of Latin America . . . and endorses the priorities allocated by the Committee of the Whole to the individual work projects".

230. This work programme, advanced in the course

of the last year and revised in the light of the proceedings and decisions of the Commission at its fifth session, has been carefully scrutinized not only in the light of the Council's policy, as indicated above, but also with regard to the relative importance of various projects and activities in order to arrive at a balanced programme ensuring the best and most economic use of the resources.

231. The Commission has authorized the Executive Secretary, in dealing with several work projects, to convene, such conferences, meetings of experts, working parties or groups of specialists as indicated in several resolutions of the fifth session.

232. While it is desirable to adopt as firm a programme as possible, according to priorities, it is also essential that the Executive Secretary should retain a certain amount of discretion in adapting the programme to circumstances as they may arise and to the staff and other resources available to him. The Commission therefore decided, in accordance with sub-paragraph (f) of paragraph 11 of the report of the Council Co-ordination Committee annexed to the Council resolution 451 A (XIV), to authorize the Executive Secretary to modify or eliminate certain projects, or establish different priorities, should developments not now foreseen make this desirable in his opinion. Such alterations, however, should remain within the framework of the programme adopted by the Commission.

Programme of work and priorities, 1953/54: Annotated list of projects

SECTION I. ECONOMIC GROWTH AND TECHNIQUE OF PROGRAMMING

(a) *Continuing projects and activities of high priority*

1. *General problems of economic development and technique of programming*—Resolutions 7 (IV), 48 (V).

(a) Continuation of the analysis of the technique of programming started in a study presented in document E/CN.12/292, with particular reference to the application of this technique;

(b) Country studies: the method and analysis used in document E/CN.12/292 will be applied in making other country studies. (A study on Brazil has been started.)

2. *Monetary and fiscal policies relative to the requirements of economic development*—Resolutions 3 (IV), 52 (V).

Analyses of government receipts and expenditures; special analysis of taxation and other sources of revenue; and influence of government credit and fiscal policies and exchange and trade controls on consumption and investment in the various sectors of the economy.

3. *Studies of economic development in individual countries*—Resolutions 7 (IV), 49 (V).

The purpose of these studies is to analyse long-term trends and problems of the economic growth, with a view that these studies may be useful not only in formulating government policies but also that they may provide the basic data and materials for the application of technique of programming in the preparation of development plans.

4. *Economic Integration*

- (a) *Economic integration and reciprocity in Central America*—Resolutions 9, 24 (IV), 55 (V).

Following the first study on this subject, studies are being undertaken on commercial policies and removal of impediments to trade in relation to economic development and financing investments for the programme of integration; implications of integration for the agricultural economy; assisting governments in the implementation of the recommendations of the report prepared by the ECLA/TAA transport mission and of the Customs Nomenclature Sub-committee. The Commission is actively collaborating with the technical assistance programme being undertaken in Central America.

- (b) *Preliminary investigation of problems of progressive integration of Latin American economies*—Resolution 55 (V).

5. *Training programme for economists*—Resolutions 4 (IV), 48 (V).

Continuation of training programme organized for selected groups of Latin-American economists to work with ECLA economists on theoretical and practical problems of economic development and technique of programming.

6. *Technical research and training in Latin America*—Resolutions 13 (IV), 53 (V).

Continuation of a study made in Chile (see E/CN.12/300) to a group of selected Latin-American countries, with particular reference to the relationship between technological research institutes and institutions for training technicians.

(b) *Ad hoc projects of high priority*

7. *Expert conference, including working parties, on problems of economic development and the technique of programming* (with co-operation of TAA)—Resolutions 7 (IV), 48 (V).

This conference is planned for 1955, and will bring together a group of Latin-American economists who are directly concerned with problems of economic development in their respective countries. A small number of economists from outside the region will also be invited to participate. The main subject will be programming of economic development based on the work of the Commission, special papers prepared by participants, and the experiences of countries having development programmes. For selected aspects of the problem small working parties may be established in advance of or during the conference.

8. *Conference on monetary and fiscal policies* (in co-operation with TAA and the International Monetary Fund)—Resolutions 3 (IV), 48 (V).

This conference, tentatively scheduled for July 1954, will bring together a small group of economists and specialists for intensive discussion of monetary and fiscal policies as instruments of economic development policy with special reference to their bearing on the rate of economic growth. The documentation for the meeting will be prepared mainly by the secretariats of ECLA and the Fund.

9. *Influence of taxation on private capital exports*—Resolutions 3 (IV), 52 (V).

Continuation of a study started with document E/CN.12/298 and Add.1 and 2, taking into account economic aspects of the problem as well as fiscal. Studies of taxation in capital exporting countries, will be followed by a series of studies in capital importing countries.

10. *Transportation problems*—Resolution 38 (AC.16).

Study on obstacles to and requirements for economic development.

(c) *Other projects*

11. *Economic and legal status of foreign investments in Latin America*—Resolution 8 (IV).

Country studies have been completed and will be revised and brought up to date, and together with a general introduction will be published in the second half of 1953.

12. *Relation of migration to economic development*^{*}—Resolution 6 (IV).

This survey, not expected to be undertaken before 1955, will be an intensive study based on a field investigation in a selected area, which is in the process of relatively rapid economic growth. The purpose of this study will be to analyse the relationship of the growth of population and manpower to the rate of investment and to estimate manpower requirements both from within the country and from foreign countries, and the impact of migration on economic development.

13. *Study of organization and structure of capital markets in Latin America*—Resolution 3 (IV).

14. *Cyclical fluctuations in Latin America* (E/CN.12/190).

SECTION II. ECONOMIC PROBLEMS OF AGRICULTURE (with the collaboration of FAO)

- (a) *Continuing projects and activities of high priority*

15. *Factors affecting agricultural production*—Resolutions 7, 14 (IV), 61 (V).

This series of studies was started with one made in the Central Valley of Chile using sampling methods (see E/CN.12/306) and will be followed by applying similar methods, including field investigations in specific areas, in other countries in order to develop more fully an analysis and understanding of factors which influence incentives for increasing productivity and volume of production.

16. *Agricultural development in individual countries*—Resolutions 7, 14 (IV), 62 (V).

Continuation of a series of studies began in 1952, the purpose of which is to make known and analyse basic economic aspects of agricultural development and thus provide background material for the development policy and technical improvements in agriculture.

17. *Agricultural credit and regional seminars*—Resolutions 14 (IV), 65 (V).

The secretariat's studies on agricultural credit were made for Central American countries, and were pre-

^{*} This study was recommended by the Inter-Agency Regional Co-ordination Committee on Migration (see E/CN.12/323 and paragraph 205 above).

sented to the meeting of experts held in Guatemala in September-October 1952. These studies will be continued for other Latin-American countries, to be followed by regional meetings of agricultural credit experts.

(b) *Ad hoc projects of high priority*

18. *Study of coffee production and trade in relation to economic development*—Resolution 63 (V).

The study on coffee would consider especially the economic aspects of production, processing and trade which are more directly connected with the problem of economic growth. It would refer to specific producing areas utilizing not only available statistics, but also will be based on field surveys in order to obtain certain facts, especially those connected with productivity of labour, the trends in output, in consumption and future capacity of the foreign markets to absorb Latin-American coffee exports. The study would be made in collaboration with FAO and other international agencies interested.

19. *Investigation of agricultural statistical systems and methodology in Latin America*—Resolution 64 (V).

The studies would appraise the available statistics and methodology employed by the Latin-American countries in order that ECLA and FAO may be in a better position to interpret the results of the statistical analysis in the preparation of its studies of economic problems of agriculture with special reference to the problems of economic development. The results of these surveys would be referred to FAO and other agencies in order that appropriate measures may be taken to improve agricultural statistics in Latin America. The studies will be made in collaboration with FAO and IASI.

(c) *Other projects*

20. *Study of economic and technological problems of the banana industry* (with co-operation of FAO)—Resolution 67 (V).

21. *Study of production, industrialization and export markets of hard fibres* (with co-operation of FAO)—Resolution 68 (V).

SECTION III. INDUSTRY AND MINING

(a) *Continuing projects and activities of high priority*

22. *Iron and steel industries*—Resolutions 10 (IV), 57 (V).

(a) Studies of Latin-American steel production costs and investments;

(b) Studies of production costs, investments and incentives in the iron and steel transforming industries;

(c) Collection, analysis and dissemination of specialized statistics and technological documentation;

(d) Compilation and unification of terminology, norms and standards as applicable in the region.

23. *Pulp and paper industries* (studies to be undertaken in co-operation with FAO)—Resolutions 10 (IV), 58 (V).

The preliminary report (E/CN.12/294) will be followed by the studies listed below:

(a) Economic and technological investigation of the utilization of Latin-American tropical and sub-tropical woods for the manufacture of pulp and paper;

(b) Study of the possibilities of establishing other forest industries integrated with the manufacture of pulp and paper;

(c) Study of local and export markets for Latin-American pulp and paper, as well as for the products of the integrated forest industries;

(d) Economic and technological investigation of the possibility of utilization of sugar cane bagasse for the manufacture of pulp and paper in Latin America.

24. *Studies of the heavy chemical industries*—Resolutions 10 (IV), 59 (V).

(a) Surveys on the existing industry in Latin America;

(b) Analyses of imports of chemicals and investigation of the possibility of establishing industries producing import substitutes;

(c) Availability of raw materials in the region and technical and economic problems related to their utilization;

(d) Investment and cost structure.

25. *Development of energy resources*—Resolutions 38 (AC.16), 60 (V).

It is planned to initiate a preliminary overall survey of energy resources, utilization and requirements of energy based on estimates to be made of probable future demand trends and investment needs. As a part of a long-term study on energy it is planned to make an analysis of comparative costs of energy supplied by alternative sources in Latin-American countries.

26. *Mining*—Resolution 57 (V).

Compilation of data on estimated reserves of ores of non-ferrous metals. Analysis of demand trends for non-ferrous metals, and economic and technical problems related to mining and non-ferrous metallic ores, their preparation, smelting and refining.

27. *Collection and classification of data available on non-agricultural natural resources in Latin America, and publication of inventories of resources*—Resolution 60 (V).

(b) *Ad hoc projects of high priority*

28. *Expert conference, including working parties, on iron and steel industry* (in co-operation with TAA)—Resolutions 10 (IV), 57 (V).

The conference would be attended by qualified experts from Latin America and a few experts from outside the region and may be preceded by technical working parties; on the basis of technical papers prepared by the secretariat and specialists, the conference would facilitate exchange of experiences on: economics of the blast furnace as influenced by iron ore preparation, increase of temperature and pressure of blast, etc.; production of ferro-alloys; new iron ore reduction methods other than the blast furnace; influence of use of

oxygen in converters and on resulting steels; norms and specification for steels; cost structure of selected steel transforming industries.

29. *Expert conference, including working parties, on pulp and paper industry*—Resolutions 10 (IV), 58 (V).

Meeting of experts on pulp and paper (in co-operation with TAA and FAO), to discuss problems arising from material assembled and reports prepared by the secretariat and by specialized working groups.

30. *Studies of possibilities of establishing processing industries utilizing domestically produced raw materials, with particular reference to expansion of intra-regional and international trade*—Resolution 46 (V).

(c) Other projects

31. *Food processing industries*—Resolution 10 (IV).
32. *Textile industry*—Resolution 11 (IV).

SECTION IV. INTERNATIONAL TRADE

(a) Continuing projects and activities of high priority

33. *Trade between Latin America and United States and Europe*—Resolutions 18, 21 (IV), 45 (V).

Study of probable future trends of demand for primary products exported by Latin America and of changes in the composition of Latin-American imports which will affect the type of goods (especially capital goods) European and North American countries may expect to export to Latin America.

34. *Intra-Latin-American trade studies*—Resolutions 20 (IV), 69 (V).

(a) Problems of commercial policy: implications of GATT for intra-regional trade; payments and exchange controls as applied to intra-Latin-American trade; import-export controls and administrative procedures;

(b) Possibilities of increasing demand and trade within the region for Latin-American raw materials and manufactures;

(c) Problems of maritime transportation in relation to intra-Latin-American trade.

35. *Studies of the terms of trade and its influence on the rate of economic development*—Resolutions 18, 22 (IV), 46 (V).

The scope and character of these studies will follow the detailed recommendations contained in the resolution adopted by the fifth session.

(b) Ad hoc project of high priority

36. *Study of multilateral compensation settlements among Latin-American countries and between Latin-American and European countries*—Resolutions 42 (AC.16), 47 (V).

This is a continuation of a study presented to the fifth session (E/CN.12/299). It is proposed to make an exhaustive analysis of trade and payments between Latin America and Europe and among Latin-American countries.

(c) Other projects

37. *Tourism*—Resolution 56 (V).

Study of means for removing obstacles to expansion of tourist trade.

38. *Study on operation of Free Zone of Colon, Panama*—Resolution 25 (IV).

SECTION V. ANNUAL "ECONOMIC SURVEY" AND QUARTERLY "ECONOMIC BULLETIN"

(a) Continuing projects and activities of high priority

39. *Annual Economic Survey of Latin America*—Resolutions 7 (IV), 44 (V).

40. *Quarterly Economic Bulletin*—Resolution 32 (IV).

Financial implications 1953-1954

233. Recognizing the urgent need to economize United Nations resources, the Executive Secretary has made a careful study of the new programme established by the Commission. The work programme of the secretariat has been revised so as to make it possible to absorb a large part of the additional workload. The planning and preliminary work on the new projects will be undertaken by the regular staff of the secretariat during 1953, with a minimum of additional expenditures.

234. It is impossible at this time to make an accurate estimate of the expenditures for meetings of experts, since the time and place, scope and composition of these meetings can only be determined after the preliminary substantive work has been completed and the plans have been prepared.

235. While the secretariat may absorb the major portion of the new programme and the expansion of continuing projects with the regular staff, there are certain projects of high priority which cannot be undertaken without additional resources. These projects are as follows:

(a) IRON AND STEEL INDUSTRIES (resolution 57 (V))

The resolution on iron and steel requires a series of technical and economic studies which cannot be undertaken by the regular secretarial staff of ECLA. The Industry and Mining Division may continue to assign part of its staff to this important project. However, the knowledge and experience of the available staff will have to be supplemented by experts with specialized knowledge, mainly in the field of specifications of steel and steel products, as well as transforming and engineering industries. The project will also necessitate official travel over and above the normal travel programme of the division.

It is envisaged that one expert with a specialized knowledge of specifications and standardization of steel products will be needed to compile and consolidate, in close contact with the steel industry, the specifications for iron and steel products which already are in force in several Latin-American countries and propose modifications of them in order better to suit the potentialities of the regional industry.

In relation to steel-transforming industries, it has been contemplated to conduct similar studies to those prepared for iron and steel making, which will deter-

mine the influence of size of plants and will include an analysis of the cost and investment structure for a series of steel transforming and engineering industries.

For the above projects it will be necessary to engage three experts from four to six months each and one expert for eight months. One of these experts will be employed in 1953 to undertake several preliminary studies in collaboration with the staff of the Industry and Mining Division. The three remaining experts will be needed in 1954.

The work on iron and steel transforming industries opens a new field and it will be necessary to obtain the services of one specialist for conducting and co-ordinating this particular work from January 1954 onwards, after the preliminary work has been finished.

Financial implications

	1953 \$	1954 \$
(a) <i>Established posts</i>		
1 First officer for 1954 (P/4).....	—	9,140*
(b) <i>Consultants:</i>		
1 Expert on specifications and standardization for 6 months.....	—	6,000
1 General expert on steel transforming industries for 8 months (1953 and 1954)	(4,000)	4,000
1 Expert on size of plant investment and cost analysis (6 months).....	(1,000)	5,000
1 Expert on products and processes for 6 months	—	6,000
Initial and return travel of experts....	(2,000)	2,000
Official travel for experts.....	(2,000)	3,000
(c) <i>Official travel</i>		
Official travel for ECLA staff (one visit to main plants in Latin America)....	—	1,500
	\$(9,000)*	\$36,640

* Common staff costs will be absorbed within the normal budget.

* The expenditures for consultants and official travel for 1953 may be absorbed within the normal budget.

(b) PULP AND PAPER INDUSTRIES (resolution 58 (V))

Resolution 58 (V) on paper and pulp will considerably enlarge the scope of work of the secretariat in this field, both in 1953 and 1954. It will not be possible to absorb the additional substantive work within the normal programme for 1953 and 1954. In the interest of economy, however, the secretariat will absorb the additional requirements for temporary assistance, secretarial and clerical help.

It will be necessary to undertake extensive field investigations which have been considered in the resolution, namely the utilization of tropical and sub-tropical species, the integration of other forest industries with the paper and pulp industry, the market conditions for pulp, paper and the products of the integrated industries, and bagasse as a source of pulp and paper. The work on the projects will require four consultants with specialized knowledge in these fields for approximately six months each. It will be necessary for these experts to undertake official travel throughout the region. To co-ordinate this important project it will be necessary to engage a general expert in the field of paper and pulp production and marketing, to be attached to the

Industry and Mining Division in Santiago, beginning in January 1954.

Provided that the meeting of experts may be held in Santiago, there will be no additional funds required, since the secretariat will undertake to service the meeting from its normal staff, assuming that the participating experts will cover their own travel and *per diem* expenses.

Financial implications

	1953 \$	1954 \$
(a) <i>Established posts:</i>		
1 Second officer for 1954 (P/3).....	—	7,330*
(b) <i>Consultants:</i>		
1 Expert on the utilization of tropical and sub-tropical species—6 months..	3,000	3,000
1 Expert on integration of other forest industries with the paper and pulp industry—6 months	—	6,000
1 Expert on marketing—6 months.....	—	6,000
1 Expert on bagasse—6 months.....	2,000	4,000
Initial and return travel—Experts.....	2,000	2,000
Official travel—Experts (3 visits).....	—	3,000
(c) <i>Official travel—ECLA staff (2 visits) ..</i>	1,000	1,000
	\$8,000	\$32,330

* Common staff costs will be absorbed within the normal budget.

(c) STUDIES OF THE HEAVY CHEMICAL INDUSTRIES (resolution 59 (V))

Although a study on chemical industries was included in the programme for the fourth session, the secretariat has not had the resources or the expert knowledge to commence work on this project. Resolution 59 (V) calls for a series of special studies on a continuous basis and it will be necessary to engage an expert with technical knowledge of chemicals and chemical processes relating to their production. In addition, it will be necessary to employ a short-term consultant on problems of investments and cost structure. The Industry and Mining Division may undertake, with the aid of a short-term consultant, a preliminary survey of the industry and an analysis of imports. Short-term consultants will also be required to compile and analyse the suitability of available raw materials in the region for the production of basic chemicals.

Financial implications

	1953 \$	1954 \$
(a) <i>Established posts:</i>		
1 First officer for 1954 (P/4).....	—	9,140*
(b) <i>Consultants:</i>		
Short-term consultants for a total period of 8 months.....	2,000	6,000
Initial and return travel for consultants	1,000	2,000
Official travel—Experts (2 visits).....	—	2,000
(c) <i>Official travel—ECLA staff (1 visit) ..</i>	—	1,000
	\$3,000	\$20,140

* Common staff costs will be absorbed within the normal budget.

(d) INTRA-LATIN-AMERICAN TRADE STUDIES (resolution 69 (V))

Due to shortage of staff and other resources, it has only been possible to prepare a preliminary report covering relatively few countries. For the compilation and analysis of economic data to undertake the studies requested by the Commission, it will be necessary to increase the staff of the Foreign Trade Division by two posts. It will further be necessary to engage an expert on commercial policy, payment and exchange controls, import-export controls and administrative procedures for approximately six months to visit Brazil, Chile, Peru, Uruguay and Central America.

The first part of the study on maritime traffic in Latin America may be undertaken by the regular ECLA staff during the latter part of 1953 and the early part of 1954. In order to complete the study, it will be necessary to engage a maritime shipping expert for five to six months to visit the principal countries and ports in Latin America. A special study on foreign trade in Bolivia and Paraguay may be undertaken by the secretariat.

The study on intra-regional trade requires extensive travel in the area. Part of these travel expenditures will be borne by the normal ECLA budget, however, the resources will be inadequate to cover the travel of the two experts.

Financial implications

	1953 \$	1954 \$
(a) <i>Established posts:</i>		
1 Second officer for 1954 (P/3).....	—	7,330*
1 Associate officer for 1954 (P/2).....	—	5,750
(b) <i>Consultants:</i>		
1 Expert for 6 months on commercial policy	2,000	4,000
1 Maritime transportation expert for 5 months	1,000	4,000
Initial and return travel of experts....	2,000	—
Official travel of experts (2 visits)....	—	2,000
	\$5,000	\$23,080

* Common staff costs will be absorbed within the normal budget.

Summary of financial implications

	1953 \$	1954 \$
1. Iron and steel industries.....	—	36,640
2. Paper and pulp industries.....	7,000	32,330
3. Heavy chemical industries.....	3,000	20,140
4. Intra-Latin-American trade studies....	5,000	23,080
	\$15,000	\$112,190

APPENDIX A

Address by His Excellency Dr. Getulio Vargas, President of the Republic of Brazil, to the fifth session of the Economic Commission to Latin America, 9 April 1953

The Government of Brazil has great pleasure in welcoming the representatives who are going to participate in the fifth session of the United Nations Economic Commission for Latin America.

This body is a living example of the new spirit of international organization, the object of which is not only to set up a supervisory body capable of preventing disputes and settling controversies, but also to lay the foundations of an organized international community on the unqualified co-operation of resources and abilities and so to ensure the well-being of all.

Having been set up in 1948 on the initiative of the Economic and Social Council of the United Nations, and planned within a world-wide framework, the Commission is going from strength to strength as an instrument serving the co-operation of the Latin-American States with a view to the solution of their problems and the satisfaction of their needs.

Anxious to remove the causes of disequilibrium in the under-developed economies and to overcome the circumstances which have hitherto prevented the Latin-American countries from advancing at the same rate as the more developed countries, ECLA is performing most valuable services to the Americas.

The Commission's studies on the economic situation in Latin America have become a reliable source of information and statistical data of the utmost value to governments in framing their policies and to students of

related subjects in our countries. The original methods with which ECLA is approaching the complex economic problems of this continent's under-developed countries represent a new experiment, for their object is to produce rational solutions of the basic problems affecting production and to guide economic policy in such a way as to ensure the attainment of targets compatible with the level of investments in keeping with our potential.

Eloquent evidence of these efforts is contained in the numerous reports relating to the items on the agenda of this session, among which the most important are the studies concerning the basic iron and steel, pulp and paper, and heavy chemical industries, the reports relating to agricultural development, intra-regional trade and the multilateral adjustment of balances of payments.

My Government appreciates in particular the Commission's efforts to formulate a theory of economic development likely to commend itself on its own merits to the Latin-American countries as a rational basis of their economic policy. In this respect, the measures recommended are not mere theoretical speculations, but on the contrary are of great significance as a programme of practical action and objective character.

ECLA is more and more becoming a genuine consultative body for the Latin-American Governments by virtue of its impartial position and the high quality of its technical resources.

I will not enumerate the varied directions in which the Commission has attained splendid results, but I cannot omit to speak of its work in the field of technical assistance as an extension in this continent of the Expanded Programme of the United Nations. The training of experts in matters of economic development fills an urgent need in the Latin-American countries.

My Government wishes to express its great appreciation for all the excellent work already done and for the projects now under consideration by ECLA. We wish this most useful agency of international co-operation to continue, in keeping with the original plan, to work towards the accomplishment of its purposes, while any changes in its structure or organization should not prejudice the attainment of its objectives.

You have a very broad agenda before you. It contains items of the highest interest to the Latin-American Governments, such as the expansion of intra-regional trade, the determination of inflationary factors, the promotion of food production, and the studies relating to land reform.

These and other subjects studied by ECLA during the last two years reflect my Government's constant concern in its own country and are most material to the country's economic development. The Brazilian Government's policy with respect to land reform is being worked out in co-operation with the National Commission of Agrarian Policy established early last year, which has used the studies and research work of

international bodies. The encouragement of basic industries, the expansion of the food industry, an increase in exports, the financing of electric power, transport and storage enterprises, the mechanization of agriculture, and the re-equipment of the ports are salient features of my Government's work programme.

ECLA is making a considerable contribution to the analysis of the factors which influence the success of this economic development policy. The co-operation between the Commission and the *Banco Nacional do Desenvolvimento Econômico* of Brazil will help the Government to solve the specific problems relating to its plan of action, to set the targets to be attained, and, through research into the economic situation in our continent, to determine whatever techniques are most desirable.

The Brazilian Government hopes that the proceedings of this Fifth Session of the Economic Commission for Latin America will be crowned with complete success.

Brazil is honoured to act as host to all those who are making such efforts to plan the economic emergence of the Latin-American countries. By dint of making rational use of our resources and potential, and by strengthening each other through full co-operation, which will offset some of our deficiencies, we shall be able to protect our institutions and our ideals as free peoples against threats from outside and to bequeath to future generations a way of life worthy of our immense potential wealth.

APPENDIX B

Statement by Dr. Raúl Prebisch, Executive Secretary, to the fifth session of the Economic Commission for Latin America, 10 April 1953

I

The Executive Secretary of the Economic Commission for Latin America has the honour to submit a report on the work which was assigned to him in the fourth session held in Mexico. If measured by the effort put forth and the character of the material discussed this work surpasses that done until now; the delegates may judge if its content lives up to what they expected.

Our task has been accomplished under favourable circumstances. For the first time the work has been done according to an over-all plan approved by the Commission. There has been a strong sense of unity in the selection of the subjects. Indeed all of them converge towards fundamental problems in Latin-American economic development. This, together with the priorities which the above plan establishes, has permitted us to proceed methodically, without harmful dispersion of effort. These problems, moreover, are of vital interest and, on undertaking them, we have advanced firmly towards knowledge of Latin-American reality. Finally, the work plan has emphasized concrete action, without detriment to the analysis and interpretation of facts, which still is a long way from being completed.

This task, nonetheless, has not been a light one and we who have the greater responsibility in the secretariat have still not found a sufficient number of experienced economists to share in it. For this reason, I request the

tolerance of the delegates in judging the documentation which is presented. In spite of its extent, we have succeeded in despatching these documents earlier than for former sessions and I hope that in the future we shall be able to send them even earlier and also achieve something which justifiably concerns me: namely the disposal of the necessary time and effort to better refine and condense ideas and to highlight their fundamental content, whilst avoiding any risk of misunderstanding in the impressive flood of papers which the fulfilment of the work plan has required.

II

We have begun concrete action in the matter of economic development, in accordance with the directives given us by the Commission. There is a series of reports about this. One refers to the problems posed by the policy of gradual and progressive integration of the Central American economies. This policy is advocated by the Committee of Ministers of Economy, arising out of the fourth session in Mexico, which held its first meeting some months ago in Tegucigalpa for the purpose of formulating a programme of practical action in which the Technical Assistance Administration, the FAO and other specialized agencies of the United Nations should collaborate. Another has to do with the technical and economic problems of the Latin-American iron and steel industry and the conclusions arrived at

in this connexion at the recent meeting of experts in Bogota, which we also carried out in collaboration with the Technical Assistance Administration. We expect also to hold a similar meeting on the possibilities and problems of the pulp and paper industry in Latin America. Finally, we have started work on the technique of programming, a field which is barely beginning to be opened up in Latin America; our first results are shown also in a report being submitted to the consideration of this session. It was time to enter the field of concrete action. But by the very fact that the scope of Latin-American economic development was undefined and scarcely known, it was necessary to carry out preliminary work of exploration and interpretation of reality. It was necessary to elaborate certain principles for practical guidance. Without these principles, we would have fallen into crude empirical methods; and without concrete action, we would have run the risk of withdrawing into speculative discussions. I believe that we are reaching an adequate combination of both tasks, which mutually re-enforce one another.

In that interpretation of reality certain concepts of economic development have been evolved which, as they have progressively taken shape through successive meetings of the Commission, have acquired the consistency of a system of ideas that guide our efforts and contribute to give them the unity that is a feature of our work programme. Those concepts prevail even in the survey of recent events. Thus in the Annual Economic Survey the underlying preoccupation this time is economic development, and these recent events are considered not only in themselves, in their momentary significance, but also as elements in a sequence of dynamic events, as strong manifestations of an economic complex that grows and is diversified unceasingly.

III

Economic growth is not a mere increase of what exists today. It is a process of intense structural changes brought about by a clearly simple phenomenon, though one that has profound consequences: the divergent manner in which the demand for primary and for manufactured products grows as income per head rises. I shall mention some simple data in order better to explain this. Let us take the specially significant case of the United States, whose imports are made up mostly of primary products, and let us compare it with Latin America, whose imports come from the more developed countries and are composed, of course, mostly of manufactured and semi-manufactured goods. There is a marked contrast: for every 1 per cent by which income increases in the United States, the demand for imports grows by 0.66 per cent; whereas for every 1 per cent increase in Latin America's income, its demand for imports tends to grow by 1.8 per cent, if we judge by the experience of the last few years. This disparity becomes even greater if we consider that European demand for imports from Latin America grows at an even lower rate than United States demand.

It is evident that Latin America could not face the persistent disequilibrium in its foreign trade that such a situation imposes. The dilemma is clear: either Latin America grows at a slower rate in order to maintain equilibrium, or certain structural shifts must be introduced involving the substitution of domestic production

for imports that can no longer be obtained in sufficient amount to maintain or to accelerate the growth of the Latin American economy.

Industrialization—accompanied by the “technicalization” of agriculture—is thus the key to the growth in the Latin-American standard of living, since to achieve growth it is not enough simply to absorb into manufacturing and other urban activities the annual additions to population. Growth would in that case take place very slowly. It is also necessary to raise productivity in agriculture, where modern techniques have penetrated very little except in export activities: in fact as much as 57 per cent of the gainfully employed population of Latin America still works in agriculture, where productivity is generally low, and contributes as little as 20 per cent of total income. Such a percentage of gainfully employed population existed in the United States almost one hundred years ago; today it is only 11 per cent. Even in countries like Chile, where the proportion of agricultural to total active population has been reduced to 31 per cent, there is an appreciable waste of potential human effort according to a survey the results of which will undoubtedly interest the members of this Commission.

Technical progress in agriculture thus has as a consequence the liberation of the apparent excess of population on the land. What would these people do if they did not become employed in manufacturing, transportation and services? All these activities are not only indispensable to satisfy in Latin America a demand which cannot be taken care of through foreign trade, but also to achieve a more economical distribution of potential manpower as productivity rises.

This type of thinking is often taken as complete heresy. After one of our first reports was published, there happened to come by here one of the most illustrious professors on international trade. Formed in the purest classical tradition, subject for decades to the exercises of Ricardian logic, a few weeks stay in Brazil was not enough to charm him with the spectacle of an industrialization that is barely starting if judged by the cosmic possibilities of this country. He has condemned industrialization, dragging into his execration the ECLA economists who have been advocating it. He has also argued against any form of deliberate control of economic growth and orientation of foreign trade. But at least he has left us one simple and positive recipe for economic development: we should devote our efforts to agriculture and practise birth control!

IV

It is necessary to escape from this unilateral view of economic development. This is why I speak of industrialization with simultaneous “technicalization” of agriculture. Since the diet of the Latin-American population is generally poor, it is sometimes believed that increased agricultural output suffices to improve it. This is certainly a condition, but not the only one. The other condition is that income per head should rise in order to raise demand. If there were more food, and income did not increase enough, agricultural prices would fall disastrously.

In fact, the demand for foodstuffs tends generally to grow more slowly than income, whereas that for

other goods and services tends to increase more intensely than income. We have here a similar disparity to that which we mentioned before. In Latin America the elasticity of demand for foodstuffs is still relatively high; according to our estimates it was of the order of 0.5 during the last decade. That is, if demand for foodstuffs is to increase by one per cent it is necessary that income rises by 2 per cent; in more advanced areas, the increase in income has to be much larger to achieve the same result.

Consequently, if it is desired to improve the diet by increasing agricultural production, it is indispensable to raise income per capita. The chances of achieving this through the expansion of exports are rather limited. However, there are particular cases in which it would not be difficult. One of these is that of Ecuador, a country whose development problems we have recently studied and on which we are submitting a report at this meeting. But generally the dynamic role of exports has weakened, and must be shared with industrialization, sometimes to a considerable extent. Industrialization and the development of related activities, besides providing those goods and services which it is not feasible to obtain by means of foreign trade, is therefore indispensable in order to increase average income and stimulate agriculture. Manufacturing does not conspire against agriculture. Both activities support each other and if maladjustments occur between them it is due in general to ill-conceived policy measures or to lack of foresight, and not to functional incompatibility.

V

It is evident that changes in the composition of foreign trade brought about by economic growth and by the progressive assimilation of modern capitalistic techniques also involve disruptions such as have been occasioned by the very process of technical innovation. If we admit the need to grow, such changes are inevitable, but it is possible to alleviate the effect of the disruptions if we know their trend beforehand, so that the industrial centres may gradually modify their exports according to the change in the import needs of developing countries and in such a way that those exports may participate actively in Latin-American industrialization. There are promising symptoms of a more understanding attitude toward this phenomenon. In the meeting on the steel industry to which I have referred, the Latin-American experts were deeply impressed by the exemplary fashion in which United States, Canadian and European experts contributed with their experience and technical know-how to the understanding of the steel industry's problems in our countries. There can be no clearer proof of the manner in which a new spirit of international economic co-operation is being nourished in the United Nations. Could the delegates conceive of such a meeting during the thirties? Assuming it could happen, would we not have heard cautious and prudent advice, if not admonitory expressions from the academic world, reminding us of the natural vocation of these countries as producers of primary products?

To foresee the shifts inherent in the structural evolution of developing economies is one of the practical objectives of the method of projections which we explain in our report on the technique of programming. Given

a rate of growth of income, we wish to determine the probable increase, after a certain number of years, of the requirements for goods which are now being imported; and the checking of this result with the estimate of probable capacity to import gives us a rough idea of the amount of imports that will have to be replaced by domestic production. This is then followed by a study of the actual possibilities of substituting imports and a comparison of these with the alternative of achieving additional exports. For purposes of illustration, the report looks into two specific cases, those of Chile and Brazil, and arrives at the conclusion that over the next ten years, if growth continues at a rate that might reasonably be maintained, it will be necessary to intensify substitution, not only of goods going one way or another into consumption, but even of capital goods, in order that certain categories of essential imports—irreplaceable because of natural resource or market limitations—may continue to increase.

It would thus be very useful to extend these projections to the rest of the Latin-American countries, not only to serve as a basis for investment programmes, but, as I said before, in order that the industrial centres may also have a means of guidance in their own export policy. Some classes of goods will lose importance and even be wiped out or almost disappear, whereas the demand for others will grow steadily. To take only one example, textile exports are in the first case, being among those that can be substituted with less difficulty. However, this fact does not seem to have been taken into account, for, as the most recent annual survey of the Economic Commission for Europe shows, there have been in Europe excessive investments in that industry in relation to the exports that it has been possible to achieve.

VI

In preparing this statement, I have asked myself if I do not go beyond my role as a member of the United Nations Secretariat in discussing controversial matters such as these. I do not believe so, since the most important function of the United Nations in the economic field is to promote a vigorous development of the less advanced countries with a view to reducing the present inequality between their income and that of the more advanced countries. This development cannot be achieved without those structural changes—without industrialization—and I would not be fulfilling my duty if I did not emphasize their essential character.

However, it is often stated as a condition that this process should be natural and spontaneous, and not the result of deliberate policy in foreign trade. I shall not, and cannot, argue in favour of a specific manner of carrying out such action. I only wish to analyse certain relevant facts and offer some thoughts deriving from them.

Productivity depends largely on capital intensity. There is today a large difference between the amount of capital per inhabitant in Latin America and in the economically more advanced countries. A very long time must pass before this difference can be reduced appreciably. A realistic policy has to face this fact. This being the case, the greater productivity of the more advanced countries would not permit a spontaneous development of lower productivity manufacturing

in less advanced countries such as those of Latin America. It is clear that if, in the latter, wage levels were reduced in proportion to the lower productivity, conditions might be obtained more favourable for the competition of domestic manufacturing with imports. But, besides being impracticable, this would have calamitous consequences on the terms of trade.

Hence the important question I would like to discuss. If industrialization and "technicalization" of agriculture are mutually indispensable, and if differences in productivity would prevent industry from developing spontaneously, how would it be possible to carry out such a process without a policy of deliberate encouragement of industry, replacing progressively ranges of goods hitherto imported to the extent that the process of growth requires it?

VII

There is another interesting aspect to point out. We have shown on other occasions that the establishment of activities with lower productivity than that of similar activities in foreign countries does not necessarily mean that they are uneconomic. On the contrary, they would contribute to raising income per head whenever their productivity, even though lower than that of other countries, is higher than that which the manpower would have had if it had been employed in the usual primary activities. This latter condition is essential. Otherwise, if productivity in the new activities that are established as a result of the development policy were less than in primary activities, the solution would be uneconomic. This risk actually exists and must be taken into account. Development policy is far from being free of such excesses which, as a result of over-intensive industrialization, can lead to a reduction of the volume of exports that can be carried out advantageously. We have thus believed it desirable to discuss in our report on programming technique the limits to this process.

VIII

This is a matter of the utmost importance, and it is conceivable that in some Latin-American countries the process is not far from limits of that nature. Unfortunately, if a given substitution of imports turns out to be costly due to relatively low productivity, there is not always available the alternative of increasing exports in primary activities that may be more productive. But exports of manufactured goods would be feasible, resulting in higher productivity than could be achieved by carrying import replacement to extremes. We have a useful example in the projections of Chile's economic development to which I have referred before. To grow at a rate somewhat higher than that of the last decade, Chile will have had to carry its import replacements quite far by 1962, even making fairly optimistic assumptions regarding future exports of its traditional primary products. But this country has clear possibilities of exporting manufactured goods, especially iron and steel and their products and pulp and paper. The products of these industries are among those that will probably have the most intense demand in Latin America. For instance, in paper, according to experience of the past fifteen years, consumption rises by close to 8 per cent per year. This is the type

of activity that offers great prospects for specialization and reciprocal interchange in Latin American economy. Returning to the case of Chile, it is not conceivable that this country would find an easy market in the more advanced foreign countries, but rather that it would find it in Latin America. To a greater or lesser extent, this problem will arise in other countries as economic growth requires further progress in import substitution.

This problem is of cardinal importance. If a stable solution is not found to promote this type of interchange among developing countries, very serious obstacles to growth may develop as time goes on. This is also the subject matter of the report I have mentioned. For illustrative purposes, it is estimated that, if Latin America accelerated its rate of growth, it would have to reduce sharply its propensity to import, as has happened and still happens in the United States. But this latter country, apart from its exceptional combination of natural and human resources, is favoured by having one large market, as contrasted with the water-tight compartments of the Latin-American economy. If communications are not opened between these compartments and trade in manufacture established between them, the import replacements that would have to be carried out to reduce the propensity to import from the great industrial centres might turn out too costly and reflect unfavourably upon the standard of living.

IX

This subject of great significance was turned to interesting debate in the Mexico session and we were asked to undertake the relevant studies. We now submit a first report dealing partially with the problem, and if the Commission considers it advisable we could extend the field covered by these studies. As I have already explained, due to the unavoidable need to restrict or eliminate certain imports in order to increase others demanded by development, Latin-American countries have also applied such restrictions among themselves, though the factors at work were not those that determine changes in the composition of trade between industrial centres and the periphery. To alleviate the impact of these restrictions, bilateral agreements have been resorted to. It appears from this first report that the policy of bilateral agreements, even with their preferential character, has not tended to stimulate intra-Latin-American trade. A number of different obstacles exist. Overvaluation of currencies has contributed powerfully to hamper certain exports of manufactures that might have been developed in addition to primary commodities. The lack of adequate transport facilities is another. The instability of the policy itself has also been a deterrent. But over and above it all, bilateralism itself seems to be an ineffective instrument in view of the strict country-by-country compensation inherent in it.

All this offers material which appeals to the imagination and to constructive boldness. It may be that the past and the present are smothering the promises of the future. I do not think we need sacrifice present activities. Interchange need not be developed at the expense of what has been so far achieved in each country; it is necessary to emerge from the static conception of it and take advantage of the possibilities

offered by growth itself. The increase in the demand for goods already in production certainly offers good prospects. But the prospects are more positive in the new activities which are being undertaken as part of the process of the inevitable replacement of imports from the large industrial centres. It is in these new activities that we shall especially have to seek a method for reciprocal interchange. This requires a long-range policy in which the very understandable desire to obtain large immediate results may be reconciled harmoniously with the fruits of slower processes.

It cannot be doubted that the payments problem should be integrated into a broad policy of reciprocal interchange. The idea of a Latin-American payments arrangement has always been welcomed sympathetically in principle, but as its study has advanced, important problems have arisen in its path. This should not be surprising: payments difficulties are the monetary expression of deeper phenomena and it will not be feasible to attain alternative and valid solutions if attention is only paid to superficial symptoms. A payments arrangement unaccompanied by efficient measures for reciprocal interchange would soon die out for lack of substance.

The European Payments Union has been built on those principles. Intra-European trade constitutes almost half of the foreign trade of the respective countries and the participation of these in the Union has been accompanied by commitments to reduce progressively the restrictions that were harming regional trade. On the other hand, trade between the Latin-American countries is only 10 per cent of the total. In any case, the experience of the European Payments Union is of obvious interest to our countries and may contain profitable lessons.

X

It is therefore justifiable to follow this experience closely. But there is also a more direct and immediate reason, which led the Committee of the Whole in Santiago last year to request that we undertake a preliminary study, also submitted to this meeting: to ascertain the possibility of using that payments mechanism so that a Latin-American country with a surplus in the currency of a European member country of the Union could use it to make payments to any other member country with which it had a deficit.

We have entrusted this preliminary study to a distinguished international economist who, besides taking part initially in the organization of the European Payments Union, has a vast knowledge of the monetary problems of Latin America. After an analysis carried out in the field, it has been concluded that the transferability of balances that would interest Latin-American countries is technically possible but would run up against a difficult though not insuperable obstacle: the European country whose currency was transferred in payments to another EPU member country, or the Payments Union itself, would be forced, in certain foreseeable cases, to part with gold or dollars as a result of the transfer. To answer this objection, the author of the study has examined the possibility that the Latin-American countries making use of the clearing facilities in the European Payments Union should contribute a part of that gold or those dollars in the spe-

cial cases. The formula is logical, but as the author of the study recognizes implicitly, it would not be appropriate to give an opinion in favour of the formula, in view of the exploratory nature of the document, without further examination of what might be done if information now lacking were available from the interested countries.

It is evident that in any clearing arrangement gold or dollars have to be mobilized once the limits of reciprocal credits have been reached. This happens currently among members of the European Payments Union, and if participation in the advantages of its mechanism is sought, responsibilities have also to be shouldered. Different possible formulas are conceivable, among which is the one mentioned in the study. This is not the occasion to discuss these aspects, but a general statement might be appropriate.

Both western Europe and Latin America, taken together, have shown a persistent tendency to dollar scarcity. I do not believe any monetary combination can last in which one area supplies the other with dollars earned in the rest of the world, except occasionally and temporarily. Each area needs those dollars for its own payments and, so far as Latin America is concerned, to take care of requirements arising out of its own growth. This aspect is of great practical significance, to such an extent that it is appropriate to ask if, in case it be considered advisable to continue these studies, it would not be necessary also to investigate the possibility of solutions involving all countries instead of the direct relationship of each separate Latin-American country with the European Payments Union.

This is a difficult problem and it requires great care. Furthermore, regional payments solutions, although they correct the crudest evils of bilateralism, should be considered as provisional until a new world system of multilateral payments is established. There is again talk of convertibility, which is an essential step towards multilateralism, and this circumstance will have to be considered carefully in any further continuation of these studies. But if this road could not be followed, there is no doubt concerning the advantages of a solution facilitating multilateral clearings, even if only of limited scope, compared with allowing the evils of bilateralism to take a definite foothold.

XI

The primary importance that this problem has for Latin America should not lead us to forget that the persistent tendency toward external disequilibrium in developing countries is not a purely monetary phenomenon nor does it admit purely monetary remedies. I should like to emphasize that growth requires a continuous structural change in the domestic economy and in imports. To suppress inflation would not signify the elimination of the unavoidable need for these readjustments, if the process of growth is to be continued.

Now, the more I observe these phenomena, the more I am persuaded that, if the tendency to disequilibrium is duly recognized, it is possible to prevent it from manifesting itself in a periodic deficit of the balance of payments with its ensuing difficulties. One of the main justifications for a programme is precisely the

desirability of orienting investment in such a manner as to offset the disequilibrating forces.

I expect that our contribution in this matter, however modest and limited, may have the virtue of stimulating interest in the programming of economic development. I must admit, however, that in my frequent conversations with Latin-American officials responsible for these affairs, even among those who are convinced of the need for working in accordance with development programmes, I have noted something which is not exactly scepticism but certainly an inhibitory uncertainty. The formulation of a programme represents a considerable effort in terms of resources and of the energy of persons who, because they are able, are urgently required for immediate and current affairs. Once a programme is drawn up and the contribution of foreign capital is determined, what is the likelihood that foreign capital will be forthcoming?

In this matter, in which a very laudable effort has already been made, I believe much remains to be done; it is indeed an experience that is only beginning. A survey of the basic needs in energy, transportation and agriculture in the countries of Latin America, without of course omitting other requirements, might lead first to aggregate estimates and eventually to an analysis of the advisability of international investment programmes that are complementary to domestic development programmes and offer at the same time powerful incentives to undertake formulation of the latter. Furthermore, if a satisfactory combination of national programmes with an international investment programme were arrived at, this alone would dissipate the worries arising periodically regarding the consequences of a possible contraction of economic activity in the large industrial centres.

XII

I would not wish at all that this reference of mine to the need for foreign capital should be interpreted as in any way underestimating the prominent role played by domestic investment. This sector of investment has gained momentum since the end of the war. In the period 1946-52, the average value of total investment in Latin America as a whole has been some 6 billion dollars annually at 1950 prices, of which only about 5 per cent has been foreign capital. Aggregate gross investment has on the average been about 16.5 per cent of gross income. This proportion is far from being low, but to accelerate the rate of growth it might well be approximated to, say, 20 per cent. Here is a justification for the use of foreign capital as an indispensable supplement, if the present low levels of consumption are not to be depressed further as development is accelerated. Briefly, the function of this external contribution is to raise rapidly income per head until domestic savings may reach a possible goal of about 20 per cent of aggregate income.

This raising of the rate of gross savings is one of the most difficult practical problems in the programming of development, and it requires a firm and clear policy, and wide support from the masses, without which countries may be led to resort to measures of a coercive type. But not everything depends upon the mere decision to follow such a policy. There are external forces that might make it very difficult and even lead it to failure.

XIII

In this respect I should like to call attention to one of the most interesting bits of evidence derived from the studies we now submit. A good many Latin-American countries have been led to adopt inflationary means of raising capital formation, and sometimes have seemed to obtain good results, though not always. I do not propose to argue the possible merits of some of the methods followed. But when the growth picture of the whole of Latin America is observed, the conclusion is clear that while here in our countries we struggled with these different means, while we placed our hopes in domestic measures believing a good deal in their intrinsic efficacy in capital-formation, outside phenomena were operating decisively upon the varying course of our rate of investment, and gave rise to such increases or decreases in investment that investment was left beyond the sphere of action of domestic forces.

Such, for example, has been the dominant influence that fluctuations in the terms of trade have had upon the volume of investment. If the rate of investment has been surpassed in the last few years for the first time in relation to the rate existing before the world crisis, I have no doubts that it has been chiefly as a result of the improvement in the terms of trade after a strong downward trend over a number of decades. How far can this improvement—of such significance for the rate of Latin American development—be maintained? I prefer not to make any forecasts, but neither do I wish to appear insensitive to the preoccupations that recent events have brought to Latin America. This instability is a source of incalculable damage, and if the export opportunities of Latin America are not used to the maximum—opportunities which in themselves are limited by the relatively slow growth of foreign capacity to absorb Latin-American commodities—it is due, though not exclusively, to the recurring discouragement that the instability of international prices gives rise to.

From a different angle, it would be dangerous to hold any illusion about the magnitude of Latin-American monetary reserves to face comfortably the consequences of instability. In spite of their higher absolute amount, their ratio to imports is now less than before the Second World War, and this is far from satisfactory.

Reserves have been used extensively in recent years and this, together with short-term credits, has made it possible for capital investments of the last two years to be maintained at a high level in spite of the worsening of the terms of trade. I do not believe this situation can persist beyond certain rather close limits, and it will then have to be seen whether other types of means available to face an emergency are of sufficient size or not.

XIV

Before ending, I should like to say a few words concerning co-ordination with other agencies. I am happy to state that we have had no difficulty that has not been easily overcome. I have aimed from the start at avoiding jurisdictional disputes that only weakened the intensity of our effort. If anyone objects that a particular subject we are studying falls within his jurisdiction, I refrain from a discussion of principles when the dividing line is not clear

and sharp. I only try to find out if the other party is or is not in a position to carry out the study. If it is, I consider myself fortunate in being able to receive the fruit of others' labours, and thus shift our own forces to work on any of the many other problems in which our sphere of action is not questioned. And if the other party is not in a position to carry out the work, and the study in question is indispensable to complete our knowledge of the problem, it has not been difficult in practice to reach an agreement favouring the continuation of the task undertaken, until we can be relieved of the need to execute it.

In particular, our relations with the Executive Secretary of the Inter-American Economic and Social Council have developed in a very satisfactory fashion and the fears of duplication seem to have vanished completely. As regards co-ordination with the Council on the governmental level, I am reporting in a separate document the negotiations I have conducted with the Secretary-General of the Organization of American States, Doctor Lleras Camargo. I have no doubt that we shall also be able to find an adequate formula to avoid the unnecessary multiplicity and overlapping of meetings of both agencies, which to my mind constitutes the only remaining problem.

It is especially pleasant to refer also to the fact, repeatedly demonstrated in the documentation we submit today, that in response to instructions we have received from the Commission, many of the tasks and reports have been carried out jointly with other agencies or sections of the United Nations, among them the FAO, the Technical Assistance Administration and the Technical Assistance Board, whose experts have worked alongside our own, with better co-ordination and a higher total yield.

XV

After this plenary meeting, the work of the secretariat will be subject to the judgment of the Commission.

Previous sessions have been noted for the goodwill and spirit of calm understanding in which our difficulties have been received. We have interpreted this attitude as a stimulus to achievements that are merely beginning, and which have not been and are not easy. Thus encouraged, we have felt it our duty to proceed further and to raise the level of our work. We have fulfilled this duty with enthusiasm and with the conviction of what it means for Latin America, engrossed as it is in the process of economic development and conscious of the need for working out new methods of harmonious economic comity with the rest of the world, methods which are certainly not those of a past stage of development that has been definitely left behind. And I am happy to state that all of us who form part of the secretariat, whatever our nationality, in proceeding thus, have done so with a very deep feeling of international service, and this feeling, far from weakening in moments of stress, has strengthened more and more. We have fulfilled our duty also with profound gratitude for the confidence that all the governments meeting first in Mexico, at our fourth session, and later in the Economic and Social Council and the General Assembly, have shown in us in deciding upon the permanence of this Commission as a regional economic instrument of the United Nations. If there was a doubt then, if any uncertainty arose, spontaneous and comforting expressions also came forth which soon dispelled those doubts. It was then that the distinguished head of a Latin-American government made a far-sighted and decisive gesture. Those of us who have put all our effort into serving this Commission will not forget it. May we therefore be permitted at this fifth session to present our work as a sober but sincere tribute to the country of that statesman, which by a fortunate coincidence, now gives us further proof of its legendary hospitality.

APPENDIX C

Terms of reference of the Economic Commission for Latin America

As adopted at the sixth session and amended at the ninth and thirteenth sessions of the Economic and Social Council

✓ 1. The Economic Commission for Latin America, acting within the framework of the policies of the United Nations and subject to the general supervision of the Council, shall, provided that the Commission takes no action in respect to any country without the agreement of the government of that country:

(a) Initiate and participate in measures for facilitating concerted action for dealing with urgent economic problems arising out of the war and for raising the level of economic activity in Latin America and for maintaining and strengthening the economic relations of the Latin-American countries both among themselves and with other countries of the world;

(b) Make or sponsor such investigations and studies of economic and technological problems and developments within territories of Latin America as the Commission deems appropriate;

(c) Undertake or sponsor the collection, evaluation and dissemination of such economic, technological and statistical information as the Commission deems appropriate;

(d) Give special attention in its activities to the problems of economic development and assist in the formulation and development of co-ordinated policies as a basis for practical action in promoting economic development in the region;

✓ (e) Assist the Economic and Social Council and its Technical Assistance Committee in discharging their functions with respect to the United Nations technical assistance programme, in particular by assisting in their appraisal of these activities in the Latin-American region.

2. The Commission shall direct its activities especially towards the study and seeking of solutions of

problems arising in Latin America from world economic maladjustment and towards other problems connected with the world economy, with a view to the co-operation of the Latin-American countries in the common effort to achieve world-wide recovery and economic stability.

3. (a) Membership of the Commission shall be open to Members of the United Nations in North, Central and South America, and in the Caribbean area, and to France, the Netherlands and the United Kingdom. Any territory, or part or group thereof, within the geographic scope of the Commission's work, may, on presentation of its application to the Commission by the Member responsible for the international relations of such territory, part or group of territories, be eligible for admission by the Commission as an associate member of the Commission. If it has become responsible for its own international relations, such territory, part or group of territories may be admitted as an associate member of the Commission on itself presenting its application to the Commission.

(b) Representatives of associate members shall be entitled to participate without vote in all meetings of the Commission, whether sitting as commission or as committee of the whole.

(c) Representatives of associate members shall be eligible to be appointed as members of any committee or other subordinate body which may be set up by the Commission, and shall be eligible to hold office in such body.

4. The geographical scope of the Commission's work is the twenty Latin-American States Members of the United Nations, participating territories in Central and South America which have frontiers adjoining any of these States, and participating territories in the Caribbean area.

5. The Commission is empowered to make recommendations on any matters within its competence directly to the governments of members or associate members concerned, governments admitted in a consultative capacity, and the specialized agencies concerned. The Commission shall submit for the Council's prior consideration any of its proposals for activities that would have important effects on the economy of the world as a whole.

6. The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of particular concern to that non-member, following the practices of the Economic and Social Council.

7. (a) The Commission shall invite representatives of specialized agencies to attend its meetings and to participate, without vote, in its deliberations with respect to items on its agenda relating to matters within the scope of their activities; and may invite observers

from such other inter-governmental organizations as it may consider desirable in accordance with the practices of the Council.

(b) The Commission shall make arrangements for consultation with non-governmental organizations which have been granted consultative status by the Council, in accordance with the principles approved by the Council for this purpose.

8. The Commission shall take measures to ensure that the necessary liaison shall be maintained with other organs of the United Nations and with the specialized agencies, with special attention to the avoidance of the duplication of efforts.

9. The Commission shall co-operate with and take the necessary measures to co-ordinate its activities with the appropriate organs of the Inter-American System and as may be necessary with the Caribbean Commission in order to avoid any unnecessary duplication of effort between those organs and itself; to this end the Commission is empowered to and shall seek to make working arrangements with the appropriate organs of the Inter-American System regarding the joint or independent study or execution of economic problems within its competence and the fullest exchange of information necessary for the co-ordination of efforts in the economic field. The Commission shall invite the Pan American Union to nominate a representative to attend meetings of the Commission in a consultative capacity.

10. The Commission may after discussion with any specialized agency concerned, and with the approval of the Council, establish such subsidiary bodies as it deems appropriate, for facilitating the carrying out of its responsibilities.

11. The Commission shall adopt its own rules of procedure, including the method of selecting its Chairman.

12. The Commission shall submit to the Council once a year a full report on its activities and plans, including those of any subsidiary bodies.

13. The administrative budget of the Commission shall be financed from the funds of the United Nations.

14. The Secretary-General of the United Nations shall appoint the staff of the Commission, which shall form part of the Secretariat of the United Nations.

15. The headquarters of the Commission shall be at Santiago de Chile. The first session of the Commission shall be held during the first half of the present year in that city. The Commission shall at each session decide upon the place of meeting for its next session, with due consideration for the principle that the countries of Latin America be chosen in rotation.

16. The Council shall, from time to time, make special reviews of the work of the Commission.

APPENDIX D

Rules of procedure of the Commission

As adopted by the Economic Commission for Latin America at its first session and amended at its second, third, fourth and fifth sessions and at the meeting of the Committee of the Whole (February 1952)

CHAPTER I—SESSIONS

Rule 1

(a) The Commission shall at each session recommend the date and place for its next session, subject to the approval of the Council, and in consultation with the Secretary-General. Sessions of the Commission shall also be held within forty-five days of the communication to the Executive Secretary of a request to that effect by the Economic and Social Council, and in that case, the Secretary-General shall establish the place of such sessions in consultation with the Chairman of the Commission.

(b) In special cases the date and place of the sessions may be altered by the Secretary-General in consultation with the Chairman of the Commission and the Council's Interim Committee on Programme of Conferences. At the request of the majority of the members of the Commission, the Secretary-General, in consultation with the Chairman of the Commission and the Council's Interim Committee on Programme of Conferences, may also alter the date and place of the session.

Rule 2

The Commission's recommendation regarding the place of meeting for its session shall be taken with due consideration for the principle that the countries of Latin America be chosen in rotation.

Rule 3

The Executive Secretary shall ensure that, at least thirty days before the commencement of a session, member governments shall receive a notice of the opening date of the session, together with a copy of the provisional agenda and at least two copies of each of the reports, studies and documents which are to be considered during the session.

Such reports, studies and documents shall be submitted to member governments in the language which they indicate, in accordance with the provisions of rule 42 of the rules of procedure.

Rule 4

The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of particular concern to that Member.

Rule 5

The Commission shall invite representatives of specialized agencies to attend its meetings and to partici-

pate, without vote, in its deliberations with respect to items on its agenda relating to matters within the scope of their activities; and may invite observers from such other inter-governmental organizations as it may consider desirable in accordance with the practices of the Council.

Rule 6

The Commission shall invite the Inter-American Economic and Social Council to nominate a representative to attend meetings of the Commission in a consultative capacity.

CHAPTER II—AGENDA

Rule 7

The provisional agenda for each session shall be drawn up by the Executive Secretary in consultation with the Chairman and shall be communicated to the members of the Commission, to the specialized agencies, to the Inter-American Economic and Social Council, to the non-governmental organizations in Category A and to the appropriate non-governmental organizations in Category B and on the register, together with the notice convening the Commission.

Rule 8

The provisional agenda for any session shall include:

(a) Consideration of the report of the Executive Secretary referred to in rule 23;

(b) Items arising from previous sessions of the Commission;

(c) Items proposed by the Economic and Social Council;

(d) Items proposed by any member of the Commission;

(e) Items proposed by a specialized agency in accordance with the agreements of relationship concluded between the United Nations and such agencies;

(f) Items proposed by the Inter-American Economic and Social Council;

(g) Items proposed by non-governmental organizations in Category A subject to the provisions of rule 9A; and

(h) Any other items which the Chairman or the Executive Secretary deems fit to include.

Rule 9

Before the Executive Secretary places an item proposed by a specialized agency, or by the Inter-American

Economic and Social Council on the provisional agenda, he shall carry out with the agency or organization concerned such preliminary consultations as may be necessary.

Rule 9A

Organizations in Category A may propose items for the provisional agenda of the Commission subject to the following conditions:

(a) An organization which intends to propose such an item shall inform the Executive Secretary at least sixty-three days before the commencement of the session and before formally proposing an item shall give due consideration to any comments the Executive Secretary may make;

(b) The proposal shall be formally submitted with the relevant basic documentation not later than forty-nine days before the commencement of the session. The item shall be included in the agenda of the Commission if it is adopted by a two-thirds majority of those present and voting.

Rule 10

After the agenda has been adopted the Commission may amend it at any time.

In the event that a member government does not receive the reports, studies and documents to be considered during a session thirty days in advance, as provided in rule 3, it shall have the right to request that the items to which those reports, studies and documents refer should be excluded from the agenda, and the Commission shall immediately grant such a request.

Notwithstanding the foregoing provisions, if, when an item is submitted for consideration by the Commission, three-quarters or more of the members accredited to attend a given session insist that it should nevertheless be discussed, that majority decision shall prevail.

CHAPTER III—REPRESENTATION AND CREDENTIALS

Rule 11

Each member shall be represented on the Commission by an accredited representative.

Rule 12

A representative may be accompanied to the sessions of the Commission by alternate representatives and advisers and, when absent, he may be replaced by an alternate representative.

Rule 13

The credentials of each representative appointed to the Commission, together with a designation of alternate representatives, shall be submitted to the Executive Secretary without delay.

Rule 14

The Chairman and the Vice-Chairmen shall examine the credentials and report upon them to the Commission.

CHAPTER IV—OFFICERS

Rule 15

The Commission shall, at the commencement of each session, elect from among the representatives a Chairman, two Vice-Chairmen and a Rapporteur who shall hold office until their successors are elected. They shall be eligible for re-election.

Rule 16

If the Chairman does not attend a meeting, or absents himself from a meeting, one of the Vice-Chairmen shall preside. If, at a following meeting, the Chairman should again be absent, the other Vice-Chairman shall preside, the succession alternating in the Spanish alphabetical order. The provisions of this rule apply only to a single session or to a part thereof.

Rule 17

If the Chairman ceases to represent a member of the Commission or is so incapacitated that he can no longer hold office, one of the Vice-Chairmen shall be elected as Chairman for the unexpired portion of the term. The other Vice-Chairman shall continue to act in the capacity prescribed in the rules of procedure.

Rule 18

The Vice-Chairman acting as Chairman shall have the same powers and duties as the Chairman.

Rule 19

The Chairman or the Vice-Chairman acting as Chairman shall participate in the meetings of the Commission as such and not as the representative of the member by whom he was accredited. The Commission shall admit an alternate representative to represent that member in the meetings of the Commission and to exercise its right to vote.

CHAPTER V—SECRETARIAT

Rule 20

The Executive Secretary shall act in that capacity at all meetings of the Commission and of its subsidiary bodies. He may appoint another member of the staff to take his place at any meeting.

Rule 21

The Executive Secretary or his representative may at any meeting make either oral or written statements concerning any question under consideration.

Rule 22

The Executive Secretary shall direct the staff provided by the Secretary-General and required by the Commission and any subsidiary bodies thereof.

Rule 23

The Executive Secretary shall be responsible for the necessary arrangements being made for meetings.

At the beginning of the session he shall present

a report on the work programme of the secretariat during the period between the previous and current sessions.

In the periods between sessions, the Executive Secretary shall see that, in so far as possible, the member governments are informed of the results of the work in progress and of the opinions expressed by the member governments regarding such results.

Rule 24

The Executive Secretary in carrying out his functions shall act on behalf of the Secretary-General.

CHAPTER VI—CONDUCT OF BUSINESS

Rule 25

A majority of the members of the Commission shall constitute a quorum, except as provided in the third paragraph of rule 10 of these rules of procedure.

Rule 26

In addition to exercising the powers conferred upon him elsewhere by these rules, the Chairman shall declare the opening and closing of each meeting of the Commission, shall direct the discussion, ensure the observance of these rules, and shall accord the right to speak, put questions to the vote and announce decisions. The Chairman may also call a speaker to order if his remarks are not relevant to the subject under discussion.

Rule 27

During the discussion of any matter a representative may raise a point of order. In this case the Chairman shall immediately state his ruling. If it is challenged, the Chairman shall forthwith submit his ruling to the Commission for decision and it shall stand unless overruled.

Rule 28

During the discussion of any matter a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proposer of the motion, one representative shall be allowed to speak in favour of and one representative against the motion.

Rule 29

A representative may at any time move the closure of the debate whether or not any other representative has signified his wish to speak. Not more than two representatives may be granted permission to speak against the closure.

Rule 30

The Chairman shall take the sense of the Commission on a motion for closure. If the Commission is in favour of the closure, the Chairman shall declare the debate closed.

Rule 31

The Commission may limit the time allowed to each speaker.

Rule 32

Upon a request of any member any motion and amendment thereto made by any speaker shall be given to the Chairman in writing and shall be read by him before any further speaker is called upon and also immediately before a vote is taken on such motion or amendment. The Chairman may direct that any motion or amendment be circulated to the members present before a vote is taken.

This rule shall not apply to formal motions such as one for closure or adjournment.

Rule 33

Principal motions and resolutions shall be put to the vote in the order of their submission unless the Commission decides otherwise.

Rule 34

When an amendment revises, adds to or deletes from a proposal, the amendment shall be put to the vote first, and if it is adopted, the amended proposal shall then be put to the vote.

Rule 35

If two or more amendments are moved to a proposal, the Commission shall vote first on the amendment furthest removed in substance from the original proposal, then, if necessary, on the amendment next furthest removed and so on, until all the amendments have been put to the vote.

Rule 36

The Commission may, at the request of a representative, decide to put a motion or resolution to the vote in parts. If this is done, the text resulting from the series of votes shall be put to the vote as a whole.

CHAPTER VII—VOTING

Rule 37

Each member of the Commission shall have one vote.

Rule 38

Decisions of the Commission shall be made by a majority of the members present and voting, except as provided in rule 9A and the third paragraph of rule 10 of these rules of procedure.

Rule 39

The Commission shall normally vote by show of hands. If any representative requests a roll call, a roll call shall be taken in the Spanish alphabetical order of the names of the members.

Rule 40

All elections shall be decided by secret ballot.

Rule 41

If a vote is equally divided upon matters other than

elections, a second vote shall be taken at the next meeting. If this vote also results in equality, the proposal shall be regarded as rejected.

CHAPTER VIII—LANGUAGES

Rule 42

The final text of the Commission's report to the Economic and Social Council and of its resolutions shall be prepared in Spanish, French, English and Portuguese, which shall be the official languages of the Commission. The first three languages mentioned shall be the working languages of the Commission.¹⁰

Rule 43

Speeches made in any of the working languages shall be interpreted into the other working languages.

CHAPTER IX—RECORDS

Rule 44

Summary records of the meetings of the Commission shall be kept by the secretariat. They shall be sent as soon as possible to the representatives of members and to the representatives of any other government agency or organization which participated in the meeting concerned. Such representatives shall inform the secretariat not later than seventy-two hours after the circulation of any summary records of any changes they wish to have made.

Rule 45

The corrected version of the summary records of public meetings shall be distributed as soon as possible in accordance with the usual practice of the United Nations. This shall include distribution to associate members if and when admitted, to the Inter-American Economic and Social Council, and on appropriate occasions to governments admitted in a consultative capacity.

Rule 46

The corrected version of the summary records of private meetings shall be distributed as soon as possible to the members of the Commission, to associate members if and when admitted, to any government participating in a consultative capacity in the meeting concerned, to the specialized agencies, and to the Inter-American Economic and Social Council. They shall be distributed to all the Members of the United Nations if and when the Commission so decides.

Rule 47

As soon as possible the text of all reports, resolutions, recommendations, and other formal decisions made by the Commission, its sub-commissions or other subsidiary bodies and its committees shall be communicated to the members of the Commission, to associate members if and when admitted, to all other Members of the United Nations, to the specialized agencies, to the Inter-American Economic and Social Council, to non-govern-

¹⁰ Approved by the Economic and Social Council in resolution 301 (XI) of 7 August 1950.

mental organizations in Category A, and to the appropriate non-governmental organizations in Category B and on the register.

CHAPTER X—PUBLICITY OF MEETINGS

Rule 48

The meetings of the Commission shall ordinarily be held in public. The Commission may decide that a particular meeting or meetings shall be held in private.

CHAPTER XI—RELATIONS WITH NON-GOVERNMENTAL ORGANIZATIONS

Rule 49

(a) Non-governmental organizations in Categories A and B and on the register may designate authorized representatives to sit as observers at public meetings of the Commission.

(b) Written statements relevant to the work of the Commission or its subsidiary bodies may be submitted by organizations in Categories A and B on subjects for which these organizations have a special competence. Such statements shall be circulated by the Executive Secretary to the members of the Commission except those statements which have become obsolete, e.g., those dealing with matters already disposed of.

(c) The following conditions shall be observed regarding the submission and circulation of such written statements:

- (i) The written statement shall be submitted in one of the official languages of the Commission.
- (ii) It shall be submitted in sufficient time for appropriate consultation to take place between the Executive Secretary and the organization before circulation.
- (iii) The organization shall give due consideration to any comments which the Executive Secretary may make in the course of such consultation before transmitting the statement in final form.
- (iv) A written statement submitted by an organization in Category A or B will be circulated in full if it does not exceed 2,000 words. Where a statement is in excess of 2,000 words, the organization shall submit a summary which will be circulated or shall supply sufficient copies of the full text in the three working languages for distribution. A statement will also be circulated in full, however, upon the specific request of the Commission.
- (v) The Executive Secretary may invite organizations on the register to submit written statements. The provisions of paragraphs (i), (iii) and (iv) above shall apply to such statements.
- (vi) A written statement or summary, as the case may be, will be circulated by the Executive Secretary in the working languages of the Commission.

Rule 50

(a) The Commission may consult with organizations in Categories A or B either directly or through a com-

mittee or committees established for the purpose. In all cases, such consultations may be arranged on the invitation of the Commission or on the request of the organization. On the recommendation of the Executive Secretary and at the request of the Commission, organizations on the register may also be heard by the Commission.

(b) Subject to the relevant rules of procedure on financial implications the Commission may recommend that an organization which has special competence in a particular field should undertake specific studies or investigations or prepare specific papers for the Commission. The limitations of rule 49, paragraph (c) (iv), shall not apply in this case.

CHAPTER XII—SUB-COMMISSIONS, OTHER SUBSIDIARY BODIES AND COMMITTEES

Rule 51

The Commission may, after discussion with any specialized agency concerned and with the approval of the Economic and Social Council, establish such continually acting sub-commissions or other subsidiary bodies as it deems appropriate for facilitating the carrying out of its responsibilities and shall define the powers and composition of each of them. Such autonomy as may be necessary for the effective discharge of the technical responsibilities laid upon them may be delegated to them.

Rule 52

The Commission may establish such committees and

sub-committees as it deems necessary to assist it in carrying out its tasks.

Rule 53

Sub-commissions or other subsidiary bodies shall adopt their own rules of procedure unless otherwise decided by the Commission.

CHAPTER XIII—REPORTS

Rule 54

The Commission shall submit to the Economic and Social Council once a year a full report on its activities and plans, including those of any subsidiary bodies, and shall make interim reports at each regular session of the Council.¹¹

CHAPTER XIV—AMENDMENTS AND SUSPENSIONS

Rule 55

Any of these rules of procedure may be amended or suspended by the Commission provided that the proposed amendments or suspensions do not attempt to set aside the terms of reference laid down by the Economic and Social Council.

¹¹ Under the terms of its resolution 234 B(IX) of 12 August 1949, the Economic and Social Council decided to amend paragraph 12 of the Commission's terms of reference by deleting the requirement for the Commission to "make interim reports at each regular session of the Council".

TABLE OF CONTENTS (continued)

	Paragraphs	Page
PART III—FIFTH SESSION OF THE COMMISSION		
A. Membership, attendance and organization of work.....	132-137	13
B. Agenda	138	16
C. Account of Proceedings		
Introduction	139-143	17
I. Current economic situation and prospects.....	144-148	18
II. Economic development, technical assistance and related matters.....	149-162	19
III. Studies of specific industries.....	163-176	20
IV. Economic problems of agriculture.....	177-183	21
V. Problems of intra-regional trade.....	184-201	22
VI. Co-ordination with Inter-American Economic and Social Council.....	202-203	23
VII. Relations with non-governmental organizations.....	204	24
VIII. Inter-agency Regional Co-ordination Committee on Migration.....	205	24
IX. Date and place of sixth session.....	206	24
X. Resolution for action by the Economic and Social Council.....	207	24
PART IV—RESOLUTIONS ADOPTED AT THE FIFTH SESSION.....		
44 (V). Economic Survey of Latin America 1951/52.....	208-210	24
45 (V). Trade between Latin America and industrial countries.....		24
46 (V). Terms of trade.....		25
47 (V). Multilateral settlements of payments.....		25
48 (V). Technique of programming economic development.....		26
49 (V). Studies of economic development in individual countries.....		26
50 (V). Economic integration of Central America.....		27
51 (V). Technical assistance.....		27
52 (V). Taxation in capital-exporting and capital-importing countries of foreign private investments in Latin America.....		28
53 (V). Technological research and training of experts in Latin America.....		28
54 (V). Distribution of income in relation to economic development.....		29
55 (V). Economic integration		29
56 (V). Promotion of tourism.....		30
57 (V). Iron and steel industries and mining.....		30
58 (V). Pulp and paper industries.....		31
59 (V). Chemical industries		31
60 (V). Inventory of non-agricultural natural resources.....		32
61 (V). Sampling techniques and their use in the study of economic problems of agriculture		32
62 (V). Country studies on agricultural development.....		32
63 (V). Studies of the coffee industry in relation to economic development.....		33
64 (V). Agricultural statistics		33
65 (V). Agricultural credit		33
66 (V). Land reform		33
67 (V). Problems of the banana industry.....		34
68 (V). Hard fibres		34
69 (V). Intra-regional trade		34
70 (V). Co-ordination with the Inter-American Economic and Social Council.....		35
71 (V). Amendments to the rules of procedure.....		36
72 (V). Date and place of sixth session.....		36
Draft resolution for action by the Economic and Social Council.....		36
PART V—PROGRAMME OF WORK AND PRIORITIES.....		
	211-235	36
APPENDICES		
A. Address by H.E. The President of Brazil.....		43
B. Statement by the Executive Secretary.....		44
C. Terms of reference of the Commission.....		50
D. Rules of procedure of the Commission.....		52

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