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**OFFICIAL RECORDS : TWENTY-FOURTH SESSION**

**SUPPLEMENT No. 8**

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### NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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ECONOMIC COMMISSION FOR LATIN AMERICA

Annual report to the Economic and Social Council, covering the period  
15 May 1956 - 29 May 1957

Introduction

1. This annual report of the Economic Commission for Latin America (ECLA) covers the period 15 May 1956 to 29 May 1957.<sup>1</sup> The Commission presents this report for the consideration of the Economic and Social Council, in accordance with paragraph 12 of the Commission's terms of reference, which states: "The Commission shall submit to the Council once a year a full report on its activities and plans, including those of any subsidiary bodies."

Part I

REVIEW OF ACTIVITIES

Introduction

2. During the period covered by this report the Commission's work, in which member Governments and some private organizations co-operated, has extended over a broad field. The programme of work, approved at the sixth session in 1955 and revised by the Committee of the Whole in May 1956, has enabled the secretariat to concentrate on the projects bearing on fundamental problems of economic development, without, however, overlooking other aspects of economic development in Latin America.

3. A close working relationship was maintained with the Governments interested in the Central American Economic Integration Programme and with the Governments of those countries in which economic development studies are being carried out. Considerable assistance was received, in connexion with the field work on the iron and steel transforming industries

and on the coffee problem, from private organizations in the countries where this work was undertaken.

4. *The Economic Survey of Latin America, 1956* was submitted to the seventh session in mimeographed form and the text should be regarded as very provisional. It will be published in printed form in 1957 once its final revision is completed.

5. The secretariat has continued to publish regularly the *Economic Bulletin for Latin America*. In February 1957, volume II, No. 1, was issued.

6. The Commission's Trade Committee held its first session. The Committee decided to study the possibilities of gradually establishing a regional multilateral payments system and a regional market for some commodities. In connexion with the payments system, a meeting of the Working Group appointed by the Committee has recently concluded its proceedings at Montevideo, Uruguay.

7. In the Central American Economic Co-operation Committee the participating Governments made definite progress towards their economic integration by approving, with a view to its early signature, the text of a multilateral free trade treaty. Central American private enterprise has begun to participate in the discussions on industrial development. The preparations in connexion with the project for a Central American pulp and paper factory are progressing.

8. At the end of 1956, a Latin American Meeting of Experts on the Iron and Steel Making and Transforming Industries, in which Latin American, European

<sup>1</sup> The previous activities of the Commission and its subsidiary organs have been reported to the Economic and Social Council in the following documents: *Official Records of the Economic and Social Council, Seventh Session, Supplement No. 13 (E/840/Rev.1)*; *ibid., Eighth Session, Supplement No. 4 (E/1099)*; *ibid., Ninth Session, Supplement No. 14 (E/1330/Rev.1)*; *ibid., Eleventh Session, Supplement No. 9 (E/1717)*; *ibid., Thirteenth Session, Supplement No. 8 (E/2021)*; *ibid., Fourteenth Session, Supplement No. 2 (E/2185)*; *ibid., Sixteenth Session, Supplement No. 3 (E/2405)*; *ibid., Seventeenth Session, Supplement No. 2 (E/2586)*; *ibid., Twentieth Session, Supplement No. 10 (E/2756)* and *10A (E/2796/Rev.1)*; and *ibid., Twenty-second Session, Supplement No. 10 (E/2888/Rev.1)*.

and North American technicians participated, was held at São Paulo, Brazil. The Meeting approved certain recommendations which, if adopted by the Governments, may have a far-reaching effect on the development of the industries concerned. In the meanwhile a study was initiated in Brazil on the possibilities of integrating the motor vehicle industry.

9. The ECLA/TAA economic development training programme began its regular course at Santiago, Chile, and a special intensive course at Rio de Janeiro, Brazil.

10. In co-operation with the Technical Assistance Administration, a manual on economic development projects (E/CN.12/426 and Add.1) was prepared, which constitutes a first attempt to disseminate methods of preparing, presenting and evaluating investment projects.

11. The secretariat has completed its study on the economic problems and development prospects of Bolivia. The relevant report is submitted to the seventh session in mimeographed form (E/CN.12/480 and Add.1).

12. The stage of research and of collecting data and information for the study on the economic development of Argentina has been concluded, and the study will be published during 1957.

13. In order to examine the problems of external disequilibrium in Latin American development, the secretariat has prepared a study on Mexico (E/CN.12/428 and Add.1), which presents extremely interesting aspects based on Mexico's recent experience.

14. In accordance with the Joint ECLA/FAO Programme, the study on coffee in El Salvador has been completed (E/CN.12/485), and a similar study in respect of Colombia is in course of preparation.

15. The Latin American Pulp and Paper Advisory Group, sponsored by ECLA, FAO and TAA, has begun its work and has drafted reports on the status and prospects of the industry in Argentina and Chile (E/CN.12/484).

## Economic Survey

### ECONOMIC SURVEY OF LATIN AMERICA, 1956

16. The *Economic Survey of Latin America, 1956* (E/CN.12/427) is the eighth of the series prepared by the Commission. It contains a general study of the economic development of Latin America during 1956, based on an interpretation of the most outstanding events which occurred during that period.

17. The *Survey* is divided into two parts. Part One (E/CN.12/427) analyses Latin America's rate of economic growth in 1956 and the various contributing factors. In view of the great importance of the external sector in the economic growth of the Latin American countries, a substantial portion of part One is devoted to this sector. Exports and the balance of payments in 1956 are first analysed and in order to place the analysis in its proper perspective, the behaviour of the external sector over a ten-year period is studied with particular reference to its bearing on economic

development. In this connexion, the evolution of the capacity to import, the changes in the structure of imports and the vulnerability of the internal economy to the adverse effects of the external sector have been taken into account.

18. Part Two of the *Survey* (E/CN.12/427, Add.1) analyses production trends in agriculture, industry, mining and energy. The chapter on the agricultural situation includes a special study on productivity in this sector in various Latin American countries in respect of certain commodities, and compares Latin American productivity with that of countries outside the region. This is the first time that such a study has been dealt with on so comprehensive a scale.

19. In 1956, the rate of development in Latin America showed a downward trend and gross income increased only at the same rate as the population. This was partly due to the stagnation of *per capita* income in Argentina and Brazil and to its decline in Bolivia, Colombia and, especially, Chile. On the other hand, in some countries, especially Mexico, Peru and Venezuela, *per capita* income increased.

20. In Latin America as a whole and in the great majority of the individual Latin American countries, income accruing from the external sector showed a marked upward trend, or at least maintained the rather high level registered in 1955. The greater volume of exports more than offset a slight deterioration in the terms of trade, the most notable exception being Argentina, where the terms-of-trade deficit completely nullified a slight increase in sales abroad. World demand for the primary commodities exported by Latin America was generally steady and expanded considerably in the case of certain items such as coffee, sugar, wool and petroleum. Although the United States increased its sales of surplus cotton, there was no falling-off in the total volume of Latin American exports. In addition, it should be stressed that no country in Latin America registered an accumulation of surplus exportable primary commodities. The fact that these relatively favourable external factors failed, in many cases, to have a decisive influence on *per capita* income was mainly due to the depressive effect of various internal factors.

21. Firstly, there was a decline or stagnation in agricultural production because of the bad weather conditions prevailing almost throughout Latin America. The countries most affected were Bolivia, Brazil, Colombia and Mexico. Only in Mexico was the expansion in other economic sectors sufficient to increase *per capita* income despite the contraction in the product and demand of the agricultural sector. Again, as in the case of Cuba, Mexico, Peru and Venezuela, it was not always possible to increase the volume of imports. Indeed some countries were compelled to reduce the deficit in their balance of payments, to liquidate debts previously contracted or to re-establish the level of their international reserves. Secondly, it was sometimes necessary to reduce the volume of imports at the expense of the supply of goods, particularly raw materials, required by the domestic economy.

22. The restrictions on effective demand applied in some countries and the credit extended in order to offset inflation further explain why industrial production increased a good deal more slowly in 1956 than in 1955 throughout Latin America, despite the progress registered in some countries. But it should be pointed out that, while some branches of industry stagnated or expanded only slightly, others increased their production considerably. This was particularly true, for example, of the chemicals, steel making and motor vehicle industries. The greater relative expansion in the industries producing capital and durable consumer goods was due in some instances to substantial foreign investment.

23. Contrary to expectations, gross *per capita* investment in fixed capital increased by 3.5 per cent in Latin America in 1956, despite stagnation in gross income. With a few exceptions, there was also a rise in the coefficient of capital formation in certain Latin American countries. This favourable development, from the point of view of the subsequent expansion of the Latin American economy, was largely due to an increase in foreign investment and reinvestment. The countries which benefited most from the contribution of foreign capital were Brazil, Mexico, Peru and Venezuela. In the last two countries foreign investment tended to flow towards the export sectors.

24. Latin America's experience during the past decade has confirmed the vital importance for economic development of income from foreign sources, which not only makes it possible to purchase the raw materials and capital goods necessary for such development, but which also helps to determine the level of domestic demand and the volume of investment by means of the earnings of entrepreneurs.

25. Although the relative share of income from foreign sources in economic activity as a whole has fallen off, the short-term external vulnerability of the Latin American economy has not invariably diminished. In addition to a policy of internal expansion which compensates, particularly through the introduction of effective monetary measures, for the decrease in the demand of the export sector arising from weaker internal incentives, there must also exist ample international reserves or credits, or else a reducible margin of purchases abroad by means of which imports essential to production can be protected against the effects of a reduced capacity to import. Obviously this reducible margin depends on the larger or smaller proportion which essential goods constitute in total purchases abroad, and hence on the structure of such purchases.

26. It should be emphasized that a far-sighted import substitution policy may direct this structure along the desired lines. Apart from lessening external vulnerability, such a policy constitutes one of the most important aspects of development. Indeed, it leads to a more diversified economic pattern and may also offset, at least in part, the mounting pressure which the new import requirements consequent upon increased production and income exert on the capacity to import.

Thus the behaviour of income from foreign sources, the composition of imports and the import substitution process are very important factors in the evolution of the Latin American economy.

27. Income from foreign sources rose at varying rates in the different Latin American countries during the period 1946-55 as a whole. Argentina was the exception to the rule. In most cases, the improvement in the terms of trade was the main factor contributing to this increase, but the largest increments were due to a greater volume of exports. Although the behaviour of the world market had a marked effect on the flow of income from foreign sources, the part played by domestic conditions in the country concerned was sometimes important. Among these conditions mention should be made of the exchange, price and investment policy pursued in regard to export activities, as well as of the rate at which industrialization progressed and consumption on the part of the population at large expanded. When a country becomes industrialized and improves its standard of living, its import requirements generally increase, but, on the other hand, it may be difficult at the same time to augment the balances of exportable primary commodities on which a greater capacity to import partly depends. Contributions of foreign capital help to solve this problem, not only because they represent additional foreign exchange income but also because they add to the reserves of productive resources. So far as annual fluctuations in income from foreign sources are concerned, the experience of the period 1946-55 shows that they varied in intensity from one country to another, mainly as a result of external factors. On the other hand, it is also noticeable that the diversification of exports considerably lessened the short-term instability of such income.

28. A smaller increase in imports for investment purposes as compared with imports of consumer goods, and a larger volume of imports of raw materials and intermediate goods than of finished goods were the two predominant trends in the pattern of Latin American imports in recent years. Both trends appeared with varying degrees of intensity in the great majority of the countries. Although in certain cases (for example, in Mexico) the process of import substitution in respect of imports for investment purposes was accelerated, the changes in the distribution of purchases abroad as between imports of capital and consumer goods were mainly attributable to the evolution of the capacity to import. The less the latter expanded, the more the share of imports of consumer goods increased in regard to total imports. On the other hand, the greater increment in imports of raw materials and intermediate products as compared with imports of finished goods was linked in particular to the degree of industrialization and, in general, to the economic development of Latin America. As the means of domestic production became more numerous and diversified, larger quantities of raw materials and fuels and relatively fewer manufactured goods were required.

29. In order to accelerate or even to maintain the rate of economic development, it is necessary in the

long run to import increasing quantities of machinery and spare parts. In addition, as already stated, the lessening of short-term external vulnerability depends on the existence of a reducible margin of non-essential imports which can be put to use when the capacity to import declines. In regard to these two points, the trends noted in the import structure cannot be regarded as favourable. Nevertheless, only in Argentina were these trends so marked that they led to stagnation in development and rendered the economy extremely vulnerable to sudden fluctuations in external income. Although a situation similar to that prevailing in Argentina may arise in some other countries, the danger has not yet taken definite form. On the other hand, the changes already mentioned in the structure of purchases abroad were fairly slight in other cases, did not involve any relatively dangerous decline in imports of capital goods and left a very wide reducible margin of non-essential purchases abroad. Because of a marked expansion in the capacity to import, it has been possible, on the one hand, to purchase abroad more raw materials and foodstuffs without sacrificing capital goods. On the other hand, an energetic import substitution policy has sometimes been pursued which has not been limited to non-essential commodities but has also covered staple consumer items and goods essential to economic development.

30. In view of the great importance of the import substitution process to the Latin American economy, the *Survey* draws attention to the interest of examining the possible nature of a foresighted policy which might remedy the defects observed during the last decade. Experience shows that efforts should be concentrated on the replacement of commodities essential for maintaining or raising the level of economic development. For this purpose the temporary increase in income from foreign sources during favourable periods might be diverted by suitable fiscal measures towards more imports of capital goods at the expense of durable consumer goods. In addition to satisfying the main investment requirements of economic development, such capital goods would partly be used in the process of replacing essential imports.

#### ECONOMIC BULLETIN FOR LATIN AMERICA

31. In 1956, the *Bulletin* began to be published on a regular basis and the two issues constituting volume I were published. This was done in response to the Commission's wish that the secretariat should issue a periodical analysis of the principal economic developments in Latin America in order to supplement and bring up to date the information provided in the annual *Survey*.

32. The Commission was informed of the contents of volume I, No. 1, published in January 1956, which was reviewed in last year's annual report (E/2888/Rev.1, paras. 18 and 19).<sup>2</sup>

<sup>2</sup> Official Records of the Economic and Social Council, twenty-second session, Supplement No. 10.

33. No. 2, which appeared in September 1956, includes a review of the economic situation in Latin America during the first half of 1956 and various articles of importance, firstly, from the point of view of topicality and, secondly, in their theoretical and practical aspects. With regard to the former, special mention should be made of the articles dealing with the exports and prices of some products, including cotton, coffee, cacao, wheat, sugar and copper, and those analysing the import trends of Latin American commodities in the United States and energy consumption in Latin America. The latter include a study of the general characteristics of the input-output model and the possibilities of applying it in the case of a Latin American country, and a note on the concepts and methods used by ECLA in analysing economic development.

34. Volume II, No. 1, was published in February 1957. In addition to the usual review of the current economic situation, which in this case sets forth the conclusions reached in the preliminary version of the *Economic Survey of Latin America, 1956*, the *Bulletin* contains a study of the changes in the employment structure of Latin America during 1945-55, a report on the possibilities of expanding wheat production in Brazil and an analysis of recent developments and prospects in trade between Latin America and Japan.

#### Activities in the field of economic development

35. In accordance with the resolutions adopted at the sixth session, the secretariat has continued to give priority to the studies on economic development and to the implementation of measures of economic policy designed to expedite development in the Latin American countries.

36. Its work has covered various fields. Firstly, an analysis was made of the general problems affecting Latin American development, in connexion with which studies on fiscal and monetary policy have been initiated. A preliminary analysis of governmental income and expenditure during the period 1947-54 has been published in the *Economic Survey of Latin America, 1955* (E/CN.12/421/Rev.1).<sup>3</sup> In addition, analyses have been made of the effects of foreign investment on Latin American development and the relationship of this investment to capital formation possibilities in the different countries. Under the Central American Integration Programme, referred to later in this report (paras. 115-120), it has been possible to collaborate with various Governments in formulating a development policy based on closer inter-Latin American co-operation.

37. Secondly, another aspect was the co-operation maintained with the experts of the Technical Assistance Administration. The secretariat has had the opportunity of discussing the experts' programmes of work, of analysing their reports and of making appropriate

<sup>3</sup> United Nations publication, Sales No.: 1956.G.1, see page 111 *et seq.*

observations, bearing in mind at all times the general development requirements of each country.

38. Thirdly, in response to the requests made by some Governments, the economic analyses and projections made for certain countries accounted for a substantial portion of the secretariat's time and work during the period covered by this report. Apart from helping the countries concerned to realize the nature of the problems implicit in their economic growth and providing a means of formulating a development policy, these studies have greatly assisted the secretariat in delving deeper into the problems which beset the Latin American economies to a greater or lesser degree. Since it has completed some of these studies in the last few years, the secretariat can, in the near future, start work on the analyses and projections relating to Latin America as a whole, which would mean a step further forward in determining the fundamental problems of development and the possibilities of achieving maximum inter-Latin American co-operation.

#### STUDY OF THE ECONOMIC DEVELOPMENT OF ARGENTINA

39. In response to the wish expressed by the Government of Argentina, the United Nations established a group of experts early in 1956 to co-operate with the Argentine authorities in studying the basic problems of the country's economic development. The Executive Secretary headed this group, which included various members of the Commission's staff and experts of the Department of Economic and Social Affairs, TAA, FAO and the Inter-American Institute of Agricultural Sciences. Technical experts of the International Monetary Fund also collaborated in the study.

40. The preparation and drafting of this report has taken more time than is usual for such studies, both because the survey covers the economy of Argentina during the entire course of the present century so far and because of the complex nature of the Argentine economy itself. Nevertheless, it is hoped that the report will be ready for transmission to Governments within a few weeks.

41. In the course of their field activities, the officials of the United Nations, and especially those of the ECLA secretariat, were consulted by the Argentine Government concerning some urgent problems, *inter alia*, those relating to the railways and to negotiations with foreign countries with a view to securing capital. They also co-operated with the Government in preparing the application for United Nations technical assistance, as a result of which the relevant mission is at present in Argentina.

#### STUDY OF THE ECONOMIC DEVELOPMENT OF BOLIVIA

42. At the Bolivian Government's request, the secretariat of the Commission initiated, in 1956, a study of the economic development problems of Bolivia in

conjunction with TAA and with the co-operation of FAO. In view of the complexity of Bolivia's economic situation and of its acute inflationary process, the study was of particular interest for the purpose of co-ordinating the stabilizing measures with the more general objectives of economic development.

43. Despite the shortage of information, the report (E/CN.12/480 and Add.1) contains a brief historical analysis of Bolivia's development during the present century and then a survey, based on fuller statistics, of income and investment trends from 1950 onwards; it thus tries to localize the factors which have influenced Bolivia's rate of development in recent years, with due regard to the behaviour of the dynamic factors in its economy over a longer historical period. There follows a study of foreign trade, with particular reference to exports of minerals, which constitute the most important strategic factor in the Bolivian economy, and comprising in addition an analysis of the balance of payments from 1925 to 1955. Subsequently, the inflationary trend is traced from the 'thirties up to the present, particular attention being given to the factors which aggravated the situation in the last five years. Bolivia's development problems are then examined, on the basis of this analysis, from the point of view of their social and economic aspects. The possibilities of a short-term development programme and its long-term prospects are also considered. This programme attempts to determine the objectives to be achieved, the volume of investment required and the proportion of such investment that could be contributed by the domestic economy. The second part of the study (E/CN.12/480/Add.1) analyses in greater detail the problems and the bases for development programmes in agriculture, industry, energy and transport, considering all these sectors in their relation to an over-all policy.

#### STUDIES ON COLOMBIA AND BRAZIL

44. The studies on the economic development of Colombia and of Brazil, submitted in provisional form at the Commission's sixth session, have been revised and published.

45. The report on Brazil (E/CN.12/364/Rev.1)<sup>4</sup> consists of a general survey of the country's economy with special chapters on transport, exports, fuels, fiscal activities in the public sector, projections of energy requirements and the coffee problem. A separate paper has been issued on the possibilities of increasing wheat production.<sup>5</sup>

46. The study on Colombia (E/CN.12/365/Rev.1)<sup>6</sup> was completely revised in order to take into account the comments and opinions expressed in the course of the round-table discussions at Bogotá with a view to the revision of the provisional text.

<sup>4</sup> United Nations publication, Sales No.: 1956.II.G.2.

<sup>5</sup> A reasonably full preliminary version of this study on Brazilian wheat appears in the *Economic Bulletin for Latin America*, vol. II, No. 1, Santiago, Chile, February 1957, pp. 48 *et seq.*

<sup>6</sup> United Nations publication, Sales No.: 1957.II.G.3 (Spanish only).

## EXTERNAL DISEQUILIBRIUM IN LATIN AMERICA'S ECONOMIC DEVELOPMENT: THE CASE OF MEXICO

47. The purpose of this study (E/CN.12/428 and Add.1) is to examine, in a general fashion, the relationship between economic growth and disequilibrium in the balance of payments. It is, more particularly, an attempt to explore the possibilities of maintaining an adequate rate of increase of the product in conditions of dynamic equilibrium, both internal and external. In view of Mexico's particularly interesting experience during the last ten years, a detailed analysis is given of the structural relationships of Mexico's economy and of the mutual repercussions as between growth and balance-of-payments disequilibrium, which latter was mitigated on two occasions by substantial readjustments in monetary parity but without any kind of restriction on free convertibility.

48. The analysis of the case of Mexico includes a study of the trends of the capacity to import up to 1965, together with sectorial projections based on this capacity and on a representative rate of development consistent with conditions of external and internal economic stability.

### Other studies and activities

#### STUDY OF MANPOWER IN LATIN AMERICA

49. In accordance with resolution 80 (VI), the studies on employment in various Latin American countries and on manpower resources as related to economic development were continued. An article based on these studies and a preliminary version of the complete report<sup>7</sup> were presented at the seventh session. The final text will be published shortly.

#### FISCAL AND MONETARY POLICY

50. So far as time and staff facilities have permitted, the secretariat has tried to implement the part of resolution 81 (VI) concerning research on the monetary, fiscal, exchange and trade systems necessary for the execution of development programmes.

51. As mentioned above (para. 6), the part of the *Economic Survey of Latin America, 1955*, entitled "Government income and expenditure, 1947-54" contains a partial account of the first results achieved.

#### PUBLIC ADMINISTRATION IN DEVELOPMENT POLICY

52. In accordance with resolution 81 (VI), the secretariat and TAA began a joint study of this subject. A TAA expert worked for several months with the secretariat at the Commission's headquarters. This expert and a member of the Commission's staff visited several Latin American countries to study at first hand their experience in regard to the structural and methodological aspects of programming bodies. A

provisional version of the relevant corresponding report was submitted to the seventh session as a working paper.

#### COLLABORATION WITH THE GOVERNMENTS OF COSTA RICA AND HAITI

53. At the request of the Government of Costa Rica, the Mexico Office collaborated throughout 1956 with the Planning Office of Costa Rica in preparing a development programme. In view of the interest shown by the authorities of Haiti, the Office began to co-operate with the Haitian Government this year in the preparation of similar studies.

#### ECLA/TAA economic development training programme

##### THE PROGRAMME

54. The main purposes of this programme, organized by the Commission and TAA, are to disseminate among Latin American economists the methods of analysis developed by the secretariat and to provide a better understanding of the process and programming of economic development with particular reference to the under-developed countries.

55. In the fifth regular one-year course held at Santiago, Chile, from April to December 1956, one fellowship-holder from Argentina, two from Chile, two from Costa Rica, two from Haiti, three from Mexico, one from Panama, one from Uruguay and one from Venezuela participated.

56. The participants in the regular course work in close co-operation with the secretariat, devoting half their time to the study of problems in their own countries under the supervision of qualified members of the secretariat, who delivered approximately 100 hours of lectures out of a total of 191 for the entire course.

57. At the end of 1956, an intensive course was given at Rio de Janeiro, Brazil, which was attended by twenty-two Brazilian engineers and economists on a full-time and twenty-seven other Brazilian professionals on a part-time basis. All the students taking part in the intensive course are working on problems of economic development and hold important administrative or academic posts.

58. The course was inaugurated by the President of the Republic and lasted thirteen weeks. One hundred and eighty-five lectures were given and seventy-eight hours were spent on discussion and laboratory work. The curriculum covered the following five main topics: social accounting, theory and programming of economic development, preparation and evaluation of projects, and the financing and administrative aspects of economic development.

59. Apart from achieving the purpose of raising the level of technical training of the participants, the course provided an opportunity for an objective exchange of ideas on the more important problems

<sup>7</sup> See respectively "Changes in employment structure in Latin America, 1945-55" in the *Economic Bulletin for Latin America*, vol. II, No. 1, pp. 15 et seq., and *Estudio sobre la mano de obra en América Latina* (Spanish only).

affecting the Brazilian economy. The text of the lectures was distributed in mimeographed form to universities and numerous government officials.

60. The regular course for 1957 began on 15 April at Santiago, Chile, and was attended by fellowship-holders from Argentina, Bolivia, Chile, Costa Rica, Ecuador and Mexico. Two intensive courses, one opening early in August at Rio de Janeiro, and the other beginning in mid-September at Caracas, will be held, again with the co-operation of the Technical Assistance Administration.<sup>a</sup>

## MANUAL ON ECONOMIC DEVELOPMENT PROJECTS

61. The implementation of the programme has brought into increasing prominence an already serious and familiar problem. This is the almost complete lack of a Spanish bibliography on economic development which would not only improve the quality and effectiveness of the courses of the Programme but would also serve the much more ambitious purpose of disseminating throughout Latin America a knowledge of the problems of economic growth and the methods and techniques available for solving them.

62. The secretariat had begun to deal with such problems by publishing the series entitled *Analyses and Projections of Economic Development*, but the ultimate objectives could be attained only if these publications were supplemented by manuals containing, in coherent, clear and specific language, data and information the sources of which have been widely scattered up to the present. It was necessary to provide a tool for students of economic problems, and particularly for the technical experts and officials working in Latin America, which could be forged into an efficient working instrument.

63. This is the purpose, so far as investment projects are concerned, which the Manual (E/CN.12/426 and Add.1), prepared jointly by the secretariat and the Technical Assistance Administration for submission to the seventh session of the Commission, seeks to serve.

64. The Manual consists of two volumes. The first volume contains the main body of the text and deals, in two parts, with the technique of preparing, presenting and evaluating investment projects. The second volume contains annexes, i.e., examples and cases, taken from industrial and economic experience, which provide specific and practical illustrations of this technique.

65. The substance of a given project is examined in part One of the first volume. After a general statement of the problems and concepts comes a study of the market, which is followed by an analysis of the engineering, size and location of the project, investment, budget of income and expenditure, arrangement of basic data for evaluation, financing and organization. Lastly, methods of summarizing and presenting the project are examined.

<sup>a</sup> For further information on the ECLA/TAA Programme, see document E/CN.12/483.

66. Part Two, chapter I, analyses project evaluation and then deals with the problem generally. In subsequent chapters, financial equivalences, pricing and indirect effects, and the criteria relating to the productivity of a single resource and to the productivity of the input complex are discussed.

67. The secretariat presented a completely provisional version of the Manual in order to draw attention to the problem, provide a basis for discussion and invite comments and suggestions with regard to the improvement and correction of the text before it appears in final form.

## Industry studies

### IRON AND STEEL TRANSFORMING INDUSTRIES

68. In compliance with ECLA resolutions 57 (V) and 96 (VI), a Latin American Meeting of Experts on the Steel Making and Transforming Industries was held at São Paulo, Brazil, from 15 to 28 October 1956, under the sponsorship of the Government of Brazil and organized in collaboration with the Technical Assistance Administration and the *Associação Brasileira de Metais*. The meeting dealt with certain iron and steel making topics which had not been discussed at the first meeting of experts on the iron and steel industry, held at Bogotá in 1952, and also studied the present status of the iron and steel transforming industries in Latin America and the problems with which they are faced.

69. The meeting was attended by 280 experts from twenty-two countries. Of the 218 Latin Americans, seventy-seven represented steel works and rolling mills, and fifty-one mechanical and transforming industries; twenty came from universities and technical institutes; seventeen represented the newly developing motor vehicle industries; eleven came on behalf of trade and professional associations, nine from development corporations and banks; and five attended in their private capacity. Among the non-Latin Americans, ten represented universities and research institutes, eleven professional associations, twenty-one steel making and equipment firms, one the Export-Import Bank, and fifteen attended in their individual capacity as experts. In addition, there were four representatives of the High Authority of the European Coal and Steel Community, two of the Inter-Governmental Committee for European Migration, and three of the International Labour Organisation.

70. The agenda was divided into the following four main heads:

- A. Iron and steel making (35 papers);
- B. Iron and steel transforming processes (19 papers);
- C. Training of personnel for the Latin American steel transforming industries (16 papers);
- D. Development problems of Latin America's mechanical and metallurgical industries (29 papers).

This total of ninety-nine papers included thirteen prepared by the ECLA secretariat or by special consultants which it appointed for the purpose, one each

by the International Labour Organisation (ILO), United Nations Educational, Scientific and Cultural Organization (UNESCO) and Economic Commission for Asia and the Far East (ECAFE), two by the High Authority of the European Coal and Steel Community, eighteen by research institutions, seven by professional associations, thirty-two by individual experts, sixteen by Latin American firms and eight by firms from outside the region.

71. A very high level of discussion was maintained, thanks to the quality of many of the papers and the international renown of many of the experts. Among the problems facing the industry for which co-operation was requested from the United Nations, and particularly from TAA and ECLA, were those relating to (i) classification, standardization and simplification of the different types of non-current steels, rationalization and standardization of rolled steel shapes, and standardization and specifications for products of the iron and steel transforming industries, with special reference to tolerances and fits; (ii) economic aspects of the use of oxygen in steel making in Latin America; (iii) productivity in iron and steel foundries; (iv) the motor vehicle industry; (v) economic evaluation of metal working and other transforming processes; (vi) training of engineers, technicians, skilled labour and instructors; (vii) compilation, presentation and publication of statistics of production, consumption and trade in steel products; market studies for the iron and steel making and transforming industries with a view to preparing projections of the demand for steel, and market studies for the motor vehicle industries in Latin America; (viii) the study of industrial integration possibilities in Latin America as a first step towards the preparation of specific projects for a supranational or multilateral market, at least for those products that cannot be manufactured economically on the basis of the domestic demand of a single nation.<sup>9</sup>

72. Work has already begun in connexion with items (ii), (iv), (vii) and (viii), but in the other cases the studies will form part of the Industrial Development Division's work programme for 1958.

#### PULP AND PAPER ADVISORY GROUP

73. The Pulp and Paper Advisory Group was formally set up early in 1955, at the request of the Latin American Meeting of Experts on the Pulp and Paper Industry, which met at Buenos Aires in October 1954. The request was approved by the Commission in resolution 98 (VI).

74. The Group's main functions are as follows: (a) to provide technical assistance to Governments or semi-governmental agencies in the preparation of general plans for developing the pulp and paper industry; (b) to assist in the execution of preliminary studies and analyses carried out by firms of persons interested in preparing projects relating to the pulp and paper

<sup>9</sup> See *Problemas de la industria siderúrgica y de transformación de hierro y acero en América Latina* (E/CN.12/425, United Nations publication, Sales No.: 1957.II.G.6, vol. I.

industry; (c) to provide technical assistance to Governments or enterprises in the formulation and presentation of projects which should include the necessary information for experts planning national development and for public, private or international credit agencies.

75. In accordance with its mandate, and at the request of the Governments concerned, the Group completed two reports. The first, covering Argentina, was ready by January 1956, and the second, relating to Chile, was finished in August 1956.

76. The Group was formally requested to carry out similar studies in respect of Colombia, Mexico and Peru, and will be working on these during 1957.<sup>10</sup>

#### PILOT STUDY OF THE ROAD VEHICLE INDUSTRY IN BRAZIL

77. As a result of a recommendation made at the Latin American Meeting of Experts on the Steel Making and Transforming Industries, the Government of Brazil requested the secretariat to undertake a study of the motor vehicle industry in collaboration with the Grupo Executivo da Indústria Automobilística (GEIA). Accordingly negotiations were concluded in December 1956 between ECLA and the Conselho do Desenvolvimento Económico and, during the first few months of 1957, a mission worked at Rio de Janeiro and São Paulo on the study which should be completed in May.

#### STUDY OF THE INDUSTRIAL SITUATION IN PERU

78. The Government of Peru has requested the Commission to study the status and structure of Peruvian industry, together with its current trends and development prospects. In addition, specific aspects of the industry, such as market analysis, the manufacture of new commodities, sources of raw materials and preliminary estimates of costs and investment will be studied, as also the problems relating to the incentives required to induce private investors or governmental agencies to extend the range of industrial activities. Field work on this project has already been started.

#### Energy programme

79. The secretariat prepared a thoroughly revised version of the preliminary report on the development of energy production and utilization in Latin America: possibilities and problems (E/CN.12/884), submitted for consideration at the sixth session. The printed version has just appeared under the title of *La Energía en América Latina*.<sup>11</sup> This revised text includes the most recent data on the subject, and many of the suggestions and criticisms received.

<sup>10</sup> For further information regarding the Group's activities, see document E/CN.12/484.

<sup>11</sup> United Nations publication, Sales No.: 1957.II.G.2.

80. As part of the study on economic development in Argentina, secretariat and TAA experts made the necessary on-the-spot inquiries and analyses in order to evaluate the status and potentialities of Argentina's energy resources.

81. A secretariat expert joined the group which visited Bolivia in connexion with the study of Bolivia's economic development. He analysed the present status of the electric energy supply and of the petroleum industry, as well as the prospects which they offered as dynamic factors in the development of Bolivia.<sup>12</sup>

82. In the *Economic Survey of Latin America, 1956*, an analysis was made of recent developments in the field of energy and attention was drawn to trends which represented a departure from those of the previous year.<sup>13</sup>

83. This analysis consisted partly in exploring the possibility of more thorough study of a topic of special interest, namely, the planning of electricity facilities in Latin America. Initial consultations have already been held on the experiences of organizations in those countries which have made the greatest progress in the field in question.

84. The secretariat endeavoured as diligently as possible to implement the various objectives set forth in the resolutions on energy in Latin America. The appropriate consultations with TAA, the Department of Economic and Social Affairs of the United Nations and other bodies were continued.

85. In response to a request from the Government of Argentina, a mission of international experts was organized, in co-operation with TAA, to study and locate the causes of the greatest losses in the generation and utilization of power (including electric power) and to suggest the most effective measures for eliminating them and for improving the efficiency of the system.

86. Pursuant to resolution 100 (VI), the secretariat devoted attention to world events connected with atomic energy and its use for peaceful purposes. Stress is laid in the *Economic Survey of Latin America, 1956* on the interest felt by the Latin American peoples in the possibilities of improving their energy supplies offered by this field of research. The secretariat presented to the seventh session a note by the Preparatory Commission of the International Atomic Energy Agency on the operation and basic characteristics of this organization and on the general work of the United Nations in the field of nuclear energy (E/CN.12/447).

87. In accordance with resolution 99 (VI), the secretariat initiated a preliminary study of the status of hydraulic resources in Latin America and of the possibilities of establishing a multi-purpose co-ordinated supply system. This study, which will have to be undertaken on a country-by-country basis owing to the nature of the work, will comprise in the first place an examination of existing statistical data on hydraulic

resources, of the ways in which they are at present used for irrigation, power, navigation, etc., and of their development prospects.

88. In view of the experience of the various state organizations in Chile dealing with the most important aspects of water utilization, and also of the fact that the Chilean Government has requested the co-operation of the United Nations Technical Assistance Administration in this connexion, it was decided to begin the study with Chile.

89. The study is being made by a working group which includes an expert on electric power development, whose valuable services have been kindly lent by the Government of France. The other members of the group are an ECLA economist, an expert on water utilization and an expert on water conservation legislation.

### Studies on agriculture and livestock

90. The secretariat continued its studies on agriculture and livestock under the ECLA/FAO programme. Studies were carried out in co-operation with FAO on the development of agriculture in Argentina and Bolivia, and work has begun on the corresponding study on Peru. Staff members of both organizations, as well as experts of the Technical Assistance programme under special contract for this purpose, participated or are participating in the studies. Experts from the Inter-American Institute of Agricultural Sciences also collaborated in the study on agriculture in Argentina.

### ARGENTINA

91. The study of agriculture in Argentina covers aspects of major interest concerning (a) the historical development of agricultural production, consumption, exports and investment; (b) the renewable natural resources such as soil, water, natural pastures, fisheries and forests; (c) the degree of technical development of the agricultural and livestock industries; (d) land legislation and tenure; (e) economic and price policies; (f) status of agricultural research, extension services, training and instruction; (g) levels of consumption and nutrition, and other important features.

92. The study devotes special care to the analysis of the deterioration of natural resources which may have resulted from misuse, and on an evaluation of their potential effective capacity if properly conserved and restored. It also examines the possibilities of agricultural and livestock production, as well as of the fishing industry, contingent on improved production methods and the expansion of the area under cultivation. In this connexion the analyses of the productivity of the various output factors essential to agriculture and the livestock industry, the mechanization of farming and the control of pests and diseases are particularly important. Finally, the study includes projections of production, consumption and exports for 1960 and 1965, and of investment and measures to promote it.

<sup>12</sup> See E/CN.12/430/Add.1, chap. II.

<sup>13</sup> See E/CN.12/427/Add.1, chapter IX.

## BOLIVIA

98. The fundamental purposes of the study on agriculture in Bolivia may be summarized as follows: (a) description of the present status of agriculture in Bolivia and analysis of the reasons for the present stagnation; (b) study of the crucial obstacles to the production and supply of agricultural and livestock commodities, and their possible removal; (c) analysis of the future prospects of the principal commodities in regard both to domestic supply and to export; (d) estimate of investment requirements under a minimum development programme for this sector; (e) study of available physical, human, financial and administrative resources, and appropriate recommendations for their more efficient utilization; (f) measures for solving the problems arising from the recent land reform.<sup>14</sup>

## PERU

94. The purposes of the study of agriculture in Peru which will probably be made in 1957 will be similar to those described with respect to Argentina and Bolivia. Particular attention will be paid to the present gap between the levels of development and productivity of the highly mechanized coastal agriculture and those of agriculture in the upland regions, which, generally speaking, are very backward.

## COFFEE

95. The study of coffee trends and productivity in Latin America was continued. The report on El Salvador was submitted for the consideration of the Commission at its seventh session (E/CN.12/485). It analyses the importance of coffee in the Salvadorean economy, the productivity of the various output factors in the growing and processing of coffee, and possible future trends in coffee production, export and consumption.

96. The field work in Colombia, carried out with the full and generous co-operation of the Colombian *Federación Nacional de Cafeteros*, was also completed. The ECLA/FAO Working Group responsible for the research is now at Santiago preparing its report, which it is hoped will be ready by July of this year.<sup>15</sup>

## LIVESTOCK

97. The aim of the study on livestock production in Latin America is to ascertain the reasons for this activity's low rate of development. It is planned to initiate research in seven representative countries.

98. Owing to shortage of staff, the study has been delayed somewhat, but the research on Argentina has been completed and forms part of the study on the economic development of Argentina. The secretariat of the Commission has arranged for one of its agricultural economists to give the whole of his time to this project as from 1 May 1957, in order to expedite the work.

<sup>14</sup> See (E/CN.12/480/Add.1), part Two, chapter IV.

<sup>15</sup> See E/CN.12/486 for information on the progress of the study.

## PRICES

99. This study, the purpose of which is to determine the influence of price policy on the region's agricultural and livestock production, is now almost ready. Once completed, it might provide a basis for important discussion by the countries of the region with a view to determining the most effective general policy in this connexion.

## WHEAT PRODUCTION IN BRAZIL

100. Early in the present year the ECLA secretariat completed this important survey, supplementary to the study on the economic development of Brazil.<sup>16</sup> It covers (a) the historical trend of the demand for wheat in Brazil and its importance to diet in the country as a whole and by areas; (b) a historical analysis of imports, of their origin and composition, and of the Government's import policy; (c) the development of domestic production and the support provided by the Government; (d) a critical examination of the characteristics of wheat-growing and of the employment of output factors; (e) the problems of soil conservation, mechanization and the general development of farming techniques; (f) the influence of the size of holdings, land tenure and capital formation on the efficiency and productivity of wheat-farming; (g) the shortcomings in transport and storage of wheat.

101. In conclusion, the analysis deals with the future possibilities of developing wheat farming, taking into account the extent to which the various output factors are available and the savings which may be effected in their use. The final text will appear in the course of the year.

## International trade and finance

102. The Trade Committee, established by the Commission at its sixth session (resolution 101 (VI)), met for the first time from 19 to 29 November at Santiago, Chile. It was attended by representatives of member Governments and by observers from other countries, specialized agencies and inter-governmental organizations. The following working documents were prepared for the session: Payments and trade in Latin America: current problems (E/CN.12/C.1/3); Payments and the regional market in inter-Latin American trade (E/CN.12/C.1/4); and Inter-Latin American commodity trade in 1954 and 1955. Situation and prospects in 1956 (E/CN.12/C.1/5).<sup>17</sup>

103. The Committee adopted resolutions relating to the gradual establishment of a regional system of multilateral payments and the creation of a common market for selected products in Latin America. These resolutions are reproduced as annex II of this report.

<sup>16</sup> See paragraph 45, above.

<sup>17</sup> All these, together with the report of the session, are included in the study *Inter-Latin American Trade: Current Problems* (E/CN.12/423), United Nations publication, Sales No.: 1957.II.G.5.

104. In regard to payments, it became apparent in the Committee that it was the unanimous view of the clearing-accounts countries that their present balance-of-payments positions prevented them, for the time being, from dispensing altogether with those accounts as a means of liquidating their reciprocal trade operations. But in order gradually to liberalize and expand such trade in terms of the complementarity of the natural resources of a large number of Latin American countries, and, further, in response to the new demand, created by economic development, for intermediate products and manufactures, various measures were proposed with respect to reciprocal payments. The following were the ends pursued: (a) the establishment by gradual stages of a multilateral system which would both facilitate intra-regional trade operations and constitute an important step towards liberalization and expansion of trade with other regions; and (b) the co-ordination, in the meanwhile, of the clearing accounts, to which greater flexibility could be imparted by the adoption of such principles as those relating to equal quotations for units of account and the convertible dollar, for the same operations; the fixing of prices at levels not higher than those prevailing on the world market, without the over-pricing characteristic of transactions effected through the clearing accounts; and the transferability of balances accumulated in the accounts to third countries in the region. Such transfers would be automatic when the balances exceeded the limit of the swing credits authorized by the Central Bank of the creditor country, and voluntary in the case of values below this level.

105. In this connexion, a resolution was adopted inviting the Central Banks of the Latin American countries to set up a Working Group which would study the possibilities for the gradual establishment of a multilateral payments system and suggest the appropriate technical measures for this purpose in a report to be submitted to a subsequent session of the Trade Committee.<sup>18</sup> The meeting held by this Group at Montevideo from 29 April to 10 May 1957 was attended by delegations of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay and Uruguay, as well as by observers for the International Monetary Fund, the Bank of England and other agencies.

106. In conformity with resolution 1 (I) of the Trade Committee and guided in the light of the results of the consultations held by the secretariat with the Central Banks of countries maintaining bilateral clearing accounts with other countries of the region, several measures were agreed upon. First, it was decided to submit to the Trade Committee a draft standard payments agreement to be used as a model for bilateral trade agreements for the purpose of making them more homogeneous and thus facilitating the future integration of each bilateral account in a multilateral system. The standard agreement stipulates *inter alia* the kind of operations in respect of which payments must or may be included in the accounts, refers to the

principle of placing account dollars on a parity with the United States dollar for similar operations, and establishes procedures for the inclusion in bilateral accounts of payments corresponding to the transformation of raw materials originating in one country for use in other countries of the region. It was considered that the standard agreement was an important first step — and perhaps the only practical one under present circumstances — towards the elimination of bilateral barriers to intra-regional trade.

107. The Working Group also prepared the basis for standardizing Central Bank operating procedures, which at present are very heterogeneous and have at times obstructed the functioning of bilateral agreements. In addition to seeking a standardization of terminology, norms were suggested for regulating relations between Central Banks and between them and private banks with respect to inter-Latin American operations in clearing accounts.

108. Finally, the Working Group recommended that ECLA temporarily receive, compile and distribute information on the status of bilateral accounts to Governments maintaining such accounts in accordance with a questionnaire agreed upon. This information will aid the transferability of account balances by enabling trading partners to ascertain not only the status of current balances but their possible future evolution, will be a practical step toward the progressive co-ordination of the clearing-account system and will provide the statistics needed for carrying out the secretariat's study of the prospects for establishing a multilateral payments system. The exchange of information is to commence at the beginning of the second half of 1957, on the understanding that study will later be devoted to the possibility of setting up a special agency to perform this function on a permanent basis.

109. As regards the regional market, the Committee, considering that the future industrial development of the Latin American countries necessitates, besides other factors, broad markets which will enable them to produce on a competitive basis, requested the secretariat to appoint a group of experts to project the possible structure of a regional market which would foster the sound development of Latin America's industries, as a transitional step towards a more liberal system of multilateral trade. For this purpose the group will have to define the characteristics of the regional market, study its possibilities and projections and make recommendations on the principles of agreement and procedures for its establishment, within the Trade Committee's terms of reference. The first meeting of the group of experts on the common market is expected to take place during the second half of 1957.

110. In other resolutions the Committee took into account the fact that the problems created by duplication and idle capacity were reflected in certain industries, in anti-economic operating conditions, and recommended that the secretariat should take an inventory of existing industries in Latin America in order to ascertain what remedial measures should be adopted.

<sup>18</sup> At the seventh session of ECLA the report was presented in a working paper.

111. The Committee adopted a resolution on intra-regional trade in traditional commodities in which it recommended, *inter alia*, the gradual liberalization of such trade, marketing at world prices, the abolition of state import and export monopolies and the replacement in current practice of short-term commodity trade agreements by a system of agreements of a sufficiently long-term nature to ensure steady production in the selling country and a regular supply for the purchasing country.

112. In view of the concern aroused among some of the States members of the Commission by certain aspects of the recently constituted European common market, which, it was felt, might have adverse effects on Latin American exports and European investment in Latin America, the secretariat prepared a note on the subject, which was presented as a preliminary report at the seventh session (E/CN.12/449).

113. The note in question began by outlining the main features of the European Economic Community and the liberalization procedure agreed upon. It also gave an account of the founding of the European Investments Bank designed to promote the economic growth of the under-developed areas participating in the common market; the treatment which it was proposed to extend to agricultural commodities; and, in particular, the position or treatment which would be accorded in the common market to European overseas territories ("associated territories") and the system of common investments established for such territories.

114. Statistical data were also given on exports of selected Latin American commodities and on supplies of these commodities for Europe. Lastly, certain preliminary considerations were presented as to the possible repercussions of the European common market, especially with respect to the preferential treatment to be granted to commodities from the associated overseas territories.

### Economic integration of Central America

115. The secretariat has continued to co-operate with and advise the Central American Economic Co-operation Committee, whose programme has been intensified and diversified.

116. The Committee held its fourth ordinary session in Guatemala in February 1957, after a year of considerable activity on the part of its sub-committees and working groups, and of preparation of basic studies and projects. The Committee decided to recommend to the Central American Governments that they should sign the draft multilateral free trade and economic integration treaty and the draft agreement on Central American integration industries. These measures represent a definite step towards the creation of a free-trade zone in Central America, and will encourage the establishment of new industries based on the common market constituted by the five countries. The preparatory work is progressing in connexion with the project for the establishment of a Central

American pulp and paper plant, which, as recommended by the Committee, it is proposed to set up in Honduras. Further possibilities of industrial expansion are being examined, especially in regard to rayon and cotton textiles, the processing of livestock products, fishery products, glass and tin containers, insecticides, paints and varnishes, and others. Central American private enterprise took part in the preliminary study of these possibilities, through the Central American Industrial Initiatives Commission.

117. Work has continued on the transport and energy studies, not only with respect to the examination and analysis of the problems involved but also regarding the introduction of co-operative measures between the Central American countries.

118. The work on statistical co-ordination has proceeded in the appropriate Sub-Committee, which consists of the Directors of statistics and censuses. This Sub-Committee held its third meeting in Guatemala in March 1957.

119. The Central American Research Institute for Industry and the Advanced School of Public Administration continued their activities during 1956 in accordance with the programmes laid down by their governing bodies. The Institute is still at the organizational and initial stage. The School is now in its fourth year, and 140 pupils have already graduated from the two previous courses.

120. In regard to the Central American programme, the Governments continue to receive technical assistance from TAA, FAO, the ILO and UNESCO, in accordance with requests addressed to the Technical Assistance Board through the Central American Economic Co-operation Committee. Close co-ordination is maintained between the secretariat and the experts taking part in the programme.<sup>19</sup>

### Other activities

#### TECHNICAL ASSISTANCE

121. Pursuant to a decision adopted at the tenth session of the General Assembly, the Secretary-General, on 1 June 1956, instituted a one-year experimental decentralization of the Latin-America Office of TAA.<sup>20</sup> In view of the short period of time which had elapsed

<sup>19</sup> For a more complete description of the course and present status of the programme, see the following documents: *Integración económica de Centroamérica* (E/CN.12/422, United Nations publication, Sales No.: 1956.II.G.4), and *Informe del comité de cooperación económica del Istmo Centroamericano* (E/CN.12/431, United Nations publication, Sales No.: 1957.II.G.7).

<sup>20</sup> The administrative aspect of the decentralization implied the division of the Office, which had formerly been administered exclusively from New York, into three parts: (a) the Director of the Office and three programme officers established a field office in Santiago, Chile, and have taken over the work of programming UNTAA activities for the ten South American republics; (b) two programme officers have been posted to Mexico City to undertake programming for Mexico, Central America and the Caribbean area; (c) a small liaison group remained at Headquarters in New York.

between the initiation of operations in Santiago and Mexico and the holding of the eleventh session of the General Assembly, which was to have considered the results of the experiment, the Assembly resolved to extend the trial period over the calendar year 1957.

122. The establishment of a technical assistance centre in Latin America was supported by the Commission at the Fifth Committee of the Whole (resolution 110 (AC.84)) and represented a further stage in the collaboration between the ECLA secretariat and TAA.

123. ECLA's co-operation consists essentially in providing information and advice based on the studies, knowledge and experience of its staff concerning economic problems and obstacles to development in Latin American countries. Thus, ECLA's work programme has made it possible for the secretariat to assist TAA and its experts mainly in the fields of economic development, specific industries, transport and energy. ECLA's experience in other fields has also been valuable in view of its first-hand knowledge.<sup>21</sup> Frequently, ECLA studies have been used as a basis for determining the technical assistance needs of countries, and this led to the formulation of technical assistance requests from the interested Governments. Once these are processed<sup>22</sup> and the experts recruited, the ECLA staff is drawn upon for extensive briefing on the general background of the problem in hand and on the specific topic if it falls within ECLA's range of knowledge. Subsequently, close contact is maintained by TAA with the secretariat regarding progress in the assignments of the experts, and comments are made, where appropriate, on their monthly or periodic reports. The reports of the experts are also submitted to the members of the ECLA staff for a critical review of their contents and conclusions or recommendations.

124. A few illustrations of ECLA's role may be cited. The work of the Pulp and Paper Advisory Group, the purpose of which is to give technical assistance for the development of this industry in Latin America, is the result of secretariat studies on this subject, carried out with the co-operation of FAO, and ECLA continues to collaborate actively in the project. Recent requests by the Argentine Government for transport and energy experts were based on ECLA surveys of the problem involved. Still another example is that of the studies of the iron and steel making and transforming industries and the subsequent meetings of experts, held in collaboration with TAA, which clearly set forth some of the basic problems of these industries requiring technical assistance for their solution. Some requests for TAA experts have already been received, and it is expected that some of the recommendations for technical assistance made by the Meeting of Experts, held at São Paulo in October 1956, will be implemented. The Central American Economic Integration Programme (referred to earlier in this report) is yet another

special case, dating from 1953, where the Technical Assistance Programme (which includes specialized agencies as well as TAA) is closely connected and co-ordinated with the secretariat's over-all studies and evaluation of technical and policy needs. This programme has received its substantive direction from the Governments of the region through ECLA's Central American Economic Co-operation Committee, consisting of the Ministers of Economy concerned.

125. One of the difficulties with which TAA has had to deal, especially in the early recruitment of experts and implementation of technical assistance projects, has been the fact that requests from Governments have often been stated in general terms. Therefore, during the first year of TAA decentralization in Santiago and in Mexico, ECLA devoted special attention to assisting TAA in defining in precise detail the nature of the assistance required and preparing a careful specification of functions to be performed by a particular expert in the assignment requested by a Government. Some of the fields in which assistance has been given by ECLA in this respect are the following: railways, ports, power production and distribution, economic programming, social policy, industrial development, river navigation, cement production, metallurgy and chemical industries.

126. As indicated in section IV of document E/CN.12/482, since Governments have become increasingly aware of the possibility of utilizing technical assistance in their development programmes, requests have increased more rapidly than funds. This has raised the question of priorities and rendered it advisable for Governments to utilize the limited resources available for technical assistance programmes that are adequately related to development needs and plans. Because the TAA programmes for countries in category I were already fairly well established by June 1956, when the TAA Latin America Office was transferred to Santiago and Mexico, the ECLA secretariat could not assist in their formulation. However, it was consulted on the establishment of some category I programmes for 1957, and it is expected that, with regard to the 1958 programme, the secretariat will play a more active role by advising TAA on the evaluation of requests in relation to over-all economic development.<sup>23</sup> In this connexion, ECLA has agreed to make staff members available to TAA from time to time as required to visit countries requesting assistance in this field. Recently ECLA also agreed to detail one of its senior officers to TAA for a longer period to act as economic adviser to a programming commission in one of the Latin American countries.

127. Finally, the secretariat is also being called upon to assist TAA in the evaluation and selection of fellowship candidates, and in the formulation of regional or national training programmes in matters related to economic and social development.

<sup>21</sup> In addition, the Social Affairs Division of ECLA gives similar advice on the matters within its competence.

<sup>22</sup> This phase includes extensive ECLA assistance in formulating job descriptions of experts.

<sup>23</sup> It should be noted that the Commission, at its fourth session in Mexico, recommended that the secretariat should help member Governments to appraise their needs for technical assistance and to formulate their requests for such assistance (resolution 12 (IV)).

## SOCIAL ASPECTS OF ECONOMIC DEVELOPMENT<sup>24</sup>

128. The secretariat has continued to contribute to theoretical and methodological work in connexion with the main social questions which have a direct bearing on Latin American economic development problems by undertaking studies during the period in question and by research into other socio-economic aspects of the region.

129. In this connexion attention should be drawn to the secretariat's study on the economic development

<sup>24</sup> The activities in this field are described in detail in the Note on "Social aspects of economic development" (E/CN.12/487) which the secretariat submitted to the seventh session.

of Bolivia (E/CN.12/480 and Add. 1), which outlines the social aspects implicit in the problems of economic growth, and to the Seminar to be held at the end of 1958, which the secretariat is organizing in close co-operation with UNESCO for the purpose of analysing the existing relationship between the process of urbanization and that of industrial expansion in Latin America.

180. The other relevant activities carried out by the Commission include the project to found a demographic training and research institute for Latin America, which will enter into operation this year at Santiago, in co-operation with the University of Chile; and the organization of a regional Social Work Training Seminar to be held at Montevideo in July 1957.

## Part II

### RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

131. The Commission has continued to maintain close relations with the specialized agencies and other organizations interested in the economic problems of Latin America. In the preparation of its studies, the secretariat has requested advice and assistance from the various organizations in their specialized subjects, not only to ensure due co-ordination, but also to utilize their experience and knowledge. In this respect, special mention must be made of the assistance received from the United Nations Food and Agriculture Organization on agricultural, livestock and forestry matters, and from the International Monetary Fund on payments and international exchange problems.

#### Specialized agencies

132. As in previous years, the International Labour Organisation (ILO), the United Nations Food and Agriculture Organization (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Bank for Reconstruction and Development (Bank) have collaborated with ECLA in the Central American Economic Integration Programme, especially by providing technical assistance in the projects included in that programme.

133. During the period covered by this report, ECLA and FAO have continued to collaborate in accordance with the agreements in force between the two organizations, and have pursued the work of the Joint ECLA/TAA Programme, under the direction of the chief FAO regional economist in Latin America.<sup>25</sup>

134. In the study on the economic development of Argentina the secretariat enjoyed the co-operation of the International Monetary Fund, which provided two of its economists to work on the analysis of monetary and exchange problems.

<sup>25</sup> For more detailed information on the various joint activities of ECLA and FAO, see paragraphs 90-101 above.

135. When the International Bank for Reconstruction and Development sent a mission to Argentina, its members spent one week in Santiago to discuss with ECLA economists some of the aspects of the Argentine economy which had been specially examined by the secretariat in the course of a study on that country.

136. The secretariat held consultations with the World Meteorological Organization (WMO) regarding the study on the utilization of water resources recently begun with the collaboration of the Technical Assistance Administration (TAA).

137. Representatives of several specialized agencies attended the sessions of the Commission and of its subsidiary bodies.

138. Representatives of the ILO, FAO and the International Monetary Fund participated in the first session of the Trade Committee.

139. The Meeting of Experts on the Iron and Steel Making and Transforming Industries was attended by representatives of the ILO. Both the ILO and UNESCO contributed special studies to this meeting.

140. The ILO, FAO, UNESCO, the International Monetary Fund and the Bank sent representatives to the fourth regular session of the Central American Economic Co-operation Committee.

141. Representatives of several specialized agencies attended the seventh session of the Commission (see annex I).

#### Inter-American Economic and Social Council

142. In accordance with the various relevant resolutions adopted by the Commission, the ECLA secretariat and the secretariat of the Inter-American Economic and Social Council have continued to maintain and to exchange information on their respective activities.

143. The Committee on Co-ordination, established pursuant to resolution 81 (IV), met twice in 1956. The first meeting was held in May at Santiago, Chile, during the session of the Fourth Committee of the Whole, and the second in December at Washington, D.C.

144. At these meetings of the Committee on Co-ordination, the work programmes of both bodies were examined and agreement was reached on co-operation on various projects covered in the programmes.

145. In addition, the Inter-American Economic and Social Council appointed its Chairman, Mr. Washington Bermúdez, to represent it at the first session of the ECLA Trade Committee. On that occasion Mr. Bermúdez and Mr. Joao Oliveira Santos, Deputy Director of the Department of Economic and Social Affairs of the Pan American Union, discussed the co-operation of the two organizations with the secretariat of the Commission.<sup>26</sup>

<sup>26</sup> For further details see E/CN.12/440.

## Non-governmental and other organizations

146. The secretariat has maintained its customary relations with the non-governmental organizations recognized by the United Nations as having consultative status, and the majority of those in category A have continued to send representatives to the various meetings of the Commission.

147. Representatives of several non-governmental organizations attended the Commission's seventh session (see annex I).

148. Finally, it should be mentioned that, at technical meetings such as the Latin American Meeting of Experts on the Iron and Steel Making and Transforming Industries and the Trade Committee, the secretariat has benefited from the valuable advice of private organizations and institutions, mainly on industrial and market matters.

## Part III

### SEVENTH SESSION OF THE COMMISSION

#### Organization of the session

##### OPENING AND CLOSING MEETINGS

149. The seventh session of the Commission was held at La Paz (Bolivia) from 15 to 29 May 1957. At the opening meeting, held in the Auditorium of the Universidad Mayor de San Andrés, meeting-place of the session, addresses were delivered by His Excellency Dr. Hernán Siles Zuazo, President of the Republic of Bolivia (E/CN.12/452) and Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs of the United Nations. Mr. Harold M. Randall, Chairman of the delegation of the United States of America, spoke on behalf of the participating delegations (E/CN.12/454).

150. At the first plenary meeting, on 16 May 1957, Mr. Raúl Prebisch, Executive Secretary, made a statement (E/CN.12/455).

151. The closing meeting was held on 29 May 1957. After the Rapporteur, Mr. Roberto Oliveira Campos (Brazil), had presented his report (E/CN.12/481), statements were made by Mr. Ariosto González (Uruguay), Mr. P. H. Zidjerveld (Netherlands), Mr. Raúl Prebisch, Executive Secretary, and Mr. Hugo Moreno Córdova (Bolivia), Chairman of the seventh session.

152. The Commission unanimously adopted its annual report to the Economic and Social Council, including the programme of work and priorities, and decided to transmit it to the Council.

##### MEMBERSHIP AND ATTENDANCE

153. The session was attended by delegations from the following States members of the Commission: Argentina, Bolivia, Brazil, Chile, Costa Rica, Cuba,

Dominican Republic, Ecuador, El Salvador, France, Guatemala, Honduras, Mexico, Netherlands, Nicaragua, Panama, Peru, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela. The list of representatives is given in annex I of this report.

154. Since national events prevented it from sending a delegation, Colombia transmitted a letter of apology to the Commission.

155. In accordance with paragraph 6 of the terms of reference of the Commission, representatives of the following States Members of the United Nations but not members of the Commission attended the seventh session in a consultative capacity: Bulgaria, Czechoslovakia, Hungary, Italy, Japan, Romania, Spain, and the Union of Soviet Socialist Republics.

156. Under the terms of resolutions 515 B (XVII) and 581 (XX) of the Economic and Social Council, the Federal Republic of Germany attended the seventh session of the Commission "on a basis similar to that provided in paragraph 6 of the terms of reference of the Commission for States Members of the United Nations not members of the Commission".

157. The Credentials Committee, in accordance with paragraph 14 of the Commission's rules of procedure, reported to the meeting held on 28 May that the credentials of the delegations as presented to the Executive Secretary had been examined and found to be in order.

##### ORGANIZATION OF THE WORK OF THE SEVENTH SESSION

##### *Election of officers*

158. At the first plenary meeting, on 16 May 1957, the following officers were elected:

*Chairman* : Hugo Moreno Córdova (Bolivia).  
*First Vice-Chairman* : José María Ponce (Ecuador).  
*Second Vice-Chairman* : Luis Melgar Larrieu (Guatemala).  
*Rapporteur* : Roberto Oliveira Campos (Brazil).

#### Committees

159. At the same meeting on 16 May it was decided to set up four committees. The agenda items and background documents (see para. 161) assigned to each committee, and the officers of each committee as elected by the Commission, were as follows :

##### Committee I (Trade)

*Chairman* : Ariosto González (Uruguay).  
*Rapporteur* : Emilio Barreto (Peru).  
Agenda item considered : 11.

##### Committee II (Economic development, Industry and Energy)

*Chairman* : Ricardo Torres Gaitán (Mexico).  
*Rapporteur* : Rubén Mondragón (Honduras).  
Agenda items considered : 5, 6, 7, 8 and 9.

##### Committee III (Agriculture)

*Chairman* : Alejandro Hales (Chile).  
*Rapporteur* : Hugo López Avila (Bolivia).  
Agenda item considered : 10.

##### Committee IV (Work Programme, Co-ordination with IA-ECOSOC and Miscellaneous Matters)

*Chairman* : Isidoro Martínez (Argentina).  
*Rapporteur* : Porfirio Morera Batre (Costa Rica).  
Agenda items considered : 12 and 13, as well as miscellaneous matters.

160. In the course of their proceedings the committees appointed working groups to deal with special questions.

#### Agenda

161. At the plenary meeting on 16 May 1957, the Commission adopted the following agenda :

1. Opening addresses
2. Election of officers
3. Adoption of the agenda
4. Current economic trends and prospects :
  - (a) Trends in production and the rate of economic development
  - (b) Balance of payments and foreign trade

Background documents :

*Economic Survey of Latin America, 1956*  
(E/CN.12/427 and Add.1)

*Economic Bulletin for Latin America*, vol. I, No. 2 : articles on "The economic situation in Latin America during 1956", "Recent trends in United States imports of Latin American products" and "Exports and prices of selected products"; vol. II, No. 1 : articles on "Preliminary review of the economic situation in Latin America during 1956" and "Recent developments and prospects in trade between Latin America and Japan"

#### 5. Economic development problems and policy :

- (a) External vulnerability of the Latin American countries and remedial measures
  - (i) Import substitution and means of effecting it
  - (ii) The promotion of exports
  - (iii) The role of foreign investment
  - (iv) Monetary policy
- (b) Disequilibrium between agricultural and industrial development and its implications for government policy
- (c) Problems arising from the growth of the labour force in relation to changes in the economic structure
  - (i) Technical training
  - (ii) The rapid growth of urban centres and of employment in services
- (d) Foreign capital and the transmission of technology
- (e) The technique of analysis and projections in the programming of economic development
  - (i) Programming, state action and private enterprise
  - (ii) The use of projections in determining the aims of economic development policy
  - (iii) Criteria and techniques for the selection, evaluation and preparation of individual projects within over-all programming
  - (iv) Aspects of public administration

Background documents :

*Economic Survey of Latin America, 1956*, chapters I to VI (E/CN.12/427)

*El desequilibrio externo en el desarrollo latinoamericano : el caso de México* (E/CN.12/428 and Add.1)

*Economic Bulletin for Latin America*, vol. II, No. 1 : article on "Changes in employment structure in Latin America during the decade 1945-55"

*El desarrollo económico de Bolivia* (E/CN.12/430 and Add.1)

*The Economic Development of Brazil* (E/CN.12/304/Rev.1), United Nations publication, Sales No.: 1956.II.G.2

*El desarrollo económico de Colombia* (E/CN.12/365/Rev.1) United Nations publication, Sales No.: 1956.II.G.3

Manual on economic development projects (E/CN.12/426 and Add.1)

*Administración pública en la política de desarrollo* (Conference Room Paper No. 3)

#### 6. Economic development and integration of Central America

Background documents :

*Informe del Comité de Cooperación Económica del Istmo Centroamericano* (Economic Commission for Latin America, Mexico, June 1957) (E/CN.12/431 — United Nations publication, Sales No.: 1957.II.G.7)

*Central American Economic Integration : Development and Prospects* (E/CN.12/422), United Nations publication, Sales No.: 1956.II.G.4 (English version mimeographed; Spanish version printed)

#### 7. Social aspects of economic development

Background documents :

Social aspects of economic development, note by the secretariat (E/CN.12/437)

*El desarrollo económico de Bolivia* (E/CN.12/430), relevant chapter

8. Technical assistance for economic development

Background documents :

*The Expanded Programme of Technical Assistance : assistance rendered to the countries and territories of Latin America during 1956* (E/CN.12/444)

*Technical assistance activities in the ECLA region* (E/CN.12/432)

*Report on the joint ECLA/TAA economic development training programme* (E/CN.12/438)

9. Industry, energy and mining problems :

(a) The industrial sector

(i) Report of the Latin American Meeting of Experts on the Steel Making and Transforming Industries

(ii) Standardization of steel products

(iii) Pulp and paper

(b) Energy

(i) Elements of an energy development policy

(ii) Nuclear energy

(iii) Hydraulic resources

(c) Trends and prospects in the exploitation of mineral resources

Background documents :

*Problemas de la industria siderúrgica y de transformación de Hierro y Acero en América Latina* (E/CN.12/425), United Nations publication, Sales No.: 1957.II.G.6, vol. I, Report of the São Paulo meeting; vol. II, Steel Making

Progress report of the pulp and paper advisory group for Latin America (E/CN.12/434)

*La energía en América Latina* (E/CN.12/384/Rev.1), United Nations publication, Sales No.: 1957.II.G.2

United Nations activities in connexion with nuclear energy. Note by the secretariat (E/CN.12/447)

*Economic Bulletin for Latin America*, vol. I, No. 2 : article on "Energy consumption in Latin America"

*Economic Survey of Latin America, 1956* (E/CN.12/427/Add.1) chapters VII, VIII and IX. Studies on the economic development of Argentina, Bolivia, Brazil and Colombia, relevant chapters

10. Economic problems of agriculture (in co-operation with FAO) :

(a) The current agricultural situation

(b) Agricultural productivity

(c) Export prospects for agricultural and livestock commodities

(d) Trends in timber production

Background documents :

*Economic Survey of Latin America, 1956* (E/CN.12/427), chapter X

*The selective expansion of agricultural production in Latin America and its relationship to economic development* (E/CN.12/378/Rev.2), United Nations publication, Sales No.: 1957.II.G.4

*Economic Bulletin for Latin America*, vol. 1, No. 1 : article on "Recent trends in the exports and prices of some products"; vol. I, No. 2 : article on "Exports and prices of some products"; vol. II, No. 1 : article on "Possibilities for the expansion of wheat production in Brazil"

*Prospects for Latin American trade on agricultural products* (document presented by FAO)

*El café en El Salvador. Influencia de la mano de obra y otros factores y tendencias de la producción* (E/CN.12/435)

*Progress report on the study on coffee in Colombia* (E/CN.12/436)

Note by the secretariat on a study of timber production trends in Latin America (E/CN.12/438), Studies on the economic development of Argentina, Bolivia, Brazil and Colombia, relevant chapters

11. Foreign trade :

(a) Inter-Latin American trade

(i) Current problems of inter-Latin American trade

(ii) Payments

(iii) Common market

(b) Repercussions of the proposed European common market on Latin American trade

Background documents :

*Economic Survey of Latin America, 1956* (E/CN.12/427), chapters II to VI

*Study of inter-Latin American trade* (E/CN.12/369/Rev. 1), United Nations publication, Sales No.: 1956.II.G.3

*Inter-Latin American Trade : Current Problems* (E/CN.12/423), United Nations publication (including the report of the first session of the ECLA Trade Committee), Sales No.: 1957.II.G.5

Note by the secretariat on the possible repercussions of the European common market on Latin American exports (E/CN.12/449)

*Informe de la Secretaría sobre el estado de los trabajos del Comité de Comercio* (E/CN.12/439)

Note by the secretariat on the Meeting of the Central Banks Working Group on a Multilateral Payments System (Conference Room Paper No. 1)

12. Co-ordination with the Inter-American Economic and Social Council

Background documents :

Note by the secretariat on co-ordination with the Inter-American Economic and Social Council (E/CN.12/440)

13. Programme of work and priorities for 1957/58

Background documents :

*Informe del Director Principal a cargo de la Secretaría Ejecutivo sobre la marcha de los trabajos* (E/CN.12/445)

Note by the secretariat on revision and concentration of the work programme (E/CN.12/441)

United Nations programme concerning industrialization and productivity (note by the secretariat (E/CN.12/450))

Note by the secretariat on resolutions of the General Assembly and the Economic and Social Council of concern to the Commission (E/CN.12/442)

*Recopilación por materias de las resoluciones aprobadas por la Comisión Económica para América Latina* (E/CN.12/443)

14. Consideration and adoption of the Commission's annual report to the Economic and Social Council.

15. Date and place of the eighth session.

## Account of proceedings

### INTRODUCTION

162. By the time the seventh session came to an end, it was evident that the Commission was intensely interested in the solution of practical problems of economic policy. This feeling was reflected in the recommendations made to Governments and in the requests for studies submitted to the secretariat. The trend which had already been noticeable at previous sessions, and particularly at Bogotá in 1955, was therefore confirmed. Most of the Latin American countries are endeavouring to combine public and private effort in economic development programmes or policies. In some cases the point of departure has been constituted by careful studies of development problems and prospects, along the lines of the technique of analysis devised by the secretariat. The technique in question has proved useful even when it has not been possible to formulate development programmes, but only a preliminary guide to policy. Such a policy may differ widely from one country to another, according to whether the dynamic growth factor represented by the export sector is powerful or weak. The country studies carried out by the secretariat have dealt with cases illustrating both extremes, and have therefore been of great help in inculcating a better understanding of those over-all problems of Latin America's development which account for a major share of the Commission's work.

163. The discussions covered a number of the topics in connexion with which the need for laying down more satisfactory guiding principles was patent. One of these topics was the problem of how to apply the diagnosis of development problems in a programme or an integrated policy in which public and private projects for each sector are properly evaluated and their necessary interrelationships maintained, along lines compatible with equilibrium both in the balance of payments and in the internal sector. It is not merely a question of establishing an administrative organization capable of meeting the requirements of the programme — a process in which progress is only just beginning in some few countries — but also of ensuring that short-term monetary, fiscal and foreign trade policies combine with development policy to form a co-ordinated whole. There can be no doubt that the experience which the secretariat is acquiring in the course of its work will in many cases enable it to render valuable advisory services to Governments, on request. Development projects, whether they relate to agriculture, industry or transport and other fields, have too often been considered from the standpoint of the project in itself, without due regard to its more general effects and its relation to other projects. In this context the Manual on Economic Development Projects (E/CN.12/426 and Add.1), drafted by the secretariat should be extremely useful for improving the evaluation and preparation of projects, and it is to be hoped that the secretariat, as well as the United Nations and other technical assistance organizations, will assist the Governments in utilizing it in specific cases.

164. In many Latin American countries, the endeavour to co-ordinate short-term and long-term policies has brought to the fore the question of how to grapple with the problem of inflation. Full-scale anti-inflationary campaigns have been launched, but sometimes at the cost of reducing production and employment in those countries where the development of the export sector or the inflow of foreign capital has been insufficient, in critical situations demanding the application of a stabilization policy, to provide a total volume of goods and services, and especially of essential imports, which will ensure the continued progress of the economy.

165. One of the problems to be regarded as urgent is the relative under-development of the agricultural and livestock sector as regards technology and production in many of the Latin American countries. Not only is the incentive provided by foreign markets slight in some cases, but it often happens that, in addition, internal measures have compelled agriculture to transfer its income and saving to other sectors of the economy, especially industry and services. Apparently it has not yet been found possible, within the development process, to establish a dynamic equilibrium between agricultural and industrial development. The subject still calls for considerable research with a view to formulating the most suitable policy, and it is to be hoped that the secretariat will be able to deal with it more thoroughly in future studies.

166. One of the conclusions to be drawn from the Commission's discussions is that the problem of the training of the labour force at the higher technical semi-professional and skilled labour levels is not receiving sufficient attention. In view of over-all population growth, the migration from the rural areas to the urban centres and the increasingly high proportion of children of school age, the outlook is extremely serious with respect to investment requirements for general and technical education, the provision of adequate educational services and the training of technicians at professional level. Despite the efforts made in some countries both by the State and by private enterprise, the problem is still one of the greatest urgency.

167. Alongside general development problems, attention was drawn during the session to the adoption — envisaged at the time of the Trade Committee's establishment at Bogotá — of a policy of regional economic co-operation which is beginning to yield practical results. Although the volume of inter-Latin American trade is relatively small in comparison with the total trade of Latin America, its significance transcends the figures registered to date, inasmuch as the liberalization and the encouragement of such trade are bound to enable natural resources and industrial capacity to be utilized more efficiently. The Trade Committee, which met for the first time in November 1956, made positive advances towards the consideration of the problems to be studied, which will provide a basis for the recommendations as to policy that will have to be formulated. The removal of the obstacles created by bilateralism in the inter-Latin American payments agreements constitutes an obvious first step which the Committee has begun to take and which has received the Commission's

support during the current session. At the same time, prospects are being opened up for the broadening of the Latin American regional market by other measures to which consideration should be given; and it is already possible to visualize the development of certain industries on the basis of a multilateral market which will permit, within a framework of general principles designed to benefit all the participating countries, a more economic utilization of resources and industrial investment in each individual country. Such concepts took more definite shape during the discussion, and in their context the delegation's view was that the secretariat should devote increasing attention to the necessary background studies, bearing in mind the fundamental principle that any regional agreements that may be reached in Latin America should be consistent with measures aimed at world multilateralism.

168. In this connexion, it was very satisfactory to note the progress achieved in the Central American Economic Integration Programme sponsored by the Economic Co-operation Committee whose members are the Ministers of Economy of the Central American republics. With respect both to measures of trade policy and to the preparation of projects for integrated industrial development and other measures, the Central American programme reflects the nature of the basic problems which will have to be dealt with in setting up a regional market among other Latin American countries.

169. The projections of the European common market were the subject of lively discussion at the Commission's meetings, the purpose being to ascertain their scope and their possible repercussions, both positive and negative, on Latin America's foreign trade. In particular, considerable apprehension prevailed as to the effects on Latin American primary commodities that might result from a preferential tariff system in the European common market for the products of the Non-Self-Governing Territories. Any decrease in the rate of European investment in Latin America would also give equal cause for uneasiness. It will therefore be desirable to keep a close watch on the development of the European programme and to study its long-term consequences.

170. The delegations attending the session displayed special interest in giving careful consideration to the secretariat's ability to carry the work-load assigned to it under the resolutions adopted either previously or at the seventh session. Within available resources, greater concentration on the high-priority topics, in conformity with the principles laid down by the Economic and Social Council, is clearly required, and at the same time care should be taken to avoid duplication of the activities of other international organizations. Most of the Commission's studies to date have related to general economic development problems. Without neglecting these, it may possibly be desirable to place rather more emphasis in the future on matters connected with foreign and inter-Latin American trade and with sectorial development problems. In this general context, the Commission adopted, at the seventh session, certain criteria to be

applied to the secretariat's work programme, eliminated a series of projects which it did not seem advisable to implement and assigned a lower priority to others. The programme of work will be discussed more fully below.

171. The foregoing brief review of the over-all picture currently presented by the activities of the Commission will be followed by an account of the specific proceedings of the various Committees among which the work of the seventh session was distributed.

## TRADE (COMMITTEE I)<sup>27</sup>

### *Main subjects discussed*

172. The debates revealed a conviction on the part of all representatives and observers that the only way to expand trade was by means of greater multilateralism. With respect to intra-regional trade, most of which is conducted under bilateral clearing accounts, delegations of the principal countries participating in this trade were mainly concerned with the practical steps which could be taken to standardize and integrate such accounts so as to overcome present bilateral barriers, while at the same time conserving as much as possible their very limited supplies of convertible currencies.

173. Clear awareness was also evinced of the desirability of more closely integrating the Latin American economies in order to take advantage of expanded market possibilities, a task considered by most delegations to be the more urgent in view of the steps being taken towards the economic integration of Europe and its overseas territories. A number of the delegations participating in the debate included experts who had attended the first session of the Trade Committee and the meeting of the Central Banks Working Group.

174. The discussions of the Commission centred principally on the problem of payments in compensatory trading accounts — the draft standard payments agreement, the project for uniform banking procedures and a system for the exchange of comparable information on the status of the accounts — together with the project for the creation of a regional market, the possible repercussions of the establishment of a common European market, and the study of commodity trade.

175. The seventh session took note of the report on a multilateral payments system submitted to the Trade Committee by the Central Banks Working Group, which held its first session at Montevideo from 29 April to 10 May 1957.

176. There was a consensus of opinion to the effect that the technical aspects of the material included in the documents prepared at Montevideo should be discussed during the next session of the Trade Committee. Nevertheless, it was made clear by some delegations attending the Montevideo meeting that the documents

<sup>27</sup> See E/CN.12/AG.35/SR.1 to 6 and the Rapporteur's report (E/CN.12/AC.35/9).

in question could be taken into account by Governments in renegotiating existing payments agreements or contracting new ones.

177. General support was given to the idea that at the outset ECLA should act as a clearing-house for the monthly data on the status of accounts maintained by the Central Banks. Such information would be compiled and distributed opportunely, with the object of facilitating the transfer of balances and providing ECLA with the data needed to carry out its studies on this subject. The secretariat made it clear that its role would necessarily be of a limited and temporary character, and in no case would the Commission enter into banking operations or suggest that any compensatory operations be carried out.

178. The delegations also agreed unanimously to authorize the secretariat, after consultation with the respective Central Banks or equivalent authorities, to remit monthly to the International Monetary Fund the information on balances of inter-Latin American clearing accounts referred to in resolution 2 of the first meeting of the Central Banks Working Group.

179. In view of the doubts expressed by the two delegations concerning article 12 of the draft standard payments agreement, approved at the Montevideo meeting, a delegation which had participated in the Working Group stated that this article should be interpreted to mean that a creditor country could, if it so desired, require of the debtor the payment of balances in excess of agreed swing credits. On the other hand, another delegation and an observer suggested that this stipulation should be expressed in unambiguous terms, and an alternative text was presented which it was agreed should be brought to the attention of the Trade Committee when it considered the draft standard payments agreement.

180. With respect to the study of present agreements by each pair of countries, one delegation made a request, which was approved, for note to be taken in the present report that its Government had consulted with the Foreign Offices of countries maintaining inter-Latin American clearing accounts as to the advisability of simultaneously revising existing payments agreements, so as to adapt them in so far as this was compatible with the characteristics of the different types of trade, to the draft standard payments agreement.

181. In relation to the regional market, it was emphasized that special attention had initially been given to the problem of payments between Latin American clearing-account countries since a solution to this problem leading to greater multilateralism and a substantially higher level of trade than that now existing was an essential requirement for the establishment of a regional market. The delegations took into account some specific studies carried out by the secretariat on certain industries and countries, which could provide valuable background information for the work of the group of experts shortly to be convened in conformity with resolution 3 (I) of the Trade Com-

mittee.<sup>20</sup> The delegations were in agreement that it was necessary to expedite as far as possible the work and studies bearing upon the establishment of a regional market.

182. It was stated in the course of the discussion that, in order to maintain co-ordination with the Organization of American States and to avoid a possible dissipation and duplication of effort, the secretariat should prepare a comprehensive report of the work on the regional market completed, in course of preparation or scheduled for the future, and that the report should be distributed to Governments Members of the Commission and to the secretariat of the OAS before the next Economic Conference of the latter organization to be held at Buenos Aires.

183. Two types of consideration were stressed during the discussion of the possible repercussions on the Latin American economy of the establishment of the European common market. In the first place, although the Latin American delegations expressed their sympathy with the efforts being made by six European countries to form a common market, they expressed certain uneasiness as to the possible repercussions of that market on Latin American exports of some staple products and on European investments in Latin America. According to these delegations, their apprehensions were based upon the association of overseas territories in the common market, which might lead to diversion of the six countries' investments away from Latin America and towards the territories in question. Moreover, the accelerated development of production in these territories and the preferential treatment accorded to them might ultimately displace Latin American products from the European market.

184. On the other hand, two delegations which are members both of the Economic Commission for Latin America and of the projected European common market, as well as one observer, thought that the Latin American countries should not be apprehensive about the European common market. The joint trade policy would be put into effect within the framework of the United Nations and would tend to promote co-operation with the other areas of the world. The effects of tariffs on certain Latin American commodities as well as on domestic supply in the six European countries, would be taken into account in so far as they might affect commercial and tariff arrangements. Furthermore, the investment commitments of these countries in Africa consisted mainly of official long-term capital.

185. With respect to the study of commodity trade, the seventh session took note of resolution 4 (I) of the Trade Committee and agreed upon the necessity of continuing and intensifying studies bearing on inter-Latin American commodity trade, with particular emphasis on existing structural disequilibria and measures to remedy them and expand trade.

<sup>20</sup> For the complete text of this and other resolutions approved at Santiago, Chile, in November 1956, see annex II.

### *Resolutions adopted*

186. The Commission adopted eight resolutions on trade.

(a) *Intra-regional payments system (resolution 115 (VII))*

187. In this resolution the Commission noted with satisfaction the report of the first session of the Trade Committee and endorsed resolution 1 (I); took note with satisfaction of the report on the first session of the Central Banks Working Group on a Multilateral Payments System; noted that the Latin American clearing-accounts countries were prepared to explore the possibility of initiating a study of the agreements in force for each pair of contracting parties in Latin America; and requested the secretariat that, in carrying out this study, it co-operate at the technical and secretariat levels with the group of countries concerned, and that it transmit to the Trade Committee the observations formulated on the draft standard payments agreement and procedures prepared by the Central Banks Working Group. One delegation abstained from voting on this resolution.

(b) *Report on payments and the regional market to Governments and to the Economic Conference of the Organization of American States (resolution 117 (VII))*

188. In this resolution it was decided that, for purposes of information, the secretariat should transmit to the secretariat of IA-ECOSOC for the next Economic Conference of the Organization of American States and, in advance, to the Governments of the countries participating therein, a full report on the studies carried out, under way or scheduled in relation to the problem of payments and the possibility of creating a regional market in Latin America, with a view to co-ordinating the efforts of ECLA and IA-ECOSOC and preventing the duplication of their activities. At the same time it was declared that the Commission would view with satisfaction any collaboration that the secretariat of IA-ECOSOC might extend to the ECLA secretariat in proceeding with the studies on inter-Latin American trade.

(c) *Latin American regional market (resolution 116 (VII))*

189. In this resolution the Commission expressed satisfaction at the success of the Trade Committee's first session with regard to all those aspects relating to the regional market, and decided to recommend to the secretariat the desirability of expediting the implementation, within the shortest possible time, of resolutions 2 (I) and 3 (I) of the Trade Committee, with a view to taking a more decisive step towards their underlying objective. It was also recommended that the secretariat should conduct research and compile all the data that might serve as a basis for the work of the Group of Experts mentioned in resolution 3 (I) at the earliest opportunity, so that such background information might facilitate the task of the Group in question. To this end, the secretariat was

empowered to request, should it deem this necessary, the collaboration of other competent international agencies. In addition, the secretariat was to request the Group of Experts to consider, in planning the structure of the regional market, the specific situation of those Latin American countries which are landlocked or whose economic structure is dependent on a single branch of production or is little diversified, and the desirability of facilitating the formation of enterprises with capital supplied jointly from two or more countries, as well as to study the problems facing the development of a regional market. In this latter, consideration would be given to each and every Latin American country, bearing in mind its situation and possibilities.

(d) *Repercussions of the European common market (resolution 121 (VII))*

190. After noting with interest the preliminary study presented by the secretariat on this subject, the Commission requested that ECLA continue to observe closely the economic integration of Europe and other areas and that it keep the member Governments supplied with relevant information. It was further decided that studies should be carried out on world market prospects for Latin American primary commodities, taking into consideration in particular the consequences that might arise from the European common market, from the possible establishment of a free trade zone in Europe and from other similar projects. It was recommended that such studies should be conducted along broad lines so that they cover all possible effects and that they should be co-ordinated with others undertaken by regional commissions, GATT and other United Nations agencies.

(e) *Session of the Committee (resolution 118 (VII))*

191. The Commission decided that the next session of the Trade Committee should be held in 1958.

(f) *Inter-Latin American transport (resolution 120 (VII))*

192. The Commission requested that the secretariat after prior consultation with the secretariat of the Inter-American Economic and Social Council, should continue the studies on inter-Latin American transport, especially inadequately served trade routes.

(g) *Trade of landlocked countries (resolution 122 (VII))*

193. The Commission recommended that Governments of Member States grant the greatest possible facilities to the expansion of the international trade of the landlocked countries.

(h) *Study on commodity trade (resolution 119 (VII))*

194. The purpose of this resolution was to ensure the continuation and intensification of studies on inter-Latin American trade, principally with a view to suggesting measures whereby the structural disequilibria in the balance-of-payments situation of some Latin American countries might be remedied and to expanding

trade both within and outside Latin America at increasingly high levels, calculated to expedite the transition towards greater liberalization of trade and a multilateral payments system.

ECONOMIC DEVELOPMENT, INDUSTRY AND  
ENERGY (COMMITTEE II)<sup>29</sup>

*Economic development problems and policy*

(a) *External vulnerability of the Latin American countries and remedial measures*

195. The Commission considered with interest the comments made by some delegations on the measures adopted in their countries to modify the economic structure and thus eliminate their vulnerability to external influences while achieving a balanced development of all economic sectors.

196. Great interest was shown in the possibility that the secretariat should study, on a regional basis, the effect of short-term factors on long-term programming, since vulnerability takes different forms in the various countries and the reactions registered are not always the same.

197. The delegations also agreed to stress the importance of domestic, fiscal and monetary policies for the solution of the economic problems of the Latin American countries. In this connexion, the secretariat was recommended to study the measures of economic policy best calculated to reduce the external vulnerability of the Latin American countries.

(b) *Disequilibrium between agricultural and industrial development and its implications for government policy*

198. The delegations agreed that the development of these two sectors of the economy was not incompatible and should be programmed in conjunction. It was pointed out that, if agriculture was lagging behind industry, this was due to the lack of capital formation in the agricultural sector and of a policy designed to encourage it.

(c) *Problems arising from the growth of the labour force in relation to changes in the economic structure*

199. The importance of this topic gave rise to lengthy discussion. The Commission unanimously agreed that the fact that the rate of growth of the population in Latin America was more rapid than anywhere else in the world raised not only demographic problems but others connected with the relative availability of factors of production, which influenced possible economic development policies. Attention was also called to the problems arising in the region from the structure of the local population by age groups and from the rapid establishment of urban centres which had to be provided with housing facilities, sanitary installations, etc.

<sup>29</sup> See E/CN.12/AC.36/SR.1 to 6, and Rapporteur's report (E/CN.12/AC.36/11).

200. The statements of the delegations were concentrated on two basic problems. The first of these was disemployment, and the second, training and adaptation of rural labour to urban conditions. They agreed that the most careful attention should be devoted to disguised unemployment in the agricultural sector. As regards training, the conclusion was unhesitatingly reached that current educational methods could not satisfy the requirements of economic development and that their rate of improvement had been very slow. Attention was also drawn to the need to take into account, in any investment study or programme, the resources required to train the technical personnel essential for the implementation of the development policy.

(d) *Foreign capital and transmission of technology*

201. The secretariat presented a short paper as a basis for discussion of this topic. This stressed, on the one hand, the role of foreign capital as a supplement to domestic saving in the investment required for development, and, on the other hand, an aspect not previously dealt with in the secretariat studies, i.e., that of the transmission of foreign technology which frequently accompanied direct private investment. A distinction was drawn between cases in which technology was brought into the recipient country as an element inherent in the investment of foreign capital, together with technical and research services and training programmes, and those where access to technology could be obtained without the surrender of financial control of the local enterprise.

202. In the course of the discussion, the delegation referred to those and other supplementary aspects of the problems of adaptation, not mere adoption, of foreign technology in countries where the structure of the factors of production is not the same as in the more highly developed countries. Another suggestion made was that a distinction should be drawn between technology proper and the techniques of management and organization, which were so defective in Latin America as to require stronger action on the part of entrepreneurs and the State. It was also pointed out that, in many cases, the Latin American countries were confronted by monopolies in patents, and other aspects of a closed technology. The need seemed obvious for the countries of Latin America to co-operate with one another in improving technology and establishing regional institutes in that field.

203. Lastly, it was pointed out that there were specific programmes for technological exchanges that did not involve movements of capital.

(e) *The technique of analysis and projections in the programming of economic development*

204. The secretariat presented a document analysing the need for a well-conceived and wisely directed economic policy, adapted to the conditions of each country, if a satisfactory rate of development was to be obtained. The document outlined the methodology for the preparation of projections developed by ECLA

and presented both in earlier documents, such as the *Introduction to the Technique of Programming* (E/CN.12/868)<sup>30</sup> and the studies on the economic development of Brazil (E/CN.12/864 Rev.1 and Add.1 to 6)<sup>31</sup> and Colombia (E/CN.12/865 Rev.1 and Add.1 to 3),<sup>32</sup> and in the paper presented to the current session on external disequilibrium in Latin America's economic development in the case of Mexico (E/CN.12/428 and Add.1). The technique of projections is a useful instrument not only when economic policy is based on a programme, but also to provide guidance for other types of development policy and for public and private investment. It was further stressed that the programming effort did not mean an extension of the field of state intervention to the detriment of private enterprise. The preliminary versions of the "Manual on Economic Development Projects" (E/CN.12/446/Add.1), prepared by the secretariat and the Technical Assistance Administration, and of the study concerning public Administration in the policy of development (Conference Room Paper No. 3) were submitted for consideration by the delegations.

205. With respect to development policy and the utilization of the method of projections for this purpose, the Committee engaged in a comprehensive technical discussion, in the course of which some representatives stressed the usefulness of applying the input-output matrix to obtain a better grasp of the interrelationships of the economic system. Attention was also called to the desirability of acquainting the general public with the idea of programming, as widespread support was an indispensable requisite for the success of programmes.

206. During the discussions a detailed statement was made on the importance of a satisfactory methodology for the preparation and evaluation of projects, and several delegations expressed the opinion that it was important for the "Manual on Economic Development Projects" presented to be made as widely known as possible, once it had been revised and published.

207. A favourable reception was also given to the study on public administration, and the importance of satisfactory administration for the formulation and execution of a development policy was once again reaffirmed, as was also the desirability of continuing the studies and analyses on the topic in question. (See resolution 187 (VII) in regard to this and the immediately preceding points.)

#### *Economic development and integration of Central America*

208. The delegations noted the report of the Central American Economic Co-operation Committee on its activities during 1956 (E/CN.12/431)<sup>33</sup>. In February 1957 the Committee held its fourth regular session, and, *inter alia*, resolutions were adopted recommending to

<sup>30</sup> United Nations publication, Sales No.: 1955.II.G.2.

<sup>31</sup> United Nations publication, Sales No.: 1956.II.G.2.

<sup>32</sup> United Nations publication, Sales No.: 1957.II.G.3.

<sup>33</sup> United Nations publication, Sales No.: 1957.II.G.7.

the member Governments that they should sign the proposed Multilateral Treaty on Free Trade and Economic Integration and the agreement on a system of Central American integration industries, drafted by the Committee. Note was also taken of the secretariat's report (E/CN.12/422)<sup>34</sup> on its studies and activities and of the work carried out by the experts provided under the Expanded Programme of Technical Assistance (Technical Assistance Administration, Food and Agriculture Organization, International Labour Organisation, and United Nations Educational, Scientific and Cultural Organization), at the request of Central American Governments, to undertake specific assignments forming part of the integration programme. This latter had progressed considerably, and it was pointed out that in many of its aspects the stage of programming and background studies was being left behind, and the recommendations of the Economic Co-operation Committee were being applied at governmental level and specific projects put into effect. The progress achieved in the project for a pulp and paper mill in Central America to be established in Honduras was considered especially worthy of mention, as were also the advances made in the study of problems relating to cotton and the textile industry, electric energy, facilitation of road transport among the Central American countries, statistical co-ordination, standard customs nomenclature and tariff levelling. It was noted with equal satisfaction that the Central American Research Institute for Industry and the Advanced School of Public Administration for Central America, established in Guatemala and Costa Rica, respectively, with the co-operation of the United Nations, were continuing to develop their activities. Lastly, the importance attaching to the study recently undertaken on the agricultural aspect of Central American integration was recognized.

209. In considering the programme as a whole, the Committee deemed it advisable to recommend to the Governments of other Latin American countries that they should study the procedures and mechanisms adopted by the Central American Economic Co-operation Committee, in view of their significance for other projects relating to commercial and industrial integration or complementarity. This was recorded in one of the resolutions approved, which also took note of what had been achieved and congratulated the Committee on the progressive success of its work (see resolution 128 (VII)).

#### *Social aspects of economic development*

210. The studies which the secretariat had been carrying out in this sector were related to the social aspects of economic development, the extension of knowledge in the socio-economic field and social welfare. A draft resolution was adopted recommending that such activities should be continued, that they should be related as closely as possible to economic development, and, in particular, that the Division of

<sup>34</sup> United Nations publication, Sales No.: 1956.II.G.4.

Social Affairs should advise Governments which so requested it in the preparation of guiding principles or plans for research in the social field (see resolution 124 (VII)). The aim was for institutions to profit by the secretariat's over-all picture of the economy of most of the countries in the region. Two delegations abstained from voting on the draft resolution on the grounds that its terms (i) suggested an extension of the activities of the secretariat of ECLA in the social field which might well divert efforts from the basic economic work of the secretariat; (ii) might lead to duplication of the activities of other United Nations bodies.

#### *Technical assistance for economic development*

211. The problem of the advantages and disadvantages of the decentralization of technical assistance was discussed at length. Some delegations remarked that decentralization, at present being tried out as an experiment, was already showing a positive balance of benefits for the countries receiving technical assistance. They asserted that even if the possible administrative disadvantages of the new system were taken into account it should be recognized that the advantages were of an essentially substantive nature. In fact, the existence of offices of the Technical Assistance Administration in Santiago and Mexico had been a fortunate expedient whereby the data collected by the ECLA secretariat on the economies of the region could be turned to account for the purposes of technical assistance.

212. Two delegations explained that they were not in possession of data whereon to base an opinion as to the merits of the new system, and that they were awaiting the evaluation to be presented by the Secretary-General at the next session of the General Assembly of the United Nations. One of these delegations submitted a proposal which was not accepted, to the effect that the ECLA secretariat should only be authorized to inform the United Nations secretariat that some Governments, which had received technical assistance under the decentralization programme, considered that such assistance had been intensified and that it would be desirable for the programme to be continued.

213. After thorough discussion, with these two delegations abstaining, a draft resolution was adopted expressing interest in the continuance of the experiment in decentralizing technical assistance in Latin America, and requesting the Secretary-General to take into account, in evaluating the experimental decentralization of the Technical Assistance Administration services, the views of the Latin American Governments receiving such assistance (see resolution 125 (VII)).

214. Still in the field of technical assistance, the secretariat was recommended to collaborate with TAA in preparing and keeping up to date a register of Latin American experts in the various fields of economic activity, as well as of the region's institutes of technological research, whose technical assistance might be of use to the member Governments (see resolution 126 (VII)).

215. At the request of one delegation, the secretariat made a full statement on its relations with the Technical Assistance Administration. It stressed the fact that the secretariat collaborated with the TAA offices in Santiago and Mexico in the preparation of their programmes, in the evaluation of the findings of the studies carried out, in the selection of experts and in the briefing of these latter, but that it did not itself provide any direct technical assistance to Governments.

#### *Industry, energy and mining problems and policy*

216. The Commission noted the report of the Latin American meeting of experts on the iron and steel making and transforming industries (E/CN.12/425),<sup>35</sup> the report of the pulp and paper advisory group in Latin America (E/CN.12/424), and the informative note on United Nations activities in connexion with nuclear energy (E/CN.12/447).

217. The problems confronting the iron and steel industry at Latin America's present stage of development were the subject of full discussion. Some delegations called attention to the magnitude of the financial resources which would be required for the expansion of iron and steel making in Latin America during the next decade, and to the need for studying new technological processes which might serve to reduce the volume of such resources. A large number of delegations expressed their satisfaction at the high technical level and the practical significance of the conclusions of the Latin American Meeting of Experts on the Iron and Steel Making and Transforming Industries, held at São Paulo. A recommendation was addressed to the secretariat to the effect that, with the co-operation of TAA and providing that its resources so permitted, it should continue the studies in this field, and, with the co-operation of the Governments, of TAA and of specialized agencies, should convene, when the progress of the studies so justified, a meeting of experts to consider the studies carried out and suggest such modifications of the work programmes as they might deem desirable (see resolution 127 (VII)). One delegation abstained from voting on the following grounds that: (a) it could not take note with satisfaction of the publication of the report of the São Paulo meeting since its Government had not yet received the report; (b) the draft resolution placed a great burden on the secretariat by virtue of both the magnitude of the work involved and its specialized technical nature. Another delegation abstained for the same reasons, and also in view of the danger of duplication, in certain studies, of work undertaken by the Inter-American Economic and Social Council, in the field of technical standards.

218. The Commission noted the studies carried out to date by the Pulp and Paper Advisory Group organized by ECLA, FAO and TAA. After completing its work in Argentina and Chile, the Group was to advise the Governments of Colombia, Mexico and Peru during the current year. It was recommended that

<sup>35</sup> United Nations publication, Sales No.: 1957.II.G.6, printed in Spanish only.

the work of the Advisory Group should be continued in the countries that so requested. A further recommendation enjoined the secretariat to take steps to ensure that the Group organized standard budgets for investment in paper and pulp mills with a daily capacity of 50, 100 and 150 tons and to evaluate the possibilities of manufacturing such machinery in the countries of the region (see resolution 128 (VII)).

219. The economic aspects of nuclear energy and its prospects for the under-developed economies were fully discussed in the Commission. Two European delegations made statements regarding the progress achieved in their respective countries in this field and the opportunities which their national institutions were providing for the training of the specialized personnel required by the Latin American countries. The secretariat was recommended to inform Governments of the economic aspects of this problem of special importance to them. Member Governments were also recommended to study systematically the possibilities of utilizing nuclear energy and to consider the desirability of placing such studies in the hands of public and private entities, in each country, responsible for the various aspects of energy supply (see resolution 187 (VII)).

220. Also in the field of energy, the Committee unanimously approved a draft resolution recommending that the secretariat should keep in touch with the Governments of the Latin American countries with a view to ensuring that the utilization of rivers and lakes was effected on the basis of adequate planning by international technical commissions (see resolution 181 (VII)).

221. Lastly, the secretariat was requested, in co-operation with TAA, to sponsor a special meeting on the mining industry in Latin America for the purpose of studying, examining and recommending suitable measures for the improvement of this industry (see resolution 129 (VII)).

#### ECONOMIC PROBLEMS OF AGRICULTURE (COMMITTEE III)<sup>36</sup>

222. The Commission discussed the agricultural situation in Latin America, pointing out *inter alia* that the increment in total production was not very satisfactory in relation to the growth of population and income. In 1956 particularly, external and internal factors had had an adverse effect on the agricultural sector. The internal factors had been mainly adverse weather conditions, whereas the external factors had been especially related to uncertain world market prospects deriving from competition with surplus agricultural stocks and from unfavourable prices. Although agricultural production for domestic consumption had been slightly higher than in 1955, export production had experienced one of the most severe setbacks of the post-war period, declining by 9 per cent in 1956 in relation to 1955.

<sup>36</sup> See E/CN.12/AC.37/SR.1-5, and the Rapporteur's report (E/CN.12/AC.37/5).

223. Apart from general considerations, discussion at the seventh session centred on five specific topics.

#### *Agricultural productivity*

224. The Committee discussed various fundamental aspects of this topic. Outstanding among these were the low productivity of agricultural labour, which was almost universal throughout Latin America, and the unduly slow rate of improvement during recent years. Stress was laid on the serious nature of this situation, since about 50 per cent of the region's labour force was employed in the agricultural sector. Furthermore, it was noted that such improvement as there had been was attributable to increased mechanization rather than to higher yields. Attention was called to the fact that a more widespread assimilation of farming techniques would raise the productivity of land, capital and labour. Moreover, the introduction of improved techniques would be the only way to control soil erosion and prevent the depletion of other renewable natural resources. Interest was shown in the proposal that studies on agricultural productivity should be continued both by ECLA and FAO, and directly by the countries of the region (see resolution 184 (VII)).

#### *Export prospects*

225. With respect to exports, Latin America had gained from the fact that a large part of the value of its agricultural exports derived from products such as coffee, cacao, bananas and wool, for which world demand had in general been strong and rising.

226. As a result, the value of Latin American exports of these products, corrected for price levels, had reached far higher figures in recent years than before the war. Despite some fluctuations, this general trend was expected to continue in the future. The benefit obtained by Latin American countries from a larger volume of cotton exports was tending to disappear as the Government of the United States developed a more vigorous policy of exporting surplus stocks. The low level of Latin American exports of products such as wheat, beef, maize and linseed had coincided with a decline in demand on the part of importing countries. Sugar, tobacco and sisal were in an intermediate position, in that demand had shown a moderately rising trend.

227. The Commission took note that under the auspices of FAO, International Committees or Study Groups had been formed to deal with problems relating to certain commodities in an effort to impart greater stability to markets and prices. The products covered were grains (bread and coarse grains), coconut and copra, cacao, milk (production and processing) and rice. All interested countries could send representatives to the meetings of these groups or committees.

#### *Timber trends*

228. The seventh session considered the advisability of the secretariat's undertaking, in collaboration with FAO, a detailed study of trends and prospects for the

production and consumption of timber and timber products in Latin America. This study would form part of the world survey being carried out by FAO. The part concerning Europe had been completed, with the co-operation of the Economic Commission for Europe, while that relating to the Far East and the Pacific was in preparation with the help of the Economic Commission for Asia and the Far East.

229. During the discussion on this subject, attention was drawn to the important and urgent nature of this study, in view of the wealth constituted by natural forests and plantations, of the increase in consumption of timber products consequent upon the improvement in the standard of living, and of the significance of timber products for intra-regional trade and for the world market (see resolution 133 (VII)). It was agreed to be needful that Governments should facilitate the execution of the projected study by providing the full co-operation of their services, making thenceforth a special effort to improve forest statistics, and whenever necessary, requesting technical assistance from the competent agencies.

230. Three delegations abstained from voting. Two of them expressed their substantive support of the study, but observed that it would be preferable for the project first to be approved by FAO and for any action by ECLA in this respect to be made contingent upon FAO's decision. In addition, one delegation stated that it might be better to study the economic use of existing resources, and that the limited data available would considerably reduce the reliability of any forecasts of the long-term trends in future production and requirements of timber products.

#### *Uneconomic farms*

231. Attention was called to the problem which existed in some countries of improving conditions on farms which could not adequately support a rural family. This problem was considered to be of the greatest importance, and it was decided to recommend to member Governments that they should exchange studies and information thereon, as well as to request that the ECLA secretariat, in co-operation with FAO, give due consideration to requests for guidance and advice from Latin American countries desirous of solving problems of such a nature (see resolution 135 (VII)).

#### *Coffee studies*

232. Mention was made of the unfavourable effects on the world market of producer countries' inaccurate harvest forecasts. It would be highly desirable for international organizations to help coffee-producing countries to adopt a methodology which would permit them to make more realistic estimates. It was likewise thought advisable that individual countries should be given help and guidance in the preparation of studies similar to those carried out by the ECLA secretariat and FAO in El Salvador and Colombia, and that the latter countries should be assisted in keeping such studies up to date (see resolution 136 (VII)).

#### PROGRAMME OF WORK AND PRIORITIES, CO-ORDINATION WITH THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL AND MISCELLANEOUS MATTERS (COMMITTEE IV)<sup>27</sup>

233. Before considering the programme of work for 1957-58, the Commission reviewed the current programme with a view to ensuring greater co-ordination and concentration, in conformity with Economic and Social Council resolution 630 A.1 (XXII). In this connexion the Commission based its discussion on the background document note by the secretariat on revision and concentration of the work programme (E/CN.12/441 and Add.1 and 2) and on a note by one delegation as to suggested criteria to be applied to the programme of work and priorities. It also bore in mind the note by the secretariat on the United Nations programme concerning industrialization and productivity (E/CN.12/450).

234. After lengthy discussions, the Commission adopted, in the first place, general criteria for the programme of work and priorities for 1957-1958. A list of these principles is included in the introduction to the programme in question, in part VI of the present report.

235. The Commission then took note of those projects included in the programme of work for 1956-57<sup>28</sup> which had been entirely or substantially completed, and subsequently approved the deletion from the aforesaid programme of projects Nos. 4, 9, 11, 12, 13, 20, 21, 22, 23, 24, 25, 29, 32, 33, 34, 35 and 41. It also decided to assign a lower priority to projects 3 (iv), 3 (vi), 7, 8 and 14.

236. When the Committees had finished their work, the secretariat presented the tentative programme of work and priorities for 1957-58, which was unanimously adopted by the Commission. The latter also took note of a statement by the secretariat on the financial implications of the programme.

237. With respect to co-ordination between the secretariats of ECLA and of the Inter-American Economic and Social Council, the Commission took note of document E/CN.12/440, which gave an account of the co-operation between the two organizations and the progress of their respective work. The Chairman of IA-ECOSOC and the Director of the Division of Economic Research of the Organization of American States, who attended the meetings, confirmed the evaluation contained in the above-mentioned document. The Commission expressed its satisfaction at the degree of co-ordination attained by the two secretariats, and decided to congratulate them.

238. As indicated above in the section on Trade (paras. 182 and 188) in order to co-ordinate the efforts of the secretariats of the Inter-American Economic and Social Council and ECLA, and avoid duplication of their activities, the Commission adopted a resolution (117 (VII)) to the effect that a report should be trans-

<sup>27</sup> See E/CN.12/AC.38/SR.1 to 3, and the Rapporteur's report (E/CN.12/AC.38/3).

<sup>28</sup> See *Official Records of the Economic and Social Council, twenty-second session, Supplement No. 10*, pp. 12-16.

mitted to the secretariat of IA-ECOSOC, for the Economic Conference of the Organization of American States, on the ECLA studies and activities carried out or under way in relation to the problem of payments and the possibility of creating a Latin American regional market.

239. The Commission took note of the offer by the Government of Chile to donate a site in Santiago on which a building for ECLA could be erected, and adopted a resolution (188 (VII)) in which the member countries placed on record their gratitude to the Chilean Government for so valuable a contribution to the work of the Commission. Under this same resolution a committee of Governments was appointed to present to the Secretary-General of the United Nations, through the Executive Secretary of ECLA, such recommendations as it might deem advisable with respect to the best procedure for erecting a building on the site offered by the Government of Chile. The Secretary-General was likewise to be invited to submit to the General Assembly, after consultation with the Governments members of the Commission, such proposals as he might deem appropriate for the fulfilment of this purpose.

240. A group of delegations presented a draft resolution on the possibility of the admission of Spain

to membership of the Commission, recommending to the Economic and Social Council that it should consider whether the terms of reference of the Commission might be modified so as to permit the inclusion of Spain among the member countries.

241. After prolonged discussion, the Commission decided not to consider this draft resolution, since the point had not been included on the agenda for the seventh session. A majority of the delegations advocated its inclusion, but this majority fell short of the three-fourths of the members accredited to attend the session required by rule 10 of the rules of procedure for the introduction of a new item on the agenda when there is opposition.

242. Several delegations abstained from voting, since, as the item was submitted only at the end of the session, they had not received instructions from their respective Governments.

243. The Commission considered and approved a resolution (187 (VII)) on programming by sectors and by regions, and preparation, presentation and evaluation of projects, in which it was recommended that the secretariat should devote attention to the specific problems in this field and advise Governments which so requested.

## Part IV

### RESOLUTIONS ADOPTED AT THE SEVENTH SESSION

244. The Commission at its seventh session adopted the following resolutions :

#### *Resolution*

- 115 (VII) Intra-regional payments system
- 116 (VII) Latin American regional market
- 117 (VII) Report on payments and regional market to Governments and the Economic Conference of the Organization of American States
- 118 (VII) Session of the Trade Committee
- 119 (VII) Study on commodity trade
- 120 (VII) Inter-Latin American transport
- 121 (VII) Repercussions of the European Common Market
- 122 (VII) Trade of landlocked countries
- 123 (VII) Economic integration of Central America
- 124 (VII) Social aspects of economic development
- 125 (VII) Technical assistance
- 126 (VII) Register of experts for technical assistance
- 127 (VII) Iron and steel making and transforming industries
- 128 (VII) Pulp and Paper Advisory Group
- 129 (VII) Special Meeting on the Mining Industry
- 130 (VII) Nuclear energy
- 131 (VII) Utilization of rivers and lakes
- 132 (VII) Import substitution
- 133 (VII) Study of Latin American timber production and consumption trends and prospects
- 134 (VII) Productivity and agriculture
- 135 (VII) Uneconomic farms
- 136 (VII) Coffee studies

137 (VII) Programming by sectors and by regions; and preparation, presentation and evaluation of projects

138 (VII) Building for ECLA in Chile

139 (VII) Date and place of eighth session

245. The text of these resolutions is as follows :

#### *Resolution 115 (VII)*

#### INTRA-REGIONAL PAYMENTS SYSTEM (E/CN.12/456)

*The Economic Commission for Latin America,*

*Considering :*

(a) That the Trade Committee, set up by virtue of resolution 101 (VI) adopted at the sixth session, held its first session at Santiago, Chile, in November 1956, and has presented at this seventh session a report on the results of its work,

(b) That, at the aforesaid session, the Governments members of the Trade Committee adopted, among others, resolution 1 (I), indicating the lines that should in their view be followed in the work of gradually converting the bilateral methods prevalent in inter-Latin American trade into a multilateral system,

(c) That, in the same resolution, the Committee takes note of the fact that the Latin American clearing-accounts countries are prepared, during the transitional period before the proposed multilateralism can be achieved, to adopt various principles and measures designed to impart greater flexibility to their payments relations and to make possible the transfer of balances between the various bilateral accounts in force,

(d) That, under the terms of this resolution, a Working Group was set up composed of representatives of the Central Banks, or equivalent authorities, of the Latin American clearing-accounts countries,

(e) That, at its first session (Montevideo, 29 April - 10 May 1957), this Central Banks Working Group on a Multilateral Payments System, besides discussing the progress of the technical studies referred to, reached agreement on various points relating to draft agreements and to the procedures to be observed by the Central Banks, or equivalent authorities, of the countries between which bilateral agreements are in force, in order to put the principles and measures mentioned in paragraph (c) of this preamble into effect,

(f) That it is proposed to hold a second session of this Working Group,

*Decides:*

1. To take note with satisfaction of the report on the results of the work of the Trade Committee at its first session, in so far as an intra-regional payments system is concerned, and to endorse resolution 1 (I) of the aforesaid Committee;

2. To take note with satisfaction of the report on the first session of the Central Banks Working Group on a Multilateral Payments System;

3. To take note of the fact that the Latin American clearing-accounts countries are prepared to study the possibility of undertaking, during the second session of the Central Banks Working Group and immediately thereafter, a study of the agreements in force for each pair of contracting parties in Latin America. This study will relate to those agreements which, in the opinion of the countries themselves, require revision in order to bring them into line, so far as may be consistent with the situation and characteristics of trade between each pair of countries, with the draft standard payments agreement adopted at the first session of the Central Bank Working Group, subject to any adjustments that may be agreed upon by the parties before the second session;

4. To request the secretariat that it provide technical and secretarial assistance to that same group of countries in carrying out this study;

5. To request the secretariat that it transmit to the Trade Committee and to the Latin American clearing-accounts countries the observations formulated during this seventh session on the draft standard agreement on payments and procedures prepared by the Central Banks Working Group on Multilateral Payments System, so that the countries in question may bear them in mind when revising existing agreements or negotiating new ones.

27 May 1957.

*Resolution 116 (VII)*

LATIN AMERICAN REGIONAL MARKET  
(E/CN.12/457)

*The Economic Commission for Latin America,*

*Considering:*

(a) That the Trade Committee, established under the terms of resolution 101 (VI) adopted at the sixth session of the Commission, held its first session at Santiago, Chile, in November 1956, and has presented a report on the result of its work (E/CN.12/423)<sup>\*\*</sup> to the current session of the Commission,

(b) That it is desirable to complete the studies specifically relating to the creation of a regional market in Latin America,

(c) That the trends indicated in document E/CN.12/C.1/4, presented at the first session of the Trade Committee, have become more clearly marked since that date, a development which might have unfavourable repercussions on Latin America's extra-regional and intra-regional trade,

(d) That resolutions 46 (V), 69 (V) and 101 (VI) recommended to the secretariat and to the Trade Committee that they devote special attention to the trade of those Latin American countries which are landlocked, or whose economic structure is based on a single branch of production or is little diversified,

(e) That greater mobility of capital among the Latin American countries would be advantageous,

(f) That it is desirable for the regional market to be gradually extended until it covers Latin America as a whole, in order to increase the benefits and possibilities of fuller development and economic integration which such a market may offer,

*Decides:*

1. To congratulate the secretariat on the efficiency with which it has discharged its responsibilities pursuant to resolution 101 (VI);

2. To express satisfaction at the success of the Trade Committee's first session, to take note with satisfaction of all those aspects of its report relating to the regional market, and to endorse resolutions 2 (I) and 3 (I) of the aforesaid Committee;

3. To take note of the instructions to the secretariat both as regards the inventory of existing industries in Latin America and with respect to the convening of a group of experts to undertake the work pursuant to resolution 3 (I);

4. To recommend to the secretariat:

(a) That it consider the desirability of expediting the implementation, within the shortest possible time, of resolutions 2 (I) and 3 (I) of the Trade Committee, with a view to taking a more decisive step towards their underlying objective;

(b) That it conduct research and compile all data that may serve as a basis for the work of the Group of

<sup>\*\*</sup> United Nations publication, Sales No.: 1957.ILG.5.

Experts mentioned in resolution 3 (I), at the earliest opportunity, so that the availability of such background information may facilitate the task of the Group;

(c) That it call the attention of the Group of Experts to the specific situation of those Latin American countries which are landlocked or whose economic structure is dependent on a single branch of production or lacks diversification, so that the Group may consider, in planning the structure of the regional market, the possibilities for the absorption of the exportable commodities of such countries and for facilitating their industrial development within such a market;

(d) That it also request the Group of Experts to consider, in planning the structure of the regional market, the desirability of facilitating the formation of enterprises with capital supplied jointly from two or more countries;

(e) That it request this Group to study the problems facing the development of a regional market, in which study consideration would be given to each and every Latin American country, bearing in mind its situation and possibilities;

5. To empower the secretariat to request, should it deem this necessary, the collaboration of other competent international agencies in the preparation of the studies or compilation of the data referred to in paragraph 4, items (a) and (b).

27 May 1957.

#### Resolution 117 (VII)

REPORT ON PAYMENTS AND THE REGIONAL MARKET TO GOVERNMENTS AND THE ECONOMIC CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES (E/CN.12/458)

*The Economic Commission for Latin America,*

*Considering :*

(a) That, in August 1957, an Inter-American Economic Conference, convened by the Organization of American States, is to be held in the city of Buenos Aires (Argentina),

(b) That one of the items on the agenda for this conference is the "promotion of inter-Latin American trade",

(c) That ECLA has made considerable progress in this field through its Trade Committee, the Central Banks Working Group on a Multilateral Payments System, and several studies carried out by the secretariat,

(d) That, in conformity with resolutions 91 (IV), 70 (V), 106 (VI) and 107 (VI), on co-operation and co-ordination of the work of ECLA and the Inter-American Economic and Social Council in their respective spheres of activity, it is highly advisable to avoid duplication of effort or of expenditure,

(e) That, consequently, it is from every point of view desirable that a complete report on the work carried out and scheduled by ECLA in the same field up to the date of the aforesaid conference be presented to the countries participating therein,

*Decides* that, for purposes of information, the ECLA secretariat shall transmit to the secretariat of the Inter-American Economic and Social Council for the aforesaid Economic Conference of the Organization of American States, and, in advance, to the Governments of the countries participating therein, a full report on the studies carried out, under way or scheduled up to that date in relation to the problem of payments and the possibility of creating a regional market in Latin America, with a view to co-ordinating the efforts of ECLA and the Inter-American Economic and Social Council and preventing the duplication of their activities;

*Declares* that it would view with satisfaction any co-operation that the secretariat of the Inter-American Economic and Social Council might extend to the ECLA secretariat in proceeding with the studies on inter-Latin American trade.

27 May 1957.

#### Resolution 118 (VII)

SESSION OF THE TRADE COMMITTEE  
(E/CN.12/459)

*The Economic Commission for Latin America,*

*Considering :*

(a) That, in accordance with resolution 101 (VI) the ECLA Trade Committee was created and met for the first time at Santiago, Chile, in November 1956,

(b) That the work which has been undertaken pursuant to the resolutions of this Committee is progressing satisfactorily,

(c) That, in compliance with resolution 1 (I) of the Trade Committee, the Central Banks' Working Group on a Multilateral Payments System has already met at Montevideo (Uruguay),

(d) That the secretariat of the Commission has announced that, in pursuance of resolution 3 (I), a group of experts will meet in the second half of the current year to study the possible structure of a regional market which will help to promote the rational development of Latin American industries,

*Requests* the secretariat to make the necessary arrangements for the Trade Committee to hold its second session during 1958.

27 May 1957.

#### Resolution 119 (VII)

STUDY ON COMMODITY TRADE  
(E/CN.12/460)

*The Economic Commission for Latin America,*

*Considering :*

(a) That its member States are at present endeavouring to seek formulae and procedures which will promote the transition from a bilateral to a multilateral system of reciprocal payments,

(b) That, to this effect, the Trade Committee adopted resolutions 1 (I) and 4 (I), at its first session,

(c) That over-all payments equilibrium in Latin America depends, in the final analysis, on the elimination of structural economic causes tending to keep certain countries of the region in a permanent debtor position;

(d) That the need to eliminate such conditions and encourage trade, both intra-regional and with the rest of the world, gave rise to resolution 101 (VI), adopted at the sixth session held at Bogotá (Colombia),

(e) That the development of intra-regional trade in conditions of steady expansion and, as far as possible, of equilibrium, is a basic requisite for the establishment and maintenance of a multilateral payments system and likewise for extending the participation of the Latin American countries in world trade,

*Decides :*

1. To take account of resolution 4 (I) of the Trade Committee;

2. To recommend to the secretariat that it continue and intensify its studies on inter-Latin American trade, principally with a view (i) to suggesting measures whereby the aforesaid structural disequilibria in the balance-of-payments situation of some Latin American countries may be remedied, (ii) to expanding trade both within and outside the region at increasingly high levels, and (iii) to expediting the transition towards greater liberalization of trade and a multilateral payments system.

27 May 1957.

*Resolution 120 (VII)*

INTER-LATIN AMERICAN TRANSPORT  
(E/CN.12/461)

*The Economic Commission for Latin America,*

*Considering :*

(a) That the existence of satisfactory means of maritime transport and their co-ordination with land transport routes and inland waterways is a requisite for the expansion of inter-Latin American trade,

(b) That at the present time the defects of the transport system, and especially the existence of inadequately served trade routes, constitute an obstacle to the maintenance of regular trade relations between certain zones of Latin America,

(c) That chapter IV of the secretariat report entitled *Study of inter-Latin American trade* (E/CN.12/869/Rev.1)<sup>40</sup> contains background material useful for research into possible solutions for such problems,

(d) That resolution 101 (VI) assigns to the Trade Committee the responsibility of preparing specific formulae for the removal of obstacles to inter-Latin American trade, among them the problem of transport,

*Decides :*

1. To recommend to the secretariat that, after prior consultation with the secretariat of the Inter-American Economic and Social Council to avoid

duplication, it continue the studies on inter-Latin American transport and the problems thereof, especially inadequately served trade routes, in order to guide countries in the adoption of measures designed to impart greater regularity to inter-Latin American maritime transport;

2. To recommend to the Trade Committee that it devote particular attention to questions relating to transport, and include the relevant items on the agenda of its forthcoming session.

27 May 1957.

*Resolution 121 (VII)*

REPERCUSSIONS OF THE EUROPEAN COMMON MARKET  
(E/CN.12/462)

*The Economic Commission for Latin America,*

*Considering :*

(a) That it is of great importance for all the Latin American countries to continue to observe the experiments in economic integration in progress in Europe and projected in other areas,

(b) That, under the terms of resolution 102 (VI), this Commission recommended to the secretariat that, in co-operation with the Department of Economic and Social Affairs of the United Nations, it should continue the analysis of the markets for those basic commodities which are of decisive importance for the economies of the Latin American countries,

(c) That both the stability and the prosperity of the economies of the Latin American countries, as well as the possibilities of their development at a satisfactory rate, largely depend on the volume and value of their exports of primary commodities, which in turn are conditioned by the situation of the available markets,

(d) That the creation of the European Economic Community and the possible formation of a free trade zone in Europe may have repercussions on the sales prospects and prices of Latin American primary commodities on the world markets, to an extent not yet possible to assess,

(e) That the trend towards European economic integration, while deserving the fullest sympathy of the Latin American countries, arouses in them some apprehension as to the implications of the establishment, at any rate for a time, of a preferential trade system and as to a possible decrease in the rate of growth of European investment in Latin America,

*Decides :*

1. To take note with interest of the preliminary study (E/CN.12/449 and Add.1) presented by the secretariat on the possible repercussions of the European common market on Latin America's export trade;

2. To recommend to the secretariat that it continue to observe closely the economic integration of Europe and other areas, and that it keep the member Governments supplied with the relevant information;

<sup>40</sup> United Nations publication, Sales No.: 1956.II.G.8.

3. To recommend to the secretariat that it carry out studies on world market prospects for Latin American primary commodities, taking into consideration in particular the consequences that may arise from the European common market, from the possible establishment of a free trade zone in Europe, and from other similar projects;

4. To recommend that these studies be conducted along broad lines, so that they cover both the indirect effects on Latin American trade of the possible repercussions of European integration on third areas, and also the probable trend of trade in Latin American primary commodities over a reasonable future period;

5. To suggest that the secretariat endeavour to co-ordinate the execution of such studies with others of a similar nature undertaken by the secretariats of the General Agreement on Tariffs and Trade, the Economic Commission for Europe, the Economic Commission for Asia and the Far East, and by other competent United Nations agencies;

6. To make the following recommendations to the member countries of the Commission, especially those of Latin America : (a) that they consider the desirability of carrying out consultations on the possible repercussions of the European common market; and (b) that they send representatives, in an appropriate capacity, to international conferences at which questions bearing on the European common market and its possible effects on Latin America's economy and trade are considered.

27 May 1957.

#### Resolution 122 (VII)

##### TRADE OF LANDLOCKED COUNTRIES (E/CN.12/468)

*The Economic Commission for Latin America,*

*Whereas :*

(a) At their plenary meetings on 9 August 1956 and 20 February 1957, the Economic and Social Council and the General Assembly adopted, respectively, resolutions 614 (XXII) and 1028 (XI), in the first of which the attention of the United Nations regional economic commissions is called "to the advisability of studying difficulties preventing expansion of international trade", while in the second the Governments of Member States are invited "to give full recognition to the needs of landlocked Members in the matter of transit trade",

(b) The economic development of landlocked countries is largely determined by satisfactory transit trade conditions which permit them satisfactorily to expand their international trade,

*Decides* to recommend to the Governments of the Member States the desirability of granting the greatest possible facilities for the expansion of the international trade of landlocked countries.

27 May 1957.

#### Resolution 123 (VII)

##### ECONOMIC INTEGRATION OF CENTRAL AMERICA (E/CN.12/464)

*The Economic Commission for Latin America,*

*Taking into account* that the Central American Economic Co-operation Committee, established in 1952 in pursuance of resolution 9 (IV), held its fourth regular session at Guatemala City, in February 1957, and has presented a report on the session and on its activities during the preceding year,

*Considering* the great practical importance of the Committee's activities for the economic development and integration of Central America, and the value of its experience for other projects relating to economic integration or complementarity, as well as to the promotion of intra-regional trade, in various parts of Latin America,

*Bearing in mind* the report (E/CN.12/481) reviewing the co-operation of the Secretariat with, and its substantive service to the Committee, and the technical assistance extended to the programme by the United Nations Technical Assistance Administration, FAO and other specialized agencies,

*Decides :*

1. To take note with deep satisfaction of the activities and resolutions of the Economic Co-operation Committee, as well as of the work of the secretariat and those United Nations agencies that provide technical assistance in connexion with the programme,

2. To congratulate the Committee on the progress achieved, and, particularly, on the success of the Central American Advanced School of Public Administration, the recent establishment of the Central American Research Institute for Industry, the work on a standard customs nomenclature and statistical co-ordination, the studies and projects designed to facilitate the development of new industries, and the increasing participation of Central American private enterprise in the evolution and programming of the economic integration of the region; and, further, to recommend that it continue to implement its work programmes;

3. To take note of the importance of the agreement reached by the Committee during its fourth regular session concerning the signing by the Governments of Costa Rica, el Salvador, Guatemala, Honduras and Nicaragua, in the near future, of a Central American Multilateral Free Trade and Economic Integration Treaty and of an Agreement on Central American Integration Industries;

4. To recommend to the Governments members of the Commission that they study the procedures and progress of the Central American Economic Integration Programme, as constituting an experiment of great significance for the evaluation of other possible similar projects in Latin America, especially those relating to the Latin American regional market, the study of which is being sponsored by the Trade Committee and the Commission.

27 May 1957.

*Resolution 124 (VII)*

SOCIAL ASPECTS OF ECONOMIC DEVELOPMENT  
(E/CN.12/465)

*The Economic Commission for Latin America,*

*Considering :*

(a) That it is highly desirable to bear in mind the social aspects of economic development as well as the economic problems proper,

(b) That, as is stated in resolution 82 (VI) adopted on 15 September 1955, the improvement of human conditions, the standard of living and the welfare of the peoples of the American continent are of fundamental concern to the member Governments,

(c) That, although the foregoing concepts are clearly recognized by the secretariat of the Commission, as can be seen from some of the documents presented, it would be desirable for the secretariat to extend its sphere of action in this connexion,

*Takes note* with satisfaction of the secretariat study on the Social Aspects of Economic Development (E/CN.12/487);

*Recommends :*

1. That these activities be conducted as an organic whole in co-ordination with other United Nations organizations and the Organization of American States, in so far as their respective terms of reference permit, with a view to furthering the economic and social progress of Latin America;

2. That, nevertheless, the greatest effort be concentrated, as far as possible, on studies and activities directly relating to economic development;

3. That, in cases where Governments so request, assistance be given in the preparation of guiding principles or plans for research in the social field which are consistent with ECLA's over-all view of the country's economy and which may thus lead to significant conclusions with respect to the planning or more thorough interpretation of the country's economy;

*Deems it to be understood* that the secretariat will undertake to establish the procedures for implementing the type of advice contemplated in the present proposal.

27 May 1957.

*Resolution 125 (VII)*

TECHNICAL ASSISTANCE  
(E/CN.12/466)

*The Economic Commission for Latin America,*

*Mindful* of the importance of technical assistance for the economic development of the Latin American countries,

*Considering :*

(a) That the experience of the Governments of the Latin American countries suggests that studies and research on the economic development process and the provision of technical assistance of the United Nations,

activities which in Latin America are incumbent upon ECLA and the Technical Assistance Board respectively must be carefully co-ordinated if the countries concerned are to obtain the maximum benefit from the limited financial resources available,

(b) That the financial resources currently at the disposal of the organizations participating in the Technical Assistance Programme are not sufficient to cover all the projects applied for by the various Governments concerned,

(c) That, for this reason, it is of the greatest importance that the projects undertaken should be those most advantageous to the economic development of the countries receiving technical assistance,

(d) That, in order to ensure efficient selection and execution of technical assistance projects, it is desirable for the recipient Governments to have the opportunity of utilizing the knowledge and experience acquired by the secretariat in relation to their economic development problems,

(e) That, on many previous occasions, in resolutions adopted at the sessions of the Commission or of the Committee of the Whole, the Commission has suggested to the Secretary-General the advantages that would accrue from utilizing as fully and actively as possible the services of the secretariat (see resolution dated 20 June 1950 (E/CN.12/192)<sup>41</sup> reaffirmed in paragraph 4 of resolution 12 (IV) of 16 June 1951; resolution 39 (AC. 16) of 14 February 1952; resolution 85 (VI) of 15 September 1955; and, lastly, resolution 110 (AC.34) of 14 May 1956, which expresses satisfaction at the initiation of the experiment in decentralizing the Technical Assistance Administration services),

(f) That the Secretary-General of the United Nations is currently conducting a study of the results of the experimental decentralization of the Technical Assistance Administration,

1. *Takes note* with satisfaction :

(a) Of the document Expanded Programme of Technical Assistance: assistance rendered to the countries and territories of Latin America during 1956 (E/CN.12/444), prepared by the Technical Assistance Board;

(b) Of the document Technical Assistance Activities in the ECLA region (E/CN.12/482), prepared by the Technical Assistance Administration;

(c) Of the document Report on the Joint ECLA/TAA Economic Development Training Programme (E/CN.12/488), prepared by the secretariat;

(d) Of that part of the progress report by the Executive Secretary (document E/CN.12/445), which relates to the collaboration of the secretariat with the decentralized units of the Technical Assistance Administration;

2. *Expresses its gratitude* to the General Assembly for having authorized the decentralization of the Technical Assistance Administration services on an experimental basis;

<sup>41</sup> *Official Records of the Economic and Social Council, eleventh session, Supplement No. 9, p. 15.*

3. *Considers that*, according to the experience of a large number of countries, during the brief period in which the Technical Assistance Administration has enjoyed the collaboration of the secretariat of the Commission, the efficiency of the Technical Assistance Programme in Latin America has considerably increased;

4. *Expresses* its interest in the continuation of the experiment in the decentralization of technical assistance in Latin America;

5. *Requests* the Secretary-General to take into account, in evaluating the experimental decentralization of the Technical Assistance Administration services, the views of the Latin American Governments receiving such assistance, giving due weight to the results of the decentralization of technical assistance operations in Latin America.

27 May 1957.

#### Resolution 126 (VII)

##### REGISTER OF EXPERTS FOR TECHNICAL ASSISTANCE (E/CN.12/467)

*The Economic Commission for Latin America,*

*Mindful* of the importance of technical assistance for the economic development of the Latin American countries,

*Whereas :*

(a) On the one hand, the financial resources available for technical assistance programmes are insufficient to meet the countries' requirements, and that, on the other, the formalities governing the programming and implementation of technical assistance are necessarily slow in order to ensure an equitable distribution of funds,

(b) As regards their requirements for experts to solve specific problems, the Governments often find themselves in a position where they need the services of only one expert on short-term contract, which could be financed by the country concerned,

*Decides :*

1. To recommend to the secretariat that it collaborate with the Technical Assistance Administration in preparing and keeping up to date a register of Latin American experts in the various fields of economic activity, and of technological research institutes in the region, whose technical assistance might be of use to the member Governments, so that by this means guidance as to the availability of such experts may be given, upon request of the interested countries;

2. To recommend to the member Governments that they assist in the preparation of the register referred to in the foregoing paragraph, by supplying the Technical Assistance Administration with such information as may be necessary on experts in their countries whose knowledge might temporarily be utilized by other countries in the region, and that they grant such experts the necessary facilities for the fulfilment of these functions, so far as may be possible

without prejudice to the technical and administrative efficiency of the work for which the experts in question are normally responsible.

27 May 1957.

#### Resolution 127 (VII)

##### IRON AND STEEL MAKING AND TRANSFORMING INDUSTRIES (E/CN.12/468)

*The Economic Commission for Latin America,*

*Considering :*

(a) That the iron and steel making and transforming industries are of capital importance for the economic development of the Latin American countries,

(b) That the secretariat, in compliance with instructions issued to it during the fifth session of the Commission, organized,<sup>49</sup> in co-operation with the United Nations Technical Assistance Administration, the Government of Brazil and the *Associação Brasileira de Metais*, a Latin American Meeting of Experts on the Iron and Steel Making and Transforming Industries, held at São Paulo from 15 to 28 October 1956, and prepared a report on this subject,

(c) That the aforesaid Meeting of Experts suggested a series of points on which studies should be begun, continued or carried out in fuller detail by the secretariat of the Commission, either alone or in collaboration with the Technical Assistance Administration,

1. *Takes note* with satisfaction of the publication of document E/CN.12/425<sup>49</sup> presented by the secretariat;

2. *Expresses* its satisfaction with the successful results of the Meeting of Experts at São Paulo;

3. *Recommends* to the secretariat that, provided available resources permit, and with the collaboration of the Technical Assistance Administration and other public and private organizations, it carry out, giving due consideration to the findings of the Inter-American Meeting of Experts on Technical Standards, the studies suggested by the Meeting of Experts, namely: (a) classification, simplification and standardization of non-current and quality steels; (b) standardization of rolled steel products; (c) productivity in iron and steel foundries, and an economic survey of the procedures for the reduction of iron ores; (d) economic evaluation of metal-working processes; (e) the motor vehicle industry; (f) training of and demand for engineers, technicians and skilled workers; (g) preparation of production and consumption statistics; (h) expansion and improvement of the glossary of technical and trade terms in Spanish, English and Portuguese;

4. *Reaffirms* the authorization given to the secretariat at the fifth session to convene, when the progress of work so justifies and with the co-operation of the Governments, the Technical Assistance Administration

<sup>49</sup> Sixteenth Session, Supplement No. 3, resolution 57 (v).

<sup>50</sup> United Nations publication, Sales No.: 1957.II.G.6.

and the specialized agencies concerned with this subject, a Committee of Experts to examine the studies carried out and suggest any changes in the programmes that it may deem advisable.

27 May 1957.

*Resolution 128 (VII)*

PULP AND PAPER ADVISORY GROUP  
(E/CN.12/469)

*The Economic Commission for Latin America,*

*Considering :*

(a) That the secretariat has presented a report on the activities of the Pulp and Paper Advisory Group for Latin America (E/CN.12/484);

(b) The desirability of obtaining reliable data on the proper prices of imported equipment for the pulp and paper industry, and bearing in mind the intensification of this activity foreseen for the region;

(c) The possibility that pulp and paper machinery may come to constitute an important item in the trade of Latin America,

*Decides :*

1. To recommend that the work of the Pulp and Paper Advisory Group be continued in the countries that request it;

2. To recommend to the secretariat that it take steps :

(a) To the end that the Pulp and Paper Advisory Group for Latin America organize standard budgets for investment in pulp and paper mills with a daily capacity of 50, 100 and 150 tons, in accordance with the main industrial processes and hypotheses, in sufficient detail for local investors to be able to evaluate their financial requirements and obtain guidance in their purchases of machinery;

(b) To the end that the Pulp and Paper Advisory Group for Latin America evaluate the possibilities of purchasing machinery in the countries of the region for the manufacture of pulp and paper, as well as of manufacturing specific heavy equipment.

27 May 1957.

*Resolution 129 (VII)*

SPECIAL MEETING ON THE MINING INDUSTRY  
(E/CN.12/470)

*The Economic Commission for Latin America,*

*Considering :*

(a) That the mining industry is one of the most important in Latin America,

(b) That in many cases Latin America's mineral wealth cannot be opportunely and efficiently utilized for want of mineralogical studies and of the preliminary prospecting necessary for large-scale production when this is appropriate or feasible,

(c) That it is necessary to sponsor special meetings for the study and discussion of the particular problems of the mining industry, in view of the fact that they concern most of the Latin American countries, in the same way that special meetings have already been organized and held for the purpose of considering problems of other specialized industries,

*Decides :*

1. To recommend to the member Governments that they submit requests to the technical agencies of the United Nations or other agencies for studies to be carried out, in collaboration with the geological services of the countries concerned, on general and economic geology and on the determination of mineral reserves in Latin America, especially in countries where adequate surveys of this kind have not yet been made, with a view to increasing the production of such minerals as may contribute to economic development;

2. To recommend to the secretariat that, in collaboration with the Technical Assistance Administration and other interested agencies, it sponsor a special meeting on the mining industry in Latin America, for the purpose of studying, considering and recommending suitable measures for the improvement of this industry; and that to this end it prepare a provisional agenda and invite the interested Governments and private industry to carry out studies on the problems which will be discussed, and submit them before the meeting.

27 May 1957.

*Resolution 130 (VII)*

NUCLEAR ENERGY  
(E/CN.12/471)

*The Economic Commission for Latin America,*

*Whereas :*

(a) Because of the scientific and technological progress achieved in recent years, nuclear energy has become, in some countries, a new source of large-scale energy,

(b) This source of energy, together with hydraulic energy and fuels, constitutes an additional means of producing electricity and other forms of energy on an industrial scale,

(c) There are great advantages to be derived from distinguishing, in regard to atomic energy matters, between the two following aspects : (i) general questions of national and international regulation, scientific research and uses which do not involve the large-scale production of energy, and (ii) the application of nuclear energy for industrial-scale energy production,

(d) In this last respect it is desirable that the application of nuclear energy be economically and technically co-ordinated with the general problem of each country's energy supplies from the various sources on which it draws,

(e) It is necessary in the Latin American countries for the industrial-scale generation of nuclear energy to be utilized economically and in conformity with the circumstances of each country,

*Decides :*

1. To call the attention of the Governments of the member countries to the desirability of systematically studying the possibilities of utilizing nuclear energy together with other methods of large-scale energy production;

2. To recommend to the Governments of the member countries that they consider the desirability of placing the study and application of nuclear energy for large-scale supply in the hands of the public or private entities responsible for the various aspects of energy supply;

3. To suggest to the member Governments that it would be desirable for national nuclear energy commissions, or corresponding bodies, to adopt appropriate measures in order to promote the study and large-scale application of nuclear energy by the entities responsible for the supply, or by the consumers, whether public or private;

4. To recommend to the secretariat that, as regards this subject, it keep in touch, through the Secretary-General of the United Nations, with the International Atomic Energy Agency when it is established, with other competent agencies of the United Nations, and with agencies of the Organization of American States, and that it keep the Member Governments informed of those economic aspects of the problem which are of special importance for them.

27 May 1957.

*Resolution 131 (VII)*

UTILIZATION OF RIVERS AND LAKES  
(E/CN.12/472)

*The Economic Commission for Latin America,*

*Considering :*

(a) That the utilization of the waters of lakes and rivers forming hydrographic basins common to several countries is a question of vital importance for the economic development of the countries concerned,

(b) That such utilization would often appear to be feasible on the basis of joint effort,

(c) That studies and projects for the satisfactory utilization of the waters of international rivers and lakes are feasible only when effective co-operation is established between the government agencies concerned with hydraulic problems,

*Recommends* to the secretariat that it approach the Governments of the Latin American countries to the end that the utilization of rivers and lakes situated in international hydrographic basins, for hydroelectric energy, irrigation, navigation and any other useful

purposes to which they may lend themselves, be effected on the basis of adequate planning undertaken by international technical commissions.

27 May 1957.

*Resolution 132 (VII)*

IMPORT SUBSTITUTION  
(E/CN.12/478)

*The Economic Commission for Latin America,*

*Whereas :*

(a) The amount of foreign exchange at the disposal of a given country partly determines the degree to which its economy is vulnerable to external fluctuations and contingencies,

(b) One of the requisites for attaining the objectives of a development policy is to reduce vulnerability to external fluctuations, and this can, up to a point, be achieved by means of an intelligent import substitution policy,

(c) Criteria on which to base decisions must be available in order to achieve a substitution of imports consistent with the economic development programme and with the evaluation of short-term and long-term problems,

*Recommends* to the secretariat that it study a methodology for the examination and implementation of an import substitution policy, and other policies, including fiscal and monetary policies, which might reduce the external vulnerability of the Latin American countries.

27 May 1957.

*Resolution 133 (VII)*

STUDY OF LATIN AMERICAN TIMBER PRODUCTION AND  
CONSUMPTION TRENDS AND PROSPECTS  
(E/CN.12/474)

*The Economic Commission for Latin America,*

*Having regard* to the note by the secretariat on a study on Latin American timber trends and prospects (E/CN.12/488);

*Considering :*

(a) That general economic development and higher living standards imply an increase in the consumption of timber products and entail a growing demand for such products, which is at present partially unsatisfied,

(b) The insufficiently utilized wealth constituted by the natural woodlands, the substantial earnings provided by carefully managed forest plantations and the part played by trees in protecting the soil against erosion,

(c) Whereas large-scale imports of forest products represent very high values in Latin America, even though it contains vast areas where the rate of forest growth is the highest in the world,

(d) *Considering* the need for each Government to collect data which will enable it :

(i) To assess the importance of forests and forest products for its national economy,

(ii) To ascertain the medium-term and long-term possibilities for the development of primary and secondary forest products industries and of reforestation,

(iii) To determine the priority to be assigned to each aspect of forestry development with a view to channelling public investment in this direction and to providing interested private capital investors with the necessary information and facilities,

(e) *Considering* the present and future importance of timber products in the inter-Latin American market and in world trade,

*Declares* that it is a matter of urgency to proceed with the most detailed study possible of the trends and prospects for the production and consumption of timber and forest products in Latin America;

*Decides* :

1. To request the secretariat to contact FAO with a view to undertaking such a study in close co-operation with that organization, and to concentrate on the immediate and medium-term aspects, while taking due account of contemplated long-term projections, the need for which the Commission fully recognizes;

2. To recommend to the Governments: (a) that they immediately take all appropriate steps to improve information on their forest resources as well as statistics on forest products, utilizing where necessary the Technical Assistance Administration, the Food and Agriculture Organization and other bodies; (b) that they collaborate to the greatest possible extent in providing their specialized financial, economic, industrial, agricultural and forestry services for the purposes of this study.

27 May 1957.

#### *Resolution 134 (VII)*

##### PRODUCTIVITY IN AGRICULTURE (E/CN.12/475)

*The Economic Commission for Latin America,*

*Bearing in mind* resolution 87 (VI) adopted on 15 September 1955,

*Considering* :

(a) That the secretariat has prepared an over-all study on the productivity of labour and land which is included in the *Economic Survey of Latin America, 1956* (E/CN.12/427, Add.1 and Corr.1).

(b) That in the Latin American countries there is a wide disparity between the low income levels of the agricultural population and the income of the population employed in other sectors,

(c) That even within the agricultural sector itself there is a disparity between the income of the population employed in capitalized and mechanized farming and

that of the population engaged in traditional farming with a low level of productivity,

(d) That the balance of economic development must be preserved both within the agricultural sector and between this and the other sectors of the economy,

*Takes note* with satisfaction of the secretariat study on productivity mentioned in paragraph (a) of this preamble;

*Recommends* :

1. To the member Governments, that in their programmes of research on the agricultural economy of their countries they attach special importance to the study and improvement of the productivity of labour, land, capital and inputs;

2. To the secretariat, that, in co-operation with FAO, to the extent that its facilities permit, and in accordance with the respective resources and terms of reference of the two organizations, (a) it continue its over-all studies on productivity; (b) it furnish interested Governments, at their request, with the methodology necessary for the undertaking of country studies in this field; (c) at the request of the Governments concerned, it continue to advise and assist countries concerning measures to be applied to improve productivity.

27 May 1957.

#### *Resolution 135 (VII)*

##### UNECONOMIC FARMS (E/CN.12/476)

*The Economic Commission for Latin America,*

*Taking into account* :

(a) Resolution 66 (V), 27 April 1958 dealing with questions of land reform, including *inter alia* those relating to land tenure,

(b) The conclusions reached by the Latin American Seminar on Land Problems, held at Campinas, São Paulo (Brazil), in 1958,

*Considering* :

(a) That in some Latin American countries there is an increasing number of farms in which the possibilities of capital formation are slight, and whose size and characteristics are inadequate to absorb the work capacity of the rural family and afford it a satisfactory standard of living,

(b) That the methods and procedures for solving the problem created by farms of this type are particularly complex,

*Recommends* :

1. To the secretariat that, in agreement with FAO, and to the extent which the two organizations' respective resources and terms of reference permit, it give due consideration to such requests for guidance and assistance as may be formulated by Latin American countries endeavouring to solve this problem;

2. To the Governments of the member countries concerned, that they undertake an exchange of studies and data on the characteristics of farms of this type, the technical and economic consequences of their existence, the measures applied to convert them into units better adapted to the nature of agricultural production, and the results of such measures.

27 May 1957.

*Resolution 136 (VII)*

COFFEE STUDIES  
(E/CN.12/477)

*The Economic Commission for Latin America,*

Considering that the study on the efficiency and prospects of coffee growing and processing in El Salvador and the similar study under way in Colombia, under the joint ECLA/FAO programme, are of great importance for other coffee-growing countries.

*Recommends :*

1. To the Governments of member countries that, if they desire guidance in the undertaking of such coffee studies or in bringing their own up to date, they so inform the secretariat, and indicate their willingness to send one or more officials of their country to receive instruction and acquire experience in the carrying-out of such studies, including the collection and analysis of data, the preparation of the findings and the establishment of bases for crop forecasts;

2. To the secretariat that, if a sufficient number of countries express such an interest, it explore, in conjunction with FAO, the possibility of creating an appropriate training centre in one of the countries requesting a study.

27 May 1957.

*Resolution 137 (VII)*

PROGRAMMING BY SECTORS AND BY REGIONS, AND PREPARATION, PRESENTATION AND EVALUATION OF PROJECTS (E/CN.12/478)

*The Economic Commission for Latin America,*

Bearing in mind the studies and other work carried out to date by the secretariat on the problems of Latin America's economic development and the methods of analysis and projection which it has prepared for this purpose,

*Considering :*

(a) That the studies presented at the current session : *El desequilibrio externo en el desarrollo latinoamericano ; el caso de México* (E/CN.12/428 and Add.1.), and *El desarrollo económico de Bolivia* (E/CN.12/480 and Add.1), and the progress report on the study of the economic development of Argentina, constitute contributions of primary importance as regards the application and extension of the aforesaid method of analysis and are documents essential to a better understanding of the process of economic development in Latin America as a whole,

(b) That the secretariat has presented a manual on economic developments projects (E/CN.12/426 and Add.1) prepared by an expert of the Technical Assistance Administration in collaboration with the secretariat, this document being designed to facilitate the evaluation and preparation of individual development projects within the general context of over-all programming or policies designed to promote economic growth,

(c) That an expert of the Technical Assistance Administration, in collaboration with the secretariat, has prepared a preliminary report on problems of public administration in relation to economic development policies,

(d) That various Latin American countries are using the method of analysis and projection prepared by the secretariat as an instrument for the programming of development and for development policies,

(e) Further, that over-all programming needs to be supplemented by programming by sectors and by regions, and that within each sector and in regional programmes the objective evaluation of individual projects and the careful preparation of new projects must be increasingly undertaken on lines compatible with the over-all projections for the economy,

(f) In consequence, that it is desirable for the Governments, in connexion with their development policies by sectors or by regions and with the evaluation and preparation of individual projects, to make use of the experience acquired by the secretariat in the application of its methods of analysis and in its study of the process of growth of the Latin American countries,

*Taking into account :*

(a) The fact that, with respect to pulp and paper, the secretariat has acquired, through the joint ECLA/FAO/TAA Advisory Group, positive and significant experience which has enabled the Governments to make considerable progress in the practical solution of problems relating to the industry in question;

(b) That resolution 99 (VI) of 15 September 1955 recommended to the secretariat that it assist Governments, when they so request, in establishing the relevant economic factors and in co-ordinating energy development programmes,

*Decides :*

1. To recommend to the secretariat that, besides continuing its methodological studies on the analysis and projection of development on the basis of the experience of the Latin American countries, it devote attention to the specific problems relating to programming by sectors and by regions and to the preparation, presentation and evaluation of individual projects, and that it advise Governments, which so request, on such matters, seeking for this purpose the fullest co-operation from the various United Nations sources of technical assistance, in order to avoid a dissipation or duplication of effort;

2. To recommend to Governments that, in the case of all topics or programmes not directly related to

development studies carried out by ECLA, they apply to the technical assistance services of the United Nations, following established procedures.

28 May 1957.

*Resolution 138 (VII)*

**BUILDING FOR ECLA IN CHILE  
(E/CN.12/479)**

*The Economic Commission for Latin America*

*Takes note* with satisfaction of the promulgation by the Government of Chile of Act No. 12,487, dated 5 February 1957, under the terms of which the President of the Republic of Chile is empowered to transfer free of charge to the United Nations part of the property situated in the area known as Vitacura Park, adjacent to the city of Santiago,

*Takes note*, likewise, that the provision of adequate premises in Vitacura Park will enable ECLA to carry out more efficiently the important tasks incumbent upon it,

*Decides :*

1. To place on record the gratitude of the member countries for the valuable contribution offered by the Government of Chile to the work of the Economic Commission for Latin America;

2. To appoint a Committee composed of representatives of the Governments of Argentina, Brazil, Chile, Ecuador, Mexico, Uruguay and Venezuela which, through the Executive Secretary of ECLA, may present to the Secretary-General of the United Nations such recommendations as it may deem advisable with respect to the best procedure for erecting a building on the site offered by the Government of Chile, and, likewise, may invite the Secretary-General to submit to the General Assembly, after consultation with the Governments members of the Commission, such proposals as he may deem appropriate for the fulfilment of this purpose.

28 May 1957.

*Resolution 139 (VII)*

**DATE AND PLACE OF EIGHTH SESSION  
(E/CN.12/480)**

*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 Panama for its generous invitation to hold the eighth session of the Commission in Panama City,

*Decides* to hold its eighth session in April 1959 in Panama City.

29 May 1957.

**Part V**

**DRAFT RESOLUTION FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL**

**RESOLUTION ADOPTED 16 SEPTEMBER 1955  
(E/CN.12/419)**

*The Economic and Social Council*

1. *Takes note* of the annual report of the Economic Commission for Latin America adopted at its seventh session (E/2998);

2. *Considers* that the work programme of the Commission as established by the Commission at its seventh session held at La Paz, Bolivia, from 15 to 29 May 1957 is of primary importance for the economic development of Latin America;

3. *Endorses* the order of priorities allocated by the Commission to the individual work projects.

29 May 1957.

**Part VI**

**PROGRAMME OF WORK AND PRIORITIES FOR 1957-1958**

**Review of the work programme  
at the Commission's seventh session**

**BASIC DIRECTIVES**

246. As in the past, in preparing the programme of work and priorities, the Commission continued to follow a series of basic directives and decisions of the Economic and Social Council and of the General

Assembly as well as recommendations of the Advisory Committee on Administrative and Budgetary Questions, regarding programmes and priorities in the economic and social fields; concentration and co-ordination of efforts and resources, control and limitation of documentation and related questions. Particular attention was given to the recommendations contained in Economic and Social Council resolutions 824 (XI),

362 B (XII), 402 B (XIII), 451 A (XIV), 497 C (XVI), 558 (XVIII), 557 (XIX), 590 (XX), 597 (XXI), 604 (XXI) and 680 (XXII).

247. Economic and Social Council resolution 597 (XXI), on industrialization, *inter alia*,

" *Requests* the regional economic commissions, in order to achieve a co-ordinated approach in the work in this field, to take due account, in planning and formulating their future activities, of the work programme in the field of industrialization and productivity."

248. Economic and Social Council resolution 680 A.1 (XXII), " General review of the development and co-ordination of the economic, social and human rights programmes and activities of the United Nations and the specialized agencies as a whole ", *inter alia*,

" 4. *Reiterates* the appeal made by the General Assembly in its resolution 125 (II) of 20 November 1947 and *calls upon* the States Members of the United Nations and of the specialized agencies to take urgent measures to ensure on the national level a co-ordinated policy in regard to the activities of the United Nations and of the various specialized agencies, in order that greater concentration on major projects and fuller co-ordination may be achieved between the United Nations and the specialized agencies in the economic, social and human rights fields;

" 5. *Requests* the Secretary-General to produce a further report on the lines of the document entitled ' Observations on the Work Programme of the Council and on the Financial Implications of the Council's Actions ', including comments on work in the social field as mentioned in paragraph 4 of that document and on the work programme of the regional economic commissions and the functional commissions;

" 8. *Recommends* to the specialized agencies and *requests* the regional economic commissions and the functional commissions to pay special attention to further concentration of their activities on major economic, social and human rights problems, as may be appropriate, and to the more efficient co-ordination of the said activities, and to include a special section thereon in their next reports to the Council; "

249. The criteria set forth in certain of the Council's earlier resolutions, and the indications given by the Council in recent years concerning programme priorities, provide the broad basis for a common approach by the Secretary-General and the regional and functional commissions to the problem of securing a " further concentration of activities ", under paragraphs 5 and 8 of resolution 680 A. I (XXII). At the same time, the Commission has found practical guidance in the Secretary-General's report of the eighteenth session of the Council entitled " Review of the Organization and Work of the Secretariat in the Economic and

Social Fields " (E/2598)<sup>44</sup> and in his statement to the twentieth session of the Council (E/2769),<sup>45</sup> which received the Council's general endorsement in resolutions 557 A (XVIII) and 590 A.I (XX) respectively. In the first of these reports dealing with the Headquarters establishment, the Secretary-General referred to the " overriding objective " established by the Council for the total economic and social programme of the United Nations, namely " the promotion of the economic and social development of the under-developed countries ", and proposed, for the achievement of this purpose, a gradual re-orientation of work, shifting emphasis towards work directly supporting economic development. He also suggested " a more limited framework for the prosecution of certain work requested of the secretariat in order to bring it within the proper sphere of the secretariat's competence, the re-consideration of certain low priority projects by the organs concerned, the recognition of the full responsibility of specialized agencies for particular tasks clearly within their mandate ". The report further contemplated (a) closer integration of the economic and social phases of international development work; (b) a conscious effort away from isolated activities and towards more comprehensive programmes; and in all this (c) closer integration of the work of the secretariat at Headquarters and in the regional economic commissions.

#### PROGRESS AND APPRAISAL OF THE COMMISSION'S WORK PROGRAMME

250. In the light of the objectives stated above, the Commission reviewed the main fields of activity to which efforts have been devoted during its nine years of existence.

251. The study of problems relating to Latin American economic development has occupied a prominent place in the work programmes of the Commission. These problems have been approached first of all on a general basis and then in relation to specific aspects of the process of growth. The links between Latin American development and international trade and investment have been examined, particularly within the framework of the new interrelationships which have arisen since the Second World War. In the case of some Latin American countries where development has been particularly significant, structural changes have also been analysed; here the objective has been to obtain a better understanding of the process of growth and to take advantage of experiences which are useful for the formulation of development programmes, in which nearly all the Latin American countries are interested or engaged. Each successive study has enabled new advances to be made in the methods of research and analysis and has led to the development of concepts which might be applied in general to under-developed countries. The approach followed by the Commission in examining development problems

<sup>44</sup> See *Official Records of the Economic and Social Council, eighteenth session, Annexes, agenda item 29.*

<sup>45</sup> *Ibid.*, twentieth session, Annexes, agenda item 4.

has helped Governments to obtain a more accurate over-all picture of the long-term prospects of economic growth.

252. No less important has been the effort made by the Commission to shed light on problems relating to the expansion of Latin American trade with the rest of the world, in accordance with the principles of international co-operation, developed by the United Nations. In this connexion, member Governments have taken the initiative in the search for far-reaching solutions, encompassing not only the need for short-term stability but also the structural changes required by development. On the one hand, there has been a need to increase exports to international markets, in order to meet the demand for those imports of capital goods, intermediate products and essential consumer goods, the necessity for which is characteristic of a country in course of development. On the other hand, there has been recognition that among the Latin American countries themselves conditions are favourable for increasing trade and creating reciprocal markets which will provide a better basis for industrial and agricultural development. After extensive studies, the Commission decided to create the Trade Committee so as to enter more thoroughly into the solution of this type of problem.

253. The Trade Committee held its first session in November 1956 and after extensive discussion decided to study the possibility of establishing a multilateral payments system and of creating a regional market for selected products in Latin America.

254. Work is progressing on both projects. A meeting of Central Bank experts was held in Montevideo (Uruguay), from 29 April to 11 May 1957 to study technical requirements for facilitating transfers of balances in bilateral accounts. The first meeting of a group of experts on the common market will be held in the second half of 1957 to plan the preparatory work to be carried out as a basis for its report and recommendations to be submitted to member Governments and the Trade Committee in accordance with resolution 3(I) adopted by the Trade Committee (see Annex II). It was evident from the debate at the Trade Committee session and the subsequent activity of the Governments in preparing the meeting of the Central Bank experts, as well as from the interest shown in creating reciprocal markets, that the Commission may play an important role in this field and will have to give the highest priority to this work.

255. Development and trade problems have been brought together also in the activities of the Central American Economic Co-operation Committee. This Committee has, for nearly five years, been undertaking a series of studies and promoting government action for the gradual economic integration of the five Central American republics, with the assistance of the ECLA secretariat and of the Technical Assistance Board, working in close collaboration.

256. As a major element of economic development, the problem of industrialization has been approached

by the Commission from many different angles. Industrial development has been studied as a structural change in the economics of Latin America, related to the need for employing a growing labour force in more highly productive activities. It has also been viewed in reference to the policy of import substitution which has been found to be essential in most cases, to maintain long-term balance-of-payments equilibrium.

257. Certain industries utilizing important domestic resources, frequently involving highly developed technologies and considered basic for programmes aimed at saving foreign exchange, have been the object of special studies and meetings. The experience of countries both outside and within Latin America has been brought to bear on the problems involved. So far, with the co-operation of United Nations Headquarters, the Economic Commission for Europe (ECE), and the specialized agencies, comprehensive industrial studies have been undertaken relating to iron and steel, pulp and paper, and the transforming of iron and steel; similarly, work has been done on the development of energy resources, and has begun on other basic industries.

258. Agriculture, which still represents the principal means of livelihood for the population of Latin America, has been studied by the Commission in close co-operation with the Food and Agriculture Organization of the United Nations (FAO). The process of development is characterized by a decrease in employment of labour in agriculture, in relation to other activities; the Commission has therefore emphasized the need for attention to be paid to raising the productivity of land and of rural workers commensurate with the growth of industrialization.

259. The relatively recent but none the less fairly intensive concern shown in Latin America for economic development and programme formulation has revealed that there is a serious shortage of economists with adequate professional training. The Commission, while recognizing that this is a long-range question which is chiefly the responsibility of the national and international educational authorities, nevertheless considered that some short-term solution should be attempted. It therefore initiated the annual training courses in economic development that have taken place over the last five years in collaboration with Technical Assistance Administration (TAA), with a view to training government officials and economists whose services can later be used in national agencies for economic development.

260. The Commission's work programmes centre fundamentally around the points just mentioned and therefore correspond to the basic principles and programmes on which the Economic and Social Council's activities are based; they are directed towards the adoption by member Governments, individually or through international co-operation, of measures of economic and social policy which will lead to a permanent improvement in the standards of living of the under-developed countries.

**MEASURES TAKEN BY THE COMMISSION AND THE SECRETARIAT TO ACHIEVE CONCENTRATION AND CO-ORDINATION**

261. In the previous section a brief description was given of those aspects of the work on which the Commission's activity has been concentrated since it was created. From this it may be appreciated that the course followed has coincided in general terms with that suggested by the Economic and Social Council, particularly in relation to problems affecting the economically under-developed countries. The Commission has always followed closely the resolutions adopted by the Council, and this is recorded specifically in its annual reports and in the work programmes approved by the Commission at its annual sessions.

262. Of particular importance for co-ordination purposes are the periodic meetings of the Executive Secretaries of the regional commissions with the Under-Secretary for Economic and Social Affairs. These meetings provide the secretariat with important opportunities for a better concentration of effort and an improved co-ordination of activities.

263. The Commission has maintained close contacts with the other regional commissions and when it has studied subjects which may be of interest to another Commission, not only has information been exchanged, but the subject has been dealt with in conjunction with such Commission, as in the case of trade between Latin America and Europe; this was the subject of a study by the secretariats of ECLA and the Economic Commission for Europe, in co-operation with FAO.

264. Following the recommendations of the Economic and Social Council and of other United Nations organs for achieving closer integration and co-ordination, action is being taken as indicated below to improve effectiveness of co-operation between Headquarters and regional secretariats.

265. Research plans, especially regarding subjects which are of both world and regional interest, will from time to time be reviewed by Headquarters with the regional offices, with a view to determining the respective parts to be played by various offices in the analysis of such subjects. Improvements have been planned regarding exchange of research memoranda for comments and utilization of information gathered in the course of field trips. It is believed that these arrangements will result in better use of available material and co-ordination of the direction of research at the various offices.

266. It should be noted that the Council's resolution 622 A (XXII), which provides for the establishment of statistical advisory services, will involve the stationing of senior statisticians from Headquarters at the Economic Commission for Asia and the Far East (ECAFE) and ECLA secretariats. This will, it is believed, serve to strengthen co-operation and co-ordination in statistical work at Headquarters and in the regions concerned, as it has already done in the case of ECE, where a similar arrangement was introduced several years ago.

267. The establishment of the programme on industrialization and productivity has been followed, by detailed consultations at the working level as a result of which a number of arrangements have been made for the co-operation of the regional secretariats in projects developed at Headquarters and vice versa.

268. In accordance with article 8 of its terms of reference, the Commission has not only sought to co-ordinate its activities with those of other organs of the United Nations, but has adopted the necessary measures to ensure such co-ordination with the competent organs of the inter-American system.

269. The Commission has been in constant touch with the Inter-American Economic and Social Council, and delegates from this organ have attended all of ECLA's annual meetings.

270. Since its creation, the Commission has been constantly concerned to ensure co-ordination between the work of the secretariat and that of the Inter-American Council. In 1951 a co-ordination committee was set up, with representatives of both secretariats, which meets periodically to examine the work programmes laid down for them and to reach agreement on co-operation and co-ordination of their work.

**CHANGES IN THE PROGRAMME OF WORK AND PRIORITIES AT THE COMMISSION'S SEVENTH SESSION**

*Criteria adopted by the Commission for the revision of its programme of work and priorities in compliance with Council resolution 630 A.1 (XXII)*

271. Before considering the revision of the projects in its work programme the Commission, on the advice of the Executive Secretary (E/CN.12/441/Add.2) decided to adopt general criteria for programme review as the best method of implementing Council resolution 630 A.1 (XXII).

272. The Commission, after extensive debate, adopted the following criteria:

(i) In general, projects should be of regional importance or at least of importance to a number of countries in the region. This does not, of course, preclude case studies in particular countries, which have often proved to be an essential preparation for regional studies, or certain studies and activities of wider geographic scope (e.g., on international trade), or advisory services rendered by the regional secretariats to Governments on request, within the scope of their respective terms of reference, provided that such services do not imply duplication of those rendered by the specialized agencies of TAA;

(ii) There should be increased concentration on broader and continuing problems of major or longer-term importance, and on projects which promise practical results in the not too distant future;

(iii) In order to carry out more effectively the general work designed to facilitate the formulation of a development policy, the secretariat may undertake

economic studies, supplementing them when necessary with the related technological studies on the sectorial activities that are considered necessary for applying and implementing this policy.

*Changes in the programme of work and priorities adopted at the Commission's seventh session*

278. A detailed statement of the changes in the programme of work is given below.

*Projects entirely or substantially completed*

274. The following studies or reports, numbered in accordance with the annotated list of projects in the last Annual Report (E/2888/Rev.1)<sup>46</sup> have been entirely or substantially completed :

8. *General problems of economic development and technique of programming* — resolutions 48 (V) and 81 (VI).

(i) Analysis and projections of economic growth in individual countries — resolution 48 (V).

The country studies on Argentina, Bolivia, Brazil, Colombia, Ecuador and Mexico have been completed. Work is in progress on Haiti and Central America.

(iv) Study of organization and administrative procedures for the planning and execution of economic development programmes — resolution 81 (VI).

The provisional text of this study has been presented to the seventh session.

(vi) Study of demographic growth and manpower requirements in relation to economic development — resolution 83 (VI).

The provisional text of this study has been presented to the seventh session.

4. *Economic integration and reciprocity in Central America* — resolutions 24 (IV), 55 (V), 84 (VI) and 27 (CCE).

The fourth meeting of the Central American Economic Cooperation Committee was held in February 1957. The fifth meeting is to be held in the first quarter of 1958.

(i) Industrial and agricultural studies — resolutions 2 (AC.17), 1 (CCE), 2 (CCE), 8 (CCE), 14 (CCE), 20 (CCE), 26 (CCE) and 28 (CCE).

The report on the Central American Economic Integration Programme (E/CN.12/422) has been published.

A draft agreement has been approved by the Committee for signature by the Governments, concerning the establishment of a uniform law for regional integration industries (annex to resolution 39 (CCE)) (see document E/CN.12/431, annex II).

A preliminary survey of the textile industry in Central America has been completed.

Studies on location, type of plant and forestry aspects in pulp and paper industrial development have been substantially completed.

The report on marketing and trade in livestock and dairy products was substantially advanced.

(iii) Transport — resolutions 4 (AC.17), 21 (AC.17), 18 (CCE) and 19 (CCE).

Draft manual on road signs and signals prepared and approved by the Committee for adoption by Governments.

Draft standard maritime and port legislation substantially completed.

Central American regional agreement on the temporary importation of motor vehicles signed by Governments concerned on 8 November 1956.

(iv) Central American Trade Sub-Committee — resolutions 9 (AC.17), 18 (AC.17), 19 (AC.17), 4 (CCE), 7 (CCE), 11 (CCE), 22 (CCE), 28 (CCE) and 24 (CCE).

Draft multilateral free trade agreement approved by Committee for signature by Governments.

Work on comparative tariff levels substantially completed for submission to Trade Sub-Committee.

Draft Central American customs code completed.

Report on adoption of standard weights and measures substantially advanced.

Survey of cotton production problems substantially completed.

(v) Statistical Co-ordination Sub-Committee — resolutions 20 (AC.17), 3 (CCE) and 21 (CCE).

Central American statistical digest completed and ready for publication.

Pilot study on road traffic statistics completed.

(vi) Financing of economic development — resolutions 10 (AC.17) and 22 (AC.17).

Report on taxation policy and economic development in Central America completed (E/CN.12/CCE.66).

(vii) Electric energy — resolutions 8 (AC.17) and 25 (CCE).

Report on electric power in Central America completed.

8. *Preliminary survey of organization and structure of capital markets in Latin America* — resolution 3 (IV).

A study on the financing of industry in Mexico is in progress and will be completed before the end of 1957.

14. *Selective expansion of agricultural production and co-ordination of programmes between countries* — resolutions 87 (VI) and 88 (VI).

This report has been published in a printed edition and presented to the seventh session.

26. *Iron and steel making and transforming industries* — resolutions 10 (IV), 57 (V) and 96 (VI).

(i) Study on iron and steel transforming industries in individual countries.

Studies prepared for the meeting of experts held in São Paulo in 1956 have been completed and will be available in the near future in a printed edition.

(ii) Meeting of experts on iron and steel making and steel transforming industries to be held in São Paulo, Brazil, in 1956.

The report of this meeting is presented in the printed document *Problemas de la industria siderúrgica y de transformación de hierro y acero en América Latina* (E/CN.12/425), United Nations publication, Sales No.: 1957.II.G.6, vol. I.

20. *Development of energy resources* — resolutions 99 (VI) and 100 (VI).

(i) Revision of the provisional study, "Production and utilization of energy in Latin America — its possibilities and problems" (E/CN.12/384).

The printed report was presented to the seventh session (E/CN.12/384/Rev.1, United Nations publication, Sales No.: 1957.II.G.2).

<sup>46</sup> See *Official Records of the Economic and Social Council, twenty-second session, Supplement No. 10*, pp. 12-14.

37. *Foreign Trade Committee* — resolution 101 (VI).

The following studies have been completed and presented to the Trade Committee and to the seventh session.

*Study of Inter-Latin American trade* (E/CN.12/360/Rev.1), United Nations publication, Sales No.: 1956.II.G.3.

*Inter-Latin American Trade: Current Problems* (E/CN.12/423, United Nations publication, Sales No.: 1957.II.G.5.)

The first part includes the report of the first session of the ECLA Trade Committee.

*Projects eliminated*

275. It was agreed to eliminate the following projects:

4. *Economic integration and reciprocity in Central America* — resolutions 24 (IV), 50 (V), 84 (VI), 27 (CCE) and 37 (CCE).

(ii) *Research and training institutes* — resolutions 6 (AC.17), 28 (AC.17), 5 (CCE), 6 (CCE) and 31 (CCE).

The project on the Central American Advanced School of Industrial Engineering and Management has been eliminated from the integration programme as exceeding its direct objectives.

9. *Study of technical, economic and social factors affecting productivity in the Latin American economy* — resolution 86 (VI).

It is recommended that this project be eliminated from the work programme since the work on factors affecting productivity is being carried out in other studies of the secretariat, especially on agriculture, industry, energy and social factors of economic development.

11. *Relation of migration to economic development* — resolution 6 (IV).

It was originally intended to make an intensive study based on field research in a selected area in process of rapid economic growth, with particular reference to its capacity for the absorption of immigrants, especially from foreign countries. However, there does not seem to be any prospect of carrying out this project within the next few years. Moreover, this study might be undertaken by the Regional Centre for Demographic Research and Training, with the co-operation of the ECLA secretariat, as soon as the Centre is in full operation (see document E/CN.12/AC.34/7).

12. *Influence of taxation on private capital exports* — resolutions 8 (IV) and 52 (V).

The study of this subject is being continued, under the terms of the General Assembly resolution 825 (IX), by the Department of Economic and Social Affairs at U.N. Headquarters.

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

Instead of a special study, the problem of cyclical fluctuations should be an integral part of the various studies on trade, inflation and other internal factors which influence the rate of economic growth.

20. *Preliminary study for establishment of a programme of research in the Amazon area* — resolution 93 (VI).

It is suggested that this study, because of its special nature, might be referred to UNESCO for implementation.

21. *Agricultural credit* — resolutions 14 (IV) and 65 (V).

FAO has a continuous programme of work in this field, and has consulted the secretariat concerning assistance which ECLA may give to this work.

22. *Factors affecting agricultural production* — resolution 61 (V).

The objectives of this project are largely covered by projects 14 to 19.

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

The secretariat has no special facilities for this project and in view of the work being done by the Inter-American Statistical Institute (IASI) and FAO it is suggested that the project be deleted from the work programme.

24. *Study of economic and technological problems of the banana industry* — resolutions 65 (V) and 94 (VI).

It has been agreed with FAO and IA-ECOSOC that special studies of this commodity should be made by the latter organization.

25. *Study of production, industrialization and export markets of hard fibres* — resolution 68 (V).

FAO has already prepared a study of hard fibres and is continuing its interest in this subject.

29. *Development of energy resources* — resolutions 99 (VI) and 100 (VI).

(ii) The secretariat has continued the compilation and analysis of statistical data on energy. Most of this information appears in chapter VI of the *Economic Survey of Latin America, 1955* (E/CN.12/421).<sup>47</sup>

32. *Mining* — resolution 57 (V).

Compilation of data on estimated reserves of non-ferrous ores and metals, and study of economic and technical problems related to mining. Estimated duration of the work: two years.

In view of the limited resources of the secretariat and the priority assigned to the project for a Special Meeting on the Mining Industry to be undertaken in pursuance of resolution 129 (VII), this project has been eliminated.

38. *Collection and classification of data available on non-agricultural resources in Latin America* — resolution 60 (V).

The secretariat considers that the funds and staff required to carry out a detailed natural resource inventory are too great for it to undertake such a project. On the other hand, partial information on non-agricultural resources is being collected for use in the secretariat's studies of energy and water resources development.

34. *Studies of possibilities of establishing processing industries utilizing domestically-produced raw materials* — resolutions 46 (V) and 94 (VI).

It is suggested that a special study is not required, since this subject is included in the studies of economic development in individual countries as well as in the general industries studies.

<sup>47</sup> United Nations publication, Sales No.: 1956.II.G.1.

35. *Food-processing industries* — resolutions 10 (IV) and 94 (VI).

These industries are also included in the country studies and general industry studies, and therefore require no special treatment.

41. *Collection and circulation of information on changes in customs duties and trade treaties of Latin American countries* — resolution 103 (VI).

The secretariat will continue to collect information on customs duties and trade treaties for use in its analysis of inter-Latin American trade, but there is no prospect that within its present staff resources it could collect and circulate full information on customs duties and trade treaties of the individual Latin American countries.

#### *Changes in priorities : projects assigned lower priority*

276. In view of the work accomplished thus far on certain projects of high priority and bearing in mind that further work may be either incorporated in other high priority projects or require additional experience within the next few years, it was decided to place such projects in category three for the time being. Accordingly the following projects have been assigned lower priority :

3. (iv) Study of organization and administrative procedures for the planning and execution of economic development programmes — resolution 81 (VI).
- (vi) Study of demographic growth and manpower requirements in relation to economic development — resolution 83 (VI).
7. Meeting of Experts on Problems of Economic Growth and the Technique of Programming — resolution 48 (V)
8. Preliminary survey of organization and structure of capital market in Latin America — resolution 86 (VI).
14. Selective expansion of agricultural production and co-ordination of programmes between countries — resolutions 87 (VI) and 88 (VI).

#### *New projects <sup>48</sup>*

17. *Study of Latin-American timber production and consumption trends and prospects* — resolution 133 (VII) (*Ad hoc* project of high priority).
19. *Measures for improving the conditions of uneconomic farms* — resolution 135 (VII) (Other projects — low priority).
3. (vi) *Advice in the preparation and evaluation of projects* — resolution 137 (VII) (Project of high priority).  
This is a new aspect of project 3, Economic Development and the Technique of Programming.
25. *Special meeting on the mining industry* — resolution 129 (VII) (*ad hoc* project of high priority).
27. *Utilization of international rivers and lakes* — resolution 131 (VII). (Other projects — low priority).

In Section V. International trade, new aspects of the Trade Committee, projects have been added in implementation of the Committee's resolutions approved at the seventh session — resolutions 115 (VII) to 122 (VII).

<sup>48</sup> Numbers refer to the Annotated List of Projects for 1957-58 in document E/2998 (see page 45).

38. *Co-operation in the Technical Assistance Programme* — decision of the General Assembly at its tenth session, Committee of the Whole resolution 110 (AC.34).

Although these activities have been under way for a year, they have only now been defined as a separate project.

As a result of all these changes, the number of projects in the current programme of work has been reduced in relation to the programme for 1956-1957 by eight, from 41 to 33.

#### **Implementation of the work programme**

277. As in the past, the Commission authorized the Executive Secretary, in dealing with the work projects, to convene, within available resources, such conferences, expert working parties, meetings or panels of specialists as he might deem necessary, provided that prior approval had been obtained from the Governments concerned and appropriate consultations with specialized agencies had taken place.

278. It was appreciated that while it is desirable to have as firm a programme as possible, unforeseeable factors may later make it necessary to alter or abandon certain projects or establish different priorities. For this reason, the Commission, as in the past, left it to the discretion of the Executive Secretary to modify or defer projects, or establish different priorities, should unforeseen developments make this necessary in his opinion, provided such alterations would remain within the framework of the approved programme.

279. The Commission noted the statement of the Executive Secretary that the resources of the secretariat would remain during 1958 at approximately the level approved for 1957 by the General Assembly at its eleventh session and that the present work programme could be implemented or significantly advanced within the staff resources available to it during the period 1957-58. The Commission felt that having regard to the increase in regular budget appropriations approved by the General Assembly for 1957 as well as the adjustments made in the work programme for achieving greater concentration of effort, the relation between the work programme and the secretariat staff resources was now more satisfactory. The Commission was aware that two projects, i.e., the study of Latin American timber production and consumption trends and prospects, and the special meeting on the mining industry, would require additional resources in 1959 and 1960 (see Statement by the Executive Secretary on the Financial Implications of the Programme of Work).<sup>49</sup>

#### **Explanatory notes**

280. The programme of work is divided into five broad sections, namely :

Section I : Current economic situation,

Section II : Economic growth and technique of programming,

<sup>49</sup> Paras. 288-291.

Section III : Economic problems of agriculture (projects undertaken with the collaboration of FAO),  
Section IV : Industry, mining and energy, and  
Section V : International trade

281. The last project, "Co-operation in the programme of TAA", covers various fields of activity and is therefore included at the end of the programme, separately from the broad sections.

282. It has not been found practicable or useful to attempt a determination of priorities as between these broad sections.

283. Within each broad section projects are listed in accordance with Economic and Social Council resolution 402 B (XIII) in three groups, as follows :

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

284. This group consists of projects and activities in which the responsibility of the Commission and its secretariat, pursuant to the Commission's terms of reference and resolutions, is of a continuing character. The studies and reports it contemplates are to be presented from time to time. Each study may differ from and supplement the others in scope (country coverage), substance (different aspects of major problems), and time (developments during a given period).

(b) *Ad hoc projects of high priority*

285. This group consists of non-recurrent projects, for which an approximate duration can be estimated. It includes projects outside the broad scope of the continuing projects (group (a)) as well as occasional topics within the scope of such continuing projects.

(c) *Other projects*

286. This group consists of projects which, in view of staff and budget limitations, will have to be deferred for the present and probably cannot be undertaken in 1957 or 1958.

287. The criteria used in proposing the distribution of projects in the above three groups include, among other factors, an estimate of the basic importance of each project concerned, as well as an estimate of the most effective way to utilize available resources. No relative priorities are assigned to projects within groups (a) and (b) or between these two groups.

## ANNOTATED LIST OF PROJECTS

*Projects are consecutively numbered with arabic numerals. For specific aspects of major projects roman numerals in parentheses [(i), (ii), (iii), etc.] are used. The notes on the projects are given to identify them, but the pertinent resolutions of the Commission or its subsidiary bodies are the official guide to their full and real scope.*

*The resolutions of the Economic Commission for Latin America are identified by an arabic numeral indicating the serial number, followed by a roman numeral, in parentheses, indicating the session at which they were adopted.*

*The resolutions of the Committee of the Whole are identified by an arabic numeral indicating the serial number, followed by the appropriate Committee symbol, in parentheses.*

*The resolutions of the Central American Economic Co-operation Committee are identified by an arabic numeral followed by the symbol "CCE" in parentheses.*

*The resolutions of the Trade Committee are shown by arabic numeral followed by a roman numeral in parentheses indicating the session at which they were adopted.*

## SECTION I. CURRENT ECONOMIC SITUATION

(a) Continuing projects and activities of high priority.

1. *Economic Survey of Latin America* — resolutions 44 (V) and 79 (VI) — published annually.
2. *Economic Bulletin for Latin America* — resolutions 82 (IV) and 79 (VI) — published twice yearly.

## SECTION II. ECONOMIC GROWTH AND TECHNIQUE OF PROGRAMMING

(a) Continuing projects and activities of high priority.

3. *General problems of economic development and technique of programming* — resolutions 48 (V), 81 (VI), 132 (VII) and 137 (VII).
  - (i) Analysis and projections of economic growth in individual countries — resolution 48 (V).

The studies on Ecuador, Brazil and Colombia have been completed and published. The technique described in *An introduction to the technique of programming (E/CN.12/368)*<sup>50</sup> was applied in the last two. The study on Mexico, in which the technique of projections was used, and that on Bolivia, will be revised and published. At the request of and in collaboration with the Bolivian Government, the possibilities for the practical application of the latter study will be examined. The study on Argentina will be concluded in the near future.

A study has been initiated on the integrated development of the five Central American economies, in collaboration with working groups appointed by the corresponding Governments. At the request of the Governments of Panama and Haiti, the analyses of the economic growth of those countries will be undertaken.

(ii) General studies on economic growth

According to resolution 132 (Import substitution), a special analysis will be made of the priorities to be assigned for import substitution. These analyses will be conducted in connexion with the problems of the external vulnerability of under-developed economies and of the balance between agricultural and industrial development.

(iii) Analyses and projections of economic growth for the region as a whole, taking into account the possibilities of complementary development — resolution 81 (VI).

Work on this study will not begin before other country studies and studies on regions within the area have been completed, since much of the material for a general regional study must be extracted from the analyses and projections of economic growth in individual countries or groups of coun-

<sup>50</sup> United Nations publication, Sales No.: 1955.II.G.2.

tries. Moreover, this study will be closely connected with, and will serve as a basis for, the project on Latin American regional markets.

(iv) Study of monetary and fiscal policies for economic development — resolution 81 (VI).

Analysis of government income and expenditure, taxation and other sources of revenue and the influence of the Government's fiscal, credit, trade and exchange policy upon consumption and investment in the different economic sectors. A preliminary study on this subject was included in the *Economic Survey of Latin America, 1955* (E/CN.12/421). Work will proceed on the preparation of a report on the basic elements of the fiscal and monetary policies required for economic development.

(v) Study of social factors affecting economic development — resolutions 82 (VI) and 124 (VII).

Resolution 82 (VI) and resolution 124 (VII) request the continuation of the work on the social aspects of economic development and also that the secretariat should provide Governments with assistance in the preparation of guiding principles or outlines for research in this field.

The work described in the resolutions in question is being actively carried out by the Division established within the secretariat to deal with the social aspects of economic development.

(vi) Guidance in the preparation and evaluation of projects — resolution 137 (VII).

According to resolution 125 (VII) the secretariat, with the co-operation of the Technical Assistance Administration and/or the specialized agencies concerned, whenever necessary, should collaborate with the Government, at their request, in the preparation and economic evaluation of economic development projects.

4. *Economic integration in Central America* — resolutions 24 (IV), 55 (V), 84 (VI), 27 (CCE) and 128 (VII).

The activities of the Central American Economic Co-operation Committee and its subsidiary organs will continue to develop according to the resolutions adopted by that Committee and by the Commission. The secretariat prepares some studies and collaborates in others which the Committee assigned to experts of the Expanded Technical Assistance Programme (TAA, FAO, ILO, UNESCO), in response to requests made by the Central American Governments.

The fifth session of the Committee will be held during the first quarter of 1958. During 1957 and 1958, moreover, meetings of its subsidiary organs and *ad hoc* meetings of Central American experts on specialized subjects will be held.

(i) Central American trade — resolutions 9 (AC.17), 18 (AC.17), 19 (AC.17), 4 (CCE), 7 (CCE), 11 (CCE), 22 (CCE), 23 (CCE), 24 (CCE) and 37 (CCE).

In resolution 37 (CCE), the Committee adopted a draft multilateral free trade and economic integration treaty to be signed by the Governments members of the Committee. A period of six months was fixed in which member Governments may express their views on the provisional lists of commodities to be included. The secretariat has

prepared the background material for a study on tariff levelling to be implemented by the Central American Trade Sub-Committee. A TAA expert is working with the Sub-Committee on the procedural aspects of the negotiations for tariff levelling.

The Sub-Committee will also consider a draft standard customs code prepared by a TAA expert. Another TAA expert is studying a plan for the adoption of standard weights and measures and the effective application of the metric system.

(ii) Industrial and agricultural studies — resolutions 2 (AC.17), 3 (AC.17), 1 (CCE), 2 (CCE), 8 (CCE), 14 (CCE), 20 (CCE), 25 (CCE), 26 (CCE), 27 (CCE), 28 (CCE), 38 (CCE), 39 (CCE), 40 (CCE), 41 (CCE), 48 (CCE) and 49 (CCE).

In accordance with resolution 38 (CCE), the Committee adopted a draft agreement on Central American integration industries to be signed by its member Governments. TAA and FAO experts requested by the Committee continue to explore the possibilities of integrated industrial development in regard to the pulp and paper and forest industries, cotton and rayon textiles, livestock and dairy products, fisheries products and electric energy. The secretariat is responsible for preparing, with the aid of the experts and the Central American Research Institute for Industry, basic material on other industrial possibilities, to be considered by the Central American Industrial Initiatives Commission, in which private enterprise participates. A Working Group of the Central American Industrial Initiatives Commission will hold a special meeting to consider the integration problems of the textile industry on the basis of the report prepared by a TAA expert. FAO experts continue to work on the projects for the establishment of a pulp and paper factory at Olancho (Honduras).

A Central American meeting of electric power officials will be held to consider a report prepared by a TAA expert concerning the development of electricity in Central America.

The secretariat, in conjunction with FAO experts, will continue to prepare studies on the problems of the integrated agricultural development of Central America, with particular emphasis on grain supplies, exchange of information on exportable surpluses, marketing of livestock products, cotton production and fisheries development.

The secretariat will collaborate with the Industrial Resources Division of the United Nations Bureau of Economic Affairs on a study of the criteria determining the optimum size of industrial plants in Central America.

(iii) Transport — resolutions 4 (AC.17), 21 (AC.17), 18 (CCE), 19 (CCE), 42 (CCE), 43 (CCE), 44 (CCE), 45 (CCE) and 46 (CCE).

The secretariat will continue to collaborate with TAA experts in organizing meetings of Central American authorities on road traffic and of working groups to consider the following matters: maritime and port legislation, international road transport services and regional road planning. The background documents will be prepared by the TAA experts requested by the Committee. An expert will also work with national traffic authorities on the implementation of the manual on standard road signs and signals approved by the Committee. The

secretariat is bringing up to date the study on Central American transport problems prepared in 1953.

- (iv) Statistics — resolutions 20 (AC.17), 3 (CCE), 21 (CCE) and 47 (CCE).

The Statistical Co-ordination Sub-Committee will hold its fourth session during the first quarter of 1958. In co-operation with the United Nations Statistical Office, the Inter-American Statistical Institute and FAO, the secretariat will continue to carry out preparatory work for this Sub-Committee. In 1957 the Central American Statistical Digest approved by the Sub-Committee at its third session will be published.

- (v) Financing of economic development — resolutions 10 (AC.17), 22 (AC.17) and 50 (CCE).

As a result of the study on taxation policy and economic development in Central America, carried out jointly by the secretariat and the Fiscal and Financial Branch of the United Nations Department of Economic Affairs (E/CN.12/CCE/66), the Committee requested that work should continue on taxation and public finance problems in Central America, particularly in relation to economic development and the economic integration programme.

- (vi) Social problems — resolutions 27 (CCE) and 51 (CCE).

A TAA expert, with secretariat collaboration, will prepare the study requested by the Committee on the demographic problems of Central America as related to economic development and integration problems. A staff member of the Bureau of Social Affairs, outposted to the Mexico Office, will begin to survey the social aspects of economic development in Central America. In accordance with resolution 51 (CCE), the Committee will sponsor a seminar on housing problems in Central America and Panama. The secretariat will collaborate with the Bureau of Social Affairs, which is to be in charge of the substantive aspects, in the preparation of this seminar which will be held late in 1957.

- (vii) Research and training institutes — resolutions 6 (AC.17), 23 (AC.12), 5 (CCE), 6 (CCE), 31 (CCE), 52 (CCE) and 53 (CCE).

The secretariat will continue to maintain liaison with the Advanced School of Public Administration and with the Central American Research Institute for Industry on all matters in their work programme that may relate to Central American Economic Integration. Both institutions have been established and financed by the Central American Governments, mainly with the collaboration and financial assistance of TAA and, in some aspects, of the ILO and UNESCO.

5. *Joint ECLA/TAA economic development training programme* — resolutions 4 (IV), 48 (V) and 85 (VI).

This is a continuation of the training programme under which groups of selected Latin American economists work with ECLA economists on practical and theoretical problems of development and programming. In resolution 85 (VI) the Commission calls for an expansion of this programme with the co-operation of member Governments. The regular course given at ECLA Headquarters began in May 1957 and was attended by fourteen fellowship-holders. An intensive course for Brazilian

economists, on the same basis as in 1956, will be held at Rio de Janeiro from September to December 1957. Another will be inaugurated in Caracas (Venezuela) at about the same time.

The manual on Development Projects (E/CN.12/426 and Add.1) was finished and presented to the seventh session. It will be revised for publication.

6. *Study of transport problems* — resolutions 38 (AC.16), 69 (V) and 120 (VII).

Transport problems and the obstacles to economic development which they constitute are being dealt with in the Central American Integration Programme and in studies on the economic development of individual countries.

The Transport Section of the secretariat is mainly concerned with transport problems and requirements in relation both to economic development in individual countries and to inter-Latin American trade.

- (c) Other projects

7. *Study of public administration in relation to economic development* — resolutions 81 (VI) and 137 (VII).

The study presented to the seventh session will be completed for publication. Further research, in collaboration with the Public Administration Division of TAA, will be contingent upon the discussions to be held with that Division.

8. *Studies of demographic growth and manpower requirements in relation to economic development* — resolution 88 (VI).

A long preliminary report has been presented to the seventh session. The secretariat intends to continue its research in this field in relation to other studies on economic development.

9. *Meeting of experts on problems of economic growth and the technique of programming* — resolution 48 (V).

It is anticipated that the meeting referred to in resolution 48 (V) will not be held before 1959. Meanwhile, the secretariat is co-operating with the International Economic Association regarding the meeting on economic development to be held at Rio de Janeiro.

10. *Preliminary survey of organization and structure of capital markets in Latin America* — resolution 8 (IV).

The United Nations Department of Economic Affairs is conducting a survey on the financing of industry in Mexico which will be completed at the end of 1957.

The project outlined in resolution 3 (IV) has been set aside as a separate study, with low priority, because the main aspects of the problem will be included in the analyses of fiscal and monetary policies.

11. *Study of technical research and training in Latin America* — resolutions 13 (IV) and 53 (V).

This project would require substantial financial resources and technical staff not available to the secretariat at present. It is suggested that at a future date this project might be carried out in collaboration with TAA and the specialized agencies.

SECTION III. ECONOMIC PROBLEMS OF AGRICULTURE  
(PROJECTS UNDERTAKEN WITH THE COLLABORATION OF FAO)

(a) Continuing projects and activities of high priority

12. *Agricultural development, programming in individual countries and technique of agricultural programming* — resolutions 63 (V) and 89 (VI).

This project is being carried out in part through the studies of economic development in individual countries. The secretariats of ECLA and FAO have held consultations concerning the joint preparation of a manual on agricultural programming and it is expected that work on such a manual may be initiated in 1958.

13. *Study of productivity of labour and of capital in agricultural production* — resolution 87 (VI) and 134 (VII).

A general study was presented in the *Economic Survey* (E/CN.12/427 and Corr.1 Add.1) for 1956. This problem is also dealt with in the individual country studies and in the coffee study. Resolution 136 (VII) provides for the continuation of this type of general study and also assistance to Governments, at their request, to enable them to carry out their own productivity surveys.

(b) *Ad hoc* projects of high priority

14. *Study of productivity and costs of coffee production in relation to economic development* — resolutions 63 (V), 90 (VI) and 136 (VII).

The study on El Salvador has been completed and a report was presented to the seventh session. Field work in Colombia has been completed and the analysis and drafting of the report is now in progress. Resolution 136 (VII) provides for further studies of coffee production if the Governments so request. However, the resolution recommends that, if a sufficient number of countries wish to carry out studies of productivity and trends of production, a training centre be established in one of the countries for the purpose of training experts in the coffee producing countries in methodology so that these countries might themselves undertake their own coffee studies. Such a centre could be provided if requested by Governments through the FAO technical assistance programme.

15. *Study of factors affecting development of livestock industry in Latin America* — resolution 91 (VI).

Work on this project has recently been initiated. It is planned first to make a general survey of the existing information and problems of the livestock industry in a number of Latin American countries. On the basis of this general survey more detailed studies of the most urgent problems may then be undertaken.

16. *Study of possibilities of increasing investment in agriculture* — resolution 92 (VI).

Although this is one of the most important projects in connexion with the economic problems of agriculture, the secretariats of ECLA and FAO have not yet begun work on it owing to lack of resources. The work may be undertaken in 1958.

17. *Study of Latin American timber production and consumption trends and prospects* — resolution 133 (VII).

This study calls for an over-all survey of timber resources and the economic possibilities of their development with particular reference to providing raw material for the wood working industries.<sup>61</sup> It is expected that work on this project will be begun in 1959 and completed by the end of 1960.

(c) Other projects

18. *Selective expansion of agricultural production and co-ordination of programmes between countries* — resolutions 87 (VI) and 88 (VI).

A report on this project was submitted to the seventh session. The secretariats of ECLA and FAO do not anticipate doing any further work on this project in 1957/58 although certain aspects may be dealt with in other studies.

19. *Measures for improving the conditions of uneconomic farms* — resolution 135 (VII).

This resolution calls for guidance and assistance to Governments, at their request, in improving the economic conditions under which such farms operate.

SECTION IV. INDUSTRY, MINING AND ENERGY

(a) Continuing projects and activities of high priority

20. *Iron and steel making and transforming industries* — resolutions 10 (IV), 57 (V), 96 (VI) and 127 (VII).

Under the terms of resolution 127 (VII), the studies proposed at the Latin American Meeting of Experts on the Iron and Steel Making and Transforming Industries, and listed in the resolution, will be carried out, so far as available resources permit and in collaboration with the TAA.

21. *Study of chemical industries* — resolutions 59 (V) and 97 (VI).

The secretariat expects to initiate work on this project late in 1957. Because of its importance for the regional market it is proposed to make a general survey of economic and market conditions for the development of the petro-chemical industries.

22. *Joint FAO/TAA/ECLA Expert Advisory Group to assist countries in the development of the pulp and paper industries* — resolutions 58 (V), 98 (VI) and 128 (VII).

After completing its work in Argentina and Chile, the Advisory Group will extend its activities to Peru, Mexico and Cuba, and, in accordance with resolution 128 (VII), it will prepare standard budgets for investment in pulp and paper mills and evaluate the possibilities of purchasing and manufacturing machinery for such mills.

23. *Development of energy resources* — resolutions 99 (VI), 100 (VI), 130 (VII).

(i) Evaluation of hydroelectric resources in specific regions in order to determine potential and optimum utilization. In accordance with the relevant resolution, this work will be carried out in co-operation with the competent government agencies, TAA and the World Meteorological Organization (WMO).

<sup>61</sup> Similar studies have been carried out in Europe by ECE and FAO and another is being carried out in Asia by ECAFE and FAO.

(ii) Proposed field surveys, by teams of experts provided by TAA, on the efficacy of the production and utilization of the various forms of energy in the more important economic activities in selected countries.

(iii) According to resolution 130 (VII), the secretariat, in co-ordination with the United Nations Department of Economic and Social Affairs, will keep the Governments informed of all economic aspects of atomic energy which are of special interest for the Latin American countries.

24. *Preliminary examination, based on existing information, of multiple water resources utilization in Latin America* — resolution 99 (VI).

Work on this project, in co-operation with TAA and WMO, has been started in Chile. It is envisaged that the work in Chile will be completed in the near future, after which the group of experts will go to Colombia to initiate a survey in that country.

(b) *Ad hoc* projects of high priority

25. *Special Meeting on the Mining Industry* — resolution 129 (VII).

In accordance with resolution 129 (VII), the secretariat intends to make arrangements to sponsor, in conjunction with TAA, a special meeting on Latin America's mining industry to be held in 1959 or 1960.

26. *Meeting of experts on problems of energy development* — resolution 99 (VI).

A meeting of a small group of experts may be held in 1959 provided that the work of the secretariat on this field is sufficiently advanced and the co-operation of other agencies is enlisted. This meeting may also cover problems of electric power tariff rates in relation to economic development.

(c) Other projects

27. *Utilization of international rivers and lakes* — resolution 131 (VII).

The secretariat, in compliance with resolution 131 (VII), will approach the Governments which utilize rivers and lakes in international hydrographic basins so that their utilization may be adequately planned by international technical commissions.

28. *Textile industry* — resolution 11 (IV).

The secretariat continues to follow up developments in this industry in connexion with its country studies and also for publication in the *Economic Survey of Latin America*.

SECTION V. INTERNATIONAL TRADE

(a) Continuing projects and activities of high priority

29. *Inter-Latin American Trade* — resolutions 101 (VI), 1 (I) to 4 (I) of the Trade Committee, and 115 (VII) to 122 (VII).

In accordance with resolution 101 (VI), the Trade Committee was established to deal with the preparation of specific arrangements, consistent with the bilateral and multilateral commitments of member Governments, for the solution of inter-Latin American problems, without detriment to the expansion of trade with other areas. It will also be incumbent

upon the Committee to prepare the background to facilitate trade negotiations.

Out of the first session of the Trade Committee, inaugurated at Santiago on 26 November 1956, emerged a working programme which was adopted by the Commission at its seventh session in the following form:

- (i) A gradual establishment of a multilateral payments system in Latin America — resolutions 1 (I) of the Trade Committee and 115 (VII).

The first meeting of the Central Banks Working Group, provided for by Trade Committee resolution 1 (I), was held at Montevideo (Uruguay) in April 1957. The secretariat prepared technical material for this meeting. The Working Group of Central Banks on a Multilateral Payments System prepared technical recommendations for the collection and distribution of information on bilateral balances among the Central Banks having compensation agreements; and suggested a standard payments agreement that could serve as a basis for renegotiation of bilateral agreements between the Latin American countries. It is expected that the second session of the Central Banks Working Group will be held in 1958.

- (ii) Inventory of existing industries — resolutions 2 (I) of the Trade Committee and 116 (VII).

The purpose of this study is to gather basic information for existing industries in relation to the possible creation of a regional market with special reference to those in which there is duplication of services, resulting in idle capacity and lower productivity.

- (iii) Possibility of creating a regional market — resolutions 2 (I) and 3 (I) of the Trade Committee and 116 (VII).

Under this project the secretariat is called upon to constitute a group of experts to study the possibilities of creating a regional market and, on the basis of such study, to make recommendations which are to be submitted to the Trade Committee. The secretariat has started the preparation of material for the first session of the Group of Experts which will be held in the second half of 1957.

- (iv) Trade in traditional products — Trade Committee resolution 4 (I) and resolution 119 (VII).

The secretariat is requested to continue its studies of trade in traditional commodities between the Latin American countries, especially from the point of view of existing structural disequilibrium in the trade of such commodities between the Latin American countries. Such reports are part of the regular work of the secretariat and will be published in the *Economic Survey*.

30. *Trade between Latin America and the rest of the world* — resolutions 45 (V), 102 (VI) and 121 (VII).

- (i) Possibility of expanding production of Latin American export commodities — resolution 45 (V).

- (ii) Study of future trends of demand for products exported by Latin America — resolutions 102 (VI) and 121 (VII).

The scope of this project has been redefined to include the possible impact on Latin American trade of the proposed establishment of a European common market and free trade area.

(iii) Study of changes in composition of Latin American imports from industrialized countries — resolution 45 (V).

81. *Studies of the terms of trade and their influence on the rate of economic development* — resolution 46 (V).

This topic is periodically discussed in the annual *Economic Survey of Latin America*.

(b) Other projects

82. *Study of multilateral trade and payments arrangements between Latin American and European countries* — resolution 47 (V).

The secretariat will continue to follow developments concerning these arrangements. This information may be included in the *Economic Survey of Latin America* or in the papers of the Trade Committee.

\* \* \*

88. *Co-operation in the technical assistance programme* — decision of the General Assembly at its tenth session, Committee of the Whole resolution 110 (AC.84).

Apart from co-operation with TAA on specific projects as indicated above, the secretariat is rendering assistance to the Latin America Office of TAA at various stages of the United Nations technical assistance programme.

**STATEMENT BY THE EXECUTIVE SECRETARY ON THE FINANCIAL IMPLICATIONS OF THE PROGRAMME OF WORK**

288. After a thorough examination of the work programme emerging from the decisions of the Commission at its seventh session, the Executive Secretary has come to the conclusion that the additional work involved can be performed within the present resources of the secretariat, as increased by the General Assembly at its last session.

289. In coming to this conclusion the Executive Secretary considered not only additional work involved in new projects or new aspects of current projects, but also studies and reports entirely or substantially completed since the Commission's last session, as well as the Commission's decision to delete a considerable number of projects and assign lower priority to a number of other projects.

290. However, the work programme for 1957-58 includes the following two new projects as a result of resolutions 138 (VII) and 129 (VII) respectively: (a) study of Latin American timber production and consumption trends and prospects (Project No. 17), and

(b) special meeting on the Mining Industry (Project No. 25), which are expected to be initiated in 1959 and completed in 1960. It cannot be expected that these two projects will be covered by the resources of the secretariat, if these resources continue in the years 1959/60 to maintain their present level, (a) because of the expected implications of other projects in the work programme, many of which will continue in the above period, and (b) because both the projects in question require highly specialized expertise which is not available within the secretariat.

291. Accordingly, the following estimates of cost above the present level of the annual ECLA appropriation are presented to the Commission before it approves the work programme in its entirety.

(1) *Study of Latin American timber production and consumption trends and prospects* (resolution 138 (VII), project No. 17).

	<i>Dollars</i>
(i) Two professional staff members — grades P.5 and P.4, for a period of 12 months each, including recruitment and common staff costs .....	24,500
(ii) Two general service staff and one statistical clerk .....	8,000
(iii) Official travel in the area of two professional staff members and other ECLA officers working on the study .....	6,000
(iv) Consultants on special problems and unforeseen expenditures .....	4,000
(v) Printing costs .....	3,000
	46,000 *

Of this total it is estimated that \$21,000 will be spent in 1959 and \$25,000 in 1960.

(2) *Special Meeting on Mining Industry* (resolution 129 (VII), project No. 25).

	<i>Dollars</i>
(i) Two consultants at P.5 level for 24 months ..	49,700
(ii) Common staff costs .....	5,000
(iii) Official travel and visits to mining centres in Latin America .....	5,000
(iv) General service and statistical assistance for two years .....	10,000
(v) Printing costs .....	4,500
	74,200

It is estimated that the amount of \$34,850 will be spent in 1959 and \$39,350 in 1960.

\* This amount is equivalent to approximately one-half of the total cost; the other half will be borne by FAO.

## ANNEXES

### ANNEX I

#### List of representatives

##### MEMBERS OF THE COMMISSION

###### *Argentina*

*Representative* : Isidoro Martínez, Dean of the Faculty of Economic Sciences, Buenos Aires

*Members* : Mario R. Pico, Gabriel O. Martínez, Fortunato T. Desimone, José Melero, Angelo Alberto Solá, Rodolfo Korenjak, Aquiles Baudou, Benito E. González, Ramón E. Avellaneda, Dionosio Barthe

###### *Bolivia*

*Representative* : Hugo Moreno Córdova, Minister of Finance and Statistics

*Alternate* : Miguel Gisbert Nogué, Executive Vice-Chairman of the National Co-ordinating and Planning Board

*Members* : Eufronio Hinojosa, Omar Chávez Ortiz, Francisco Morales, Hugo López Avila, Roberto Jordán Pando, Alberto Mendoza López, Luis Peñaloza, Franklin Antezana Paz, Humberto Fossati, Santiago Sologuren, Adolfo Linares, Juan Haus Solís, Joaquín Lemoine, Remberto Capriles Rico, Moisés Ponce de León, Carlos Ponce de León, Carlos Alberto Echazú, Alfonso Romero, Gustavo Méndez, Augusto Valdivia Altamirano, Jorge Sánchez Peña, Luis Ocampo Crespo, Julio Alberto D'Avís, Mario Ojara Agreda, Mario Vernaza Perou, Fernando Pou Mont, Alfonso Revollo Camacho, Carlos Ponce Sanjinés, Antonio Sánchez de Lozada, Manuel Granier Bertini, Alfredo Oporto Crespo, Walter Hermosa Virreira, René Candia Navarro, Iván Anaya Oblitas, Roberto Jordán Pardo, Santiago Jordán Sandoval, René Calvo Ponce, René Ruiz González, Liberato Ignacio López, Julio Bához Ramírez, Hermán Quiroga, Enrique Velásquez, Guillermo Moscoso, Angel Mendoza, Marina A. Panozo, Asunta B. de Briston, Alfredo Serrano, Hugo Mancilla Romero

###### *Brazil*

*Representative* : Roberto Oliveira Campos, Managing Director of the Banco Nacional do Desenvolvimento Econômico

*Alternate* : José Garrido Torres, Member of the National Economic Council

*Members* : Oscar Sotto Lorenzo Fernández, Gerson Augusto da Silva, Alberto Vieira Ribeiro, Paulo Augusto Rodríguez Pereira, Lázaro Baumann Neves, Mario Abrantes Silva Pinto, Helio Schlittler Silva, Domar Campos, João Paulo Almeida Magalhaes, Napoleão Cavalcante Barbosa, João Kessler Coelho Souza, Lauro Soutello Alves, Og Francisco Leme

###### *Chile*

*Representative* : Alejandro Hales, Ambassador to Bolivia

*Members* : Herman Max, Julio Melnick, Jose Piñera, Santiago Astrain, Enrique Guzmán

###### *Costa Rica*

*Representative* : Porfirio Morera Batre, Director-General of Economy

###### *Cuba*

*Representative* : Fausto Gamboa, Department of Economic Affairs, Ministry of State

###### *Dominican Republic*

*Representative* : Oscar Guarón Ginebra, Vice-Governor of the Banco Central

###### *Ecuador*

*Representative* : José María Ponce, Ambassador to Bolivia  
*Members* : Leopoldo Chávez, Jaime Cifuentes, Germánico Salgado, Manuel Rodríguez, Bolívar Valladares

###### *El Salvador*

*Representative* : Rolando Duarte, Director of Economic Studies of the Banco Central

###### *France*

*Representative* : Robert Buron, Deputy and ex-Minister for Economic Affairs

*Members* : Pierre Viaud, Raymond Poussard, Jean Claude Richard, Raymond Grière, Daniel Jeanpierre

###### *Guatemala*

*Representative* : Luis Melgar Larrieu, Councillor of the Ministry of Economy

*Members* : Alfonso Aris Castilla, Manuel Lisandro Resinos

###### *Honduras*

*Representative* : Rubén Mondragón, National Economic Council

*Members* : Carlos H. Matute, Alfredo Murillo Galo

###### *Mexico*

*Representative* : Ricardo Torres Gaitán, Senior Official of the Department of Economic Affairs

*Members* : Fernando Zamora M., Manuel Bravo Jiménez, Lorenzo Acosta L., Jorge Echániz, Agustín López, Rito Raúl Villalobos S.

###### *The Netherlands*

*Representative* : P. H. Zijderveld, Chargé d'Affaires in Bolivia

*Member* : J. M. Wagenaar

*Nicaragua*

*Representative* : José María Castillo, Deputy Secretary of the National Economic Council

*Panama*

*Representative* : Luis Felipe Clement, Chargé d'Affaires in Bolivia

*Observer* : Pablo de Rada

*Paraguay*

*Representative* : Hermógenes González Maya, Dean of the Faculty of Economic Sciences and Vice-Chairman of the Higher University Council

*Members* : Oscar Gabello, Manuel Antonio Moreno

*Peru*

*Representative* : Augusto Morelli, Chargé d'Affaires in Bolivia

*Members* : Alejandro Bussalleu, Emilio Barreto

*United Kingdom of Great Britain and Northern Ireland*

*Representative* : James Thyne Henderson, Ambassador to Bolivia

*Members* : J. H. Wright, R. C. Barnes, R. G. W. Lambert, P. H. Scott, D. G. Allen

*United States of America*

*Representative* : Harold M. Randall, Representative to the Inter-American Economic and Social Council

*Members* : Harry Conover, Alexander M. Rosenson, Herman H. Barger, Robert J. Dorr, Charles Harley, Arthur G. Kevorkian, Ross E. Moore, Albert J. Powers, Konrad Bekker

*Uruguay*

*Representative* : Ariosto D. González, Director of Trade, Ministry of Foreign Affairs

*Members* : Luis I. Carlevaro, Hugo Demarco, Juan Domingo del Campo, Pedro Pablo Lerena Prando

*Venezuela*

*Representative* : León Alfonso Pino, Minister Plenipotentiary in Bolivia

*Members* : G. E. Hernández, Juan Salazar  
*Observer* : Walter Nielsen Reyes

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

*Bulgaria* : Nenco Chendov

*Czechoslovakia* : Milos Vesely, Antonin Parma

*Hungary* : Denes Viczenik

*Italy* : Tommaso Mancini

*Japan* : Minoru Izawa, Toru Yoshimizu

*Romania* : Victor Dimitriu, Antonio Albu

*Spain* : José María Alfaro Polanco, Mariano Vidal Tornés, José Aragonés Vilá

*Union of Soviet Socialist Republics* : S. S. Mikhailov, A. N. Manzulo, V. E. Evashov

REPRESENTATIVES OF A STATE NOT A MEMBER OF THE UNITED NATIONS, ATTENDING IN A CONSULTATIVE CAPACITY

*Federal Republic of Germany* : Paulus von Stolzmann, Josef Engels

REPRESENTATIVES OF SPECIALIZED AGENCIES

*International Labour Organization* : Alberto Lagnado, Remberto Capriles

*United Nations Food and Agriculture Organization* : Mordecai Ezekiel, William Cásseres, Jean Moser

*United Nations Educational, Scientific and Cultural Organization* : Alfred H. Mackenzie

*International Bank for Reconstruction and Development* : Federico Consolo, Reynold Carlson

*International Monetary Fund* : Jorge del Canto, F. A. G. Keesing, John Woodley

*World Health Organization* : Ulpiano Blanco

REPRESENTATIVES OF INTER-GOVERNMENTAL ORGANIZATIONS

*Inter-American Economic and Social Council* : Washington P. Bermúdez, Pedro Irañeta

*Inter-Governmental Committee for European Migration* : Jean Wiazemsky

*General Agreement on Tariffs and Trade* : Jean Royer

REPRESENTATIVES OF NON-GOVERNMENTAL ORGANIZATIONS

CATEGORY A

*International Confederation of Free Trade Unions* : Luis Haysen

*International Federation of Christian Trade Unions* : José Goldsack Donoso

*World Federation of Trade Unions* : Antonio García Moreno

CATEGORY B

*Inter-American Association for Trade and Production* : Manuel Granier

*Inter-American Council of Jurists* : Carlos Aguirre Rodríguez  
*International Federation of Women Lawyers* : María Josefa Saavedra, Alcira Espinoza Schmidt

*International Union for Child Welfare* : Judith de Figueiredo Boiron, Ana de Wasson, Molly de Landivar, Elena Machicado

*World Alliance of Young Men's Christian Associations* : Ramón Salinas Mariaca

*World Jewish Congress* : Guenther Friedlaender, Ernesto Herzberg

## ANNEX II

### Resolutions adopted by the Trade Committee

#### GRADUAL ESTABLISHMENT OF A MULTILATERAL PAYMENTS RÉGIME IN LATIN AMERICA

*Resolution 1 (I) adopted on 28 November 1956*  
(E/CN.12/C.1/8)

*The Trade Committee,*

*Considering:* (a) that the studies carried out by the ECLA secretariat and the discussions of the Trade Committee suggest that it would be desirable for certain countries gradually and progressively to adapt the bilateral payments agreements and procedures in force between them to multilateral systems which will facilitate the expansion of trade at the highest possible levels,

(b) That obstacles to unrestricted multilateralism still exist, and that it is therefore advisable that the transition from one régime to the other be effected without causing a contraction of the volume of trade,

(c) That the best practical results would be the setting-up of a Working Group, comprising highly qualified experts from the payments-accounts countries, to study alternative solutions and steps to be taken,

(d) That the States members of ECLA are also members of the International Monetary Fund, and that the collaboration of this Institution would be of the greatest value, and, further, that in view of the experience acquired in such matters by the Organization for European Economic Co-operation, the technical co-operation of both organizations with the above-mentioned Working Group would be desirable,

(e) That it would be desirable for the Latin American countries between which bilateral agreements are in force to exchange information on balances in their intra-regional payments accounts, thus opening up the possibility of compensating those balances the reciprocal transfer of which is agreed upon by the countries in question, and

(f) That the experience thus acquired will indicate the preliminary steps that should be taken or the alternative solutions which would have to be studied in order gradually to arrive at a multilateral payments system,

#### *I. Resolves:*

(a) To invite the Central Banks, or, secondarily, the appropriate monetary authority in those Latin American countries that maintain bilateral agreements among themselves, to set up a Working Group which would study the possibilities of gradually establishing a multilateral payments régime and would suggest the measures best calculated to achieve that end. This Working Group shall present the findings of its studies at the earliest possible date to the Trade Committee, which will consider them at a forthcoming session;

(b) The Working Party shall have at its disposal any technical studies provided by the ECLA secretariat and through this secretariat shall request the technical assistance of the International Monetary Fund. It shall likewise be empowered to ask for the assistance of the Organization for European Economic Co-operation, in view of its experience in the operation of the European Payments Union, and the collaboration of other international organizations, of the monetary authorities of other States members of ECLA and of experts employed at its request by the ECLA secretariat.

II. *Takes note* that the Latin American countries between which bilateral payments agreements are in force are prepared, during the transitional period before the multilateralism envisaged in this resolution can be achieved to apply measures designed to impart greater flexibility to their existing payments relations; and that likewise, to this end, and as steps towards progressive multilateralism, the said countries deem it advisable to adopt and apply concurrently, at the time they consider appropriate, the following basic principles:

(a) Equal quotations for units of account and convertible currencies on the exchange markets concerned, for the same operations;

(b) Trade at prices not higher than those prevailing on the world market. If no bases for comparison are available, quotations shall not exceed prices paid by any third country under the same conditions;

(c) Payment through the agreement-accounts of the following items, *inter alia*:

(i) The value of traded commodities;

(ii) Freight charges relating to direct traffic;

(iii) Insurance and re-insurance;

(iv) Other expenditures accessory to trade;

(v) Other items agreed upon by the contracting parties;

(d) Reciprocal credits adequate for the satisfactory development of trade, due allowance being made for seasonal fluctuations;

(e) Automatic transfers to the accounts of other countries participating in the system of transfer of balance, through communication with the Central Bank of the debtor country, of sums in excess of the stipulated swing credits;

(f) Transfer from one to another of the above-mentioned countries' accounts, by prior agreement between the Central Banks concerned, of favourable balances within the swing credits;

III. *Takes note* likewise that the said countries, in order to facilitate the voluntary reciprocal transfer of the balances in these accounts, are willing to exchange information periodically and opportunely, through the appropriate Central Banks, or, failing these, the monetary authorities, on the state of the clearing accounts in force between the countries concerned; and that, should it be necessary to set up special machinery to facilitate this task, the secretariats of ECLA and of the International Monetary Fund shall be requested to suggest the bases for its operation.

#### PRELIMINARY STUDIES FOR THE CREATION OF A REGIONAL MARKET

*Resolution 2 (I) adopted 28 November 1956*  
(E/CN.12/C.1/9)

*The Trade Committee,*

*Considering* that the problems arising from the parallelism and idle capacity existing in certain Latin American countries lead to anti-economic operational conditions, and that this situation raises costs and consumer prices,

*Mindful* that these conditions are partly attributable to the small size of the individual countries' markets,

*Recommends to the secretariat :*

(1) That it proceed to make an inventory of existing industries in Latin America with a view to determining what measures are advisable in order to remedy the situation described above;

(2) That it present reports on the progress of these studies to the Trade Committee at its periodic sessions, until such time as the work is completed.

PROCEDURES FOR THE CREATION OF A REGIONAL MARKET

*Resolution 3 (I) adopted 28 November 1956  
(E/CN.12/C.1/10)*

*The Trade Committee*

Takes note with satisfaction of the study presented by the secretariat on the desirability of establishing a regional market (E/CN.12/C.1/4), and

*Considering :*

(a) That the industrialization of Latin America is a necessity imposed by the need to make more efficient use of available human and natural resources, so as to increase productivity and, consequently, the standard of living of the population,

(b) That the future development of industry in Latin America — especially of the basic industries — requires, among other factors, broad markets which will enable such industries to attain economically adequate dimensions and production at low costs in competitive conditions,

(c) That the heavy investment required by this type of industry renders indispensable, among other incentives, that provided by broader markets than those currently existing, and

(d) That the markets of the Latin American countries, taken individually, may be too small to allow the above industries to be developed on efficient technical bases,

*Resolves :*

(1) To request the ECLA secretariat to set up a group of experts which would complete the studies already carried out, and, as a measure to facilitate the transition to a broader system of multilateral trade, would project the possible structure of a regional market designed to contribute to the sound development of Latin American countries, especially those of a basic character, through the reduction of costs and the broadening of markets. In this connexion the said group of experts shall be required :

(a) To define the characteristics of the regional market, bearing in mind the differing degrees to which the countries of the region are industrialized;

(b) To study its possibilities and projections;

(c) To submit recommendations on basic principles and procedures for its establishment, within the terms of reference of the Trade Committee as defined in resolution 101 (VI), E/CN.12/410;

(2) That the conclusions of the group of experts be submitted by the ECLA secretariat, with its own observations and those received from other international organizations, directly to the Member Governments for their consideration and comments. When this procedure has been complied with, the ECLA secretariat shall in due course promulgate as widely as possible the documents transmitted to the Governments;

(3) That the study prepared by the group of experts, the observations of the ECLA secretariat and other international organizations, and the considerations and comments

formulated by the Governments be in turn transmitted to the Trade Committee. Should it not prove possible for the final report to be presented at the next meeting of the Trade Committee, the ECLA secretariat shall present a preliminary report on the status of the work of the group of experts.

TRADE IN TRADITIONAL PRODUCTS

*Resolution 4 (I) adopted on 29 November 1956  
(E/CN.12/C.1/11)*

*The Trade Committee,*

*Considering :*

(a) That the secretariat has prepared and presented to this Committee a study on "Inter-Latin American Commodity Trade in 1954 and 1955: Situation and Prospects in 1956" (E/CN.12/C.1/5), containing an analysis of intra-regional trade in certain basic products and an account of the main problems and obstacles affecting such trade,

(b) That of these problems some of the most important are those relating to the over-pricing of certain products; to trade in certain items through agreements the short duration of which creates elements of uncertainty or causes interruptions of the flow of trade; to the participation in some cases of state monopolies in import or export trade; to the tendency to buy in other markets of origin commodities traditionally purchased within the region, and so forth,

(c) That it is necessary to ensure stable markets for the products traditionally traded among the Latin American countries, comprising mainly raw materials and foodstuffs, and to restore equilibrium in given trade flows of this nature,

(d) That measures of trade policy recently adopted by several Latin American countries indicate a trend towards liberalization and multilateralism in the foreign trade of the countries in question, as well as the desire to abolish commercial practices which are of a restrictive nature or which have become obstacles to the continuous expansion of inter-Latin American trade, and

Taking note that in accordance with resolution 1 (I), the Latin American countries between which bilateral payments agreements are in force are prepared to adopt, at the time they consider appropriate, equal quotations for units of account and convertible currencies on the exchange markets concerned, for the same operations; and that these equal quotations for units of account will permit the abolition of discriminatory practices in trade in some of the natural products of the Latin American countries,

*Resolves :*

1. To take note with satisfaction of the study presented by the secretariat on Inter-Latin American Commodity Trade in 1954 and 1955: Situation and Prospects in 1956 (E/CN.12/C.1/5), and to request the secretariat to continue carrying out studies of this type and to extend them to other products;

2. To recommend to Governments :

(a) That as regards intra-regional trade in traditional or basic products (natural products, raw materials and foodstuffs), they endeavour to pursue a policy of gradual liberalization, either unilaterally or through bilateral or multilateral agreements, with a view to encouraging and facilitating such trade and to guaranteeing it greater stability and equilibrium;

(b) That such products be marketed among the Latin American countries at international prices and on terms similar to those prevailing for the region's trade with the

rest of the world; and that, prices and other conditions being equal, the commodities in question be purchased as far as possible within Latin America, to the extent permitted by the foreign trade régime of the countries of the region;

(c) That in accordance with prevailing world market conditions, countries which cannot meet their own needs purchase such products as far as possible from the usual sources of supply within Latin America, in so far as the producer countries are in a position to meet the requirements of their regular customers, and, in the case of countries maintaining payments agreements, when the payment availabilities created in the consumer countries so permit;

(d) That, as far as possible, administrative procedures be facilitated and certain state import or export monopolies be eliminated, to the extent that they may export an adverse influence on trade in traditional products, unless they should be justified by the supply requirements and domestic trade of the countries concerned;

(e) That should trade agreements be concluded with respect to specific products, they be negotiated for periods long enough to ensure methodically organized production on the part of the exporter and regular supplies for the importer country; and

(f) That adjacent countries agree among themselves on the measures necessary for the prevention of illicit com-

modity trade between them, and for the direction of such trade into the regular channels.

#### PLACE AND DATE OF THE NEXT SESSION

*Resolution 5 (I) adopted on 29 November 1956  
(E/CN.12/C.1/12)*

*The Trade Committee,*

*Taking into consideration article 2 of its Rules of Procedure, and*

*Considering the proposal moved by the delegation of Bolivia to the effect that advantage should be taken of the seventh session of the Economic Commission for Latin America, which will be held at La Paz (Bolivia), in 1957, to convene at the same time a meeting of the Trade Committee,*

*Expresses its gratitude to the Government of the Republic of Bolivia for this generous invitation; and*

*Resolves to request the ECLA secretariat to take whatever steps it considers appropriate to arrange for the second session of the Committee to be held at La Paz at the same time as the seventh session of the Commission.*

### ANNEX III

List of principal documents issued by the Economic Commission for Latin America since the fifth Committee of the Whole, May 1956

<i>Symbol</i>	<i>Title</i>	<i>Languages *</i>
E/CN.12/422	<i>Central American Economic integration : Development and Prospects (United Nations publication, Sales No.: 1956.II.G.4) **</i>	E S
E/CN.12/423	<i>Inter Latin American Trade : Current Problems (United Nations publication, Sales No.: 1957.II.G.5)</i>	E S
E/CN.12/424	<i>Chile, potential pulp and paper exporter</i>	E S
E/CN.12/425 and Add.1	<i>Problemas de la industria siderúrgica y de transformación de hierro y acero en América Latina, vols. I and II (United Nations publication, Sales No.: 1957.II.G.6, vol. II)</i>	S
E/CN.12/426 and Add.1	<i>Manual on Economic Development Projects</i>	E S
E/CN.12/427; Add.1 and Corr.1	<i>Economic Survey of Latin America, 1956</i>	E S
E/CN.12/428 and Add.1	<i>El desequilibrio externo en el desarrollo latinoamericano; el caso de México</i>	S
E/CN.12/429	<i>The structural crisis in the economy of Argentina ***</i>	
E/CN.12/430 and Add.1	<i>El Desarrollo Económico de Bolivia</i>	S
E/CN.12/431	<i>Informe del Comité de Cooperación Económica del Istmo Centroamericano (Economic Commission for Latin America, Mexico, June 1957)</i>	S
E/CN.12/432	<i>Technical assistance activities in the ECLA region</i>	E S
E/CN.12/433	<i>Report on the ECLA/TAA economic development training programme</i>	E S
E/CN.12/434	<i>Progress report of the pulp and paper advisory group in Latin America</i>	E S
E/CN.12/435	<i>El café en El Salvador. Influencia de la mano de obra y otros factores y tendencias de la producción</i>	S
E/CN.12/436	<i>Progress report on the study on coffee in Colombia; note by the secretariat</i>	E S
E/CN.12/437	<i>Social aspects of economic development; note by the secretariat</i>	E S

\* The letters E, F and S indicate English, French and Spanish respectively.

\*\* Document E/CN.12/422 has been printed in Spanish only; the English version has been mimeographed.

\*\*\* To be issued shortly.

<i>Symbol</i>	<i>Title</i>	<i>Languages</i>
E/CN.12/438	Note by the secretariat on a study of Latin American timber trends and prospects	E S
E/CN.12/439	<i>Informe de la Secretaría sobre el estado de los trabajos del Comité de comercio</i>	S
E/CN.12/440	Co-ordination with the Inter-American Economic and Social Council	E S
E/CN.12/441 and Add.1 and 2	Revision of the work programme to achieve further co-ordination and concentration	E F S
E/CN.12/442	Note by the Secretariat on resolutions of the General Assembly and the Economic and Social Council of concern to the Commission	E F S
E/CN.12/443 and Add.1	<i>Recopilación por materias de las resoluciones aprobadas por la Comisión Económica para América Latina</i>	S
E/CN.12/444	Expanded Programme of Technical Assistance : Assistance rendered to the countries and territories of Latin America during 1956	E S
E/CN.12/445	<i>Informe del Director Principal a cargo de la Secretaría Ejecutiva sobre la marcha de los trabajos</i>	S
E/CN.12/447	United Nations activities in connexion with nuclear energy; note by the secretariat	E S
E/CN.12/448	The economic development of Bolivia (summary and extra extracts)	E
E/CN.12/449 and Add.1	Note by the Secretariat on the possible repercussions of the European common market on Latin American exports	E S
E/CN.12/450	United Nations programme concerning industrialization and productivity	E S
E/CN.12/452	Inaugural address delivered by His Excellency Dr. Hernan Siles Zuazo, President of the Republic of Bolivia, on 15 May 1957	E F
E/CN.12/453	Statement by Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs of the United Nations, at the Opening Meeting, 15 May 1957	E F S
E/CN.12/454	Address delivered on behalf of the delegations by Mr. Harold M. Randall, Chairman of the United States delegation, at the opening meeting, 15 May 1957	E
E/CN.12/455	Statement by Dr. Raúl Prebisch, Executive Secretary, at the First Plenary Meeting, 16 May 1957	E F S
E/CN.12/481	Report of the Rapporteur of the seventh session, Mr. Roberto Oliveira Campos, Chairman of the delegation of Brazil	E S
	<i>Economic Bulletin for Latin America</i> , vol. I, No. 1 (Santiago, Chile, January 1956)	E S
	<i>Economic Bulletin for Latin America</i> , vol. I, No. 2 (Santiago, Chile, September 1956)	E S
	<i>Economic Bulletin for Latin America</i> , vol. II, No. 1 (Santiago, Chile, February 1957)	E S

#### ANNEX IV

##### Terms of reference of the Economic Commission for Latin America

*As adopted by the Economic and Social Council at its sixth session and amended at its ninth and thirteenth sessions*

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.

## ANNEX V

### Rules of procedure of the Economic Commission for Latin America

*As adopted by the Commission at its first session and amended at its second, third, fourth and fifth sessions and by the Committee of the Whole at its session in 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 Execu-

tive 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 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.

#### *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 9 A; and

(h) Any other items which the Chairman of 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-Chairman 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.<sup>a</sup>

*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

<sup>a</sup> Approved by the Economic and Social Council in resolution 301 (XI) of 7 August 1950.

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-governmental 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 statements 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 committee 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 or 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 Eco-

nomie 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.<sup>b</sup>

### 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.

<sup>b</sup> Under the terms of its resolution 284 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".



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