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/ABBREVIATIONS

# ABBREVIATIONS

ALAF	Latin American Railways Association
ARPEL	Latin American State Oil Companies Mutual Aid Association
BCIE	Central American Bank for Economic Integration
BNDE	Brazilian National Economic Development Bank
CACM	Central American Common Market
CADI	Advisory Commission on Industrial Development (LAFTA)
CARIFTA	Caribbean Free Trade Association
CCE	Central American Economic Co-operation Committee
CECLA	Special Committee on Latin American Co-ordination
CELADE	Latin American Demographic Centre
CIAP	Inter-American Committee on the Alliance for Progress
CIDA	Inter-American Committee for Agricultural Development
CREFAL	Regional Fundamental Education Centre for Community Development in Latin America
ECCM	Eastern Caribbean Common Market
ECLA	Economic Commission for Latin America
FAO	Food and Agriculture Organization of the United Nations
GAETICA	FAO Advisory Group on Central American Economic Integration
GATT	General Agreement on Tariffs and Trade
ICAITI	Central American Research Institute for Industry
IDB	Inter-American Development Bank
IASI	Inter-American Statistical Institute
IICA	Inter-American Institute for Agricultural Sciences
ILAFA	Latin American Iron and Steel Institute
ILO	International Labour Organisation
ILPES	Latin American Institute for Economic and Social Planning
LAFTA	Latin American Free Trade Association
OAS	Organization of American States

ODECA	Organization of Central American States
OPI	United Nations Office of Public Information
OTC	United Nations Office of Technical Co-operation
PAHO	Pan American Health Organization
PASB	Pan American Sanitary Bureau
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNRISD	United Nations Research Institute for Social Development
WHO	World Health Organization
WMO	World Meteorological Organization

## INTRODUCTION

1. This twentieth annual report of the Economic Commission for Latin America (ECLA) covers the period from 26 April 1968 to 23 April 1969.<sup>1/</sup> It is submitted to the Economic and Social Council for consideration, in accordance with paragraph 12 of the Commission's terms of reference, which states that 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

### ACTIVITIES OF THE COMMISSION SINCE THE TWELFTH SESSION OF THE COMMITTEE OF THE WHOLE

2. Of primary importance among the secretariat's tasks in recent months has been the preparation of a programme for the second United Nations Development Decade. It has been established that Latin America's economic growth during the nineteen-sixties has been decidedly sluggish and irregular with an annual average increase of the domestic product of less than 4.5 per cent in the region as a whole, or a mere 1.5 per cent per capita each year.

3. Accordingly ECLA has renewed the search for strategic guidelines and measures which, in addition to setting specific growth targets, will contribute to accelerating development at the national and regional levels.

4. With these purposes in mind, ECLA convened and participated in several regional meetings and prepared a programme of action for discussion at the thirteenth session (E/CN.12/836). In this programme, ECLA indicates the

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<sup>1/</sup> For the nineteenth annual report of the Commission, see the Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No 4 (E/4499).

institutional measures and machinery which should be adopted in the industrialized countries and in international trade and finance in order to render the Latin American economies less vulnerable and reduce external bottlenecks. At the same time it examines the strategy and the most important objectives and policy measures which should be adopted by the Latin American countries for the second Development Decade.

5. Along with this work, increasing attention was paid to problems of regional integration, particularly in the Central American Common Market (CACM), where efforts were concentrated on electric power and transport problems; in the LAFTA secretariat, where ECLA has been helping to find technical solutions to some of the problems standing in the way of full implementation of the Montevideo Treaty; in the Joint Commission of the Andean Group (composed of the signatory countries of the Declaration of Bogotá); and in the newly formed Caribbean Free Trade Association (CARIFTA).

6. It should be recorded that the Government of Trinidad and Tobago provides office space and local staff for the Office for the Caribbean. The Government of Colombia provides office space and supplies, local assistance and one economist for the Bogotá Office, while another economist is provided by the Government of Venezuela. More recently, agreement was reached with the Ministry of Planning in Brazil concerning the establishment of a joint office to replace the former ECLA/BNDE Centre for Economic Development, with the Ministry providing premises and local staff, and financing for the operating costs.

7. Despite its increased responsibilities, including those connected with the Andean Group and CARIFTA, the secretariat received no increase in staff in 1968 and was therefore obliged to limit the programme to the work that could be done within available resources; this was directed preferentially towards research for an economic development strategy and policy for Latin America, at the global and the sectoral levels; assisting

/Latin American

Latin American Governments in the field of trade policy and economic integration; and co-operating in technical assistance activities, including seminars and courses.

8. As usual, ECLA continued its programmes of co-operation with other inter-American bodies concerned with accelerating integration movements and achieving goals of well-being in the region. Thus, in May the Executive Secretary attended a meeting of the Ministers of Foreign Affairs of the River Plate Basin, held at Santa Cruz de la Sierra, Bolivia, at which he read a message from the Secretary-General of the United Nations.<sup>i</sup> In this message, the Secretary-General expressed his willingness to study the meeting's recommendations with a view to providing all possible assistance from the United Nations.

9. The visit to ECLA headquarters of Mr. Galo Plaza, the new Secretary-General of the OAS, at the end of July provided another opportunity for the discussion of common plans between the two organizations. At the end of a series of meetings, emphasis was laid on the importance of co-ordinated action between ECLA and his organization, in a spirit of mutual co-operation for the achievement of common goals and the acceleration of development in Latin America.

10. The ECLA secretariat was visited from 6 to 13 August 1968 by the Committee of Seven on the Reorganization of the Secretariat, under the chairmanship of Mr. C.V. Narasimhan, Under-Secretary-General for General Assembly Affairs and Chief de Cabinet of the Secretary-General. The members of the Committee were Manuel Pérez Guerrero, Luis Ignacio Pinto, Bernard de Menthon, Platon D. Morozov, Andrew A. Stark and W.H. Ziehl. Informative material of different kinds was prepared and placed at the disposal of this Committee.

11. Then, in the first week of November, a Canadian Trade Mission, headed by three members of the Cabinet, paid a visit to ECLA in order to meet senior officials and discuss ways of strengthening Canada's links with Latin America.

12. ECLA provided facilities in June for the Regional Seminar for Latin America on Techniques and Procedures of United Nations Technical Assistance. It was the first of a series organized by the United Nations Institute for Training and Research (UNITAR) to replace its former centralized Group Training Programme in Techniques and Procedures of Technical Assistance. Panel discussions on all the major aspects of the question and briefings by the regional representatives of the specialized agencies were included in the seminar, in which fifteen officials from twelve Latin American countries, six representatives of the United Nations Development Programme (UNDP), and ECLA participated.

13. Similarly, ECLA provided facilities for the seventh OPI Editor's Round Table, convened in September by the Office of Public Information for the purpose of providing a forum in which leading personalities of the ECLA region and policy-making United Nations officials could discuss some of the important problems confronting the United Nations. The meeting was attended by a total of forty-five participants and observers from twenty-three countries and international organizations, including José Rolz-Bennett, Under-Secretary-General for Special Political Affairs, Agha Abdul Hamid, Assistant Secretary-General for Public Information, and ECLA's Executive Secretary. A series of recommendations was approved on ways of improving the dissemination of information regarding United Nations activities, stressing the important role played by information media in guiding public opinion.

14. From 3 to 12 March, the Regional Meeting of Resident Representatives for Latin America and the Caribbean took place at ECLA headquarters. It provided an opportunity for an exchange of views on the work being done in the region by the United Nations Special Fund and the Development Programme in general. The Executive Secretary of ECLA made a statement in which he described some of the secretariat's recent work

/and indicated



and indicated the main areas of interest which he envisaged for the future activities of the Commission. Other speakers at the general sessions included Mr. David Owen, Deputy Administrator of UNDP; Mr. Gabriel Valdés, Minister of Foreign Affairs of Chile; Mr. Galo Plaza, Secretary General of the Organization of American States; Mr. Paul-Marc Henri, Assistant Administrator and Associate Director of the Bureau of Operations and Programming of UNDP, and Mr. Patricio Silva, Under-Secretary for Foreign Affairs, Chile.

15. Three issues of the Economic Bulletin for Latin America were published. Vol. XIII, No 1, contains an article entitled "Latin America and the second session of UNCTAD", the text of the Charter of Tequendama, adopted by the countries members of the Special Committee on Latin American Co-ordination (CECLA), and the Charter of Algiers, adopted by the Ministerial Meeting of the Group of 77 on 24 October 1967, and a report on recent ECLA activities. Vol. XIII, No 2, contains the following articles: "Twentieth anniversary of ECLA", "Investment in the petroleum industry in Latin America", "Social policy and social change", "Social security and development: the Latin American experience", "Integral local development programmes in Latin America", "The urbanization of society in Latin America", and "Recent activities of ECLA". Vol. XIV, No 1, was also published. The contents were as follows: "Regional development financing", "International organizations in export promotion in Latin America", and "The transfer of technology and its relation to trade policy and export promotion in Latin America".

#### A. ACTIVITIES OF SUBSIDIARY BODIES

16. This section of the report covers the activities of the Trade Committee and of the Central American Economic Co-operation Committee (CCE). The former has not met since the eleventh session of the Commission; consequently the secretariat's work on trade is described in the section of this report dealing with the Trade Policy Division (see paragraphs 74-87).

17. The Central American Economic Co-operation Committee has not met since its ninth session, held in January 1966, but there have been meetings of its sub-committees and working groups. Their activities are described below.

##### Committee on Electrical Standards

Second session: Tegucigalpa, 2 to 6 May 1968

Chairman: Mr. Omar F. del Cid (Honduras)

Rapporteur: Mr. Mario Hidalgo (Costa Rica)

18. The Regional Committee on Electrical Standards, established by resolution 19 SC.5 of the Central American Electric Power and Water Resources Sub-Committee at its third session (September 1966), met for the first time at Managua in December 1966. This technical agency is responsible for guiding and directing a regional programme for the standardization of electrical equipment and material, as one of the new tasks within the integrated development of electric power in Central America. At its second session the Committee examined the progress made in carrying out the work requested in the resolutions adopted at its first session, and approved the programme of work for 1968-69; this requires the preparation of provisional standards for distribution voltages and a first terminology list for the electric power industry, based on a glossary drawn up by a group of Latin American experts. It

/also defined

also defined the procedural relationships between the Regional Committee and the Central American Research Institute for Industry (ICLITI) in relation to the establishment of Central American standards.

Third session: Panama City, 13 to 23 September 1968

Chairman: Mr. Rafael Lyax Moscote (Panama)

Rapporteur: Mr. Noel Espinosa Chavarría (El Salvador)

19. At its third session the Regional Committee on Electrical Standards examined the progress made by the standardization programme during May to August 1968; one expert had been engaged especially for the programme and financed by the six countries, and the Mexican Federal Electric Power Commission (Comisión Federal de Electricidad - CFE) had provided a technical specialist. In addition, the Committee approved the proposed standards for definitions of electric power units, the terminology used by the electrical industry for its generating, transmission, distribution and consumption activities, symbols for electric power plans and diagrams, and a standard nomenclature for distribution materials. The Committee considered that it was necessary to expand the analysis of standard coding systems for the materials and equipment used by the electric power industry, and to continue with the programme of work adopted at its second session.

Working Group on Electricity Interconnexion

First session: Tegucigalpa, 6 to 9 May 1968

Chairman: Mr. Ernesto Crespo (Honduras)

Rapporteur: Mr. Octavio Salinas (Nicaragua)

20. At its third session, the Central American Electric Power and Water Resources Sub-Committee stressed the need for the the Central American Common Market to have a legal instrument of a general nature on standards for developing the programmes for the interconnexion of electric power systems between

/countries, and

countries, and requested that the technical and organizational bases needed for the preparation of a multilateral study of such interconnexions should be formulated.

21. Pursuant to this recommendation, the Working Group on Electricity Interconnexion was set up and at its first meeting, held at Tegucigalpa from 6 to 9 May 1968, it approved the general outlines of a regional agreement on the exchange, purchase and sale of electric light and power and recommended the preparation of a draft agreement to that end by the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA). It also requested the ECLA secretariat to prepare, with technical assistance from SIECA and financial aid from the Central American Bank for Economic Integration (BCIE), a general study on the possibilities of electric power interconnexion in Central America.

Regional Group on Electricity Rates

First session: Tegucigalpa 2 to 6 May 1968

Chairman: Mr. Mauricio Mossi (Honduras)

Rapporteur: Mr. Enrique Aguiluz (Guatemala)

22. The Regional Group on Electricity Rates was established by the Central American Electric Power and Water Resources Sub-Committee at its third session (Tegucigalpa, September 1966). Its terms of reference were to examine the factors which determine the cost of electric power, and to prepare a comparative analysis of regulatory policies and rates structures in the Central American countries with a view to harmonizing the rate systems.

23. At the Group's first meeting a start was made at the technical level with the regional programme for the harmonization of the rate systems by studying the methods and procedures used

/to calculate

to calculate electricity rates and prepare schedules. Other aspects which were also considered, included electric power regulation and market development, which can affect the structure and level of rates.

24. The Regional Group explored the factors determining the price levels of electric power, its cost components, each country's experience in questions of rate structure, and general aspects of electric power regulation. It also formulated some general guidelines on financial aspects, price levels and rate policies; outlines a research programme for rate regulation, market development and rural electrification; and approved uniform bases for factors which should be taken into account in fixing electricity prices, and the glossary of administrative, financial and accounting terms used in the electric power industry. Through this combination of measures it is hoped to bring about the gradual harmonization of rates in Central America.

Working Group on Maritime Transport and  
Port and Harbour Development

Second session: Guatemala City, 9 to 13 September 1968

Chairman: Mr. Marco Antonio Cuevas (Guatemala)

Rapporteur: Mr. Edmundo Rostrand (Nicaragua)

25. When this Working Group, a subsidiary body of the Central American Transport Sub-Committee, met for the first time (San Salvador, 13 to 18 November 1967), it indicated that it was necessary to promote the regional planning of port works and shipping, to pursue activities conducive to the establishment of a Central American merchant marine, to modernize and raise the productivity of port services and to establish the necessary regional machinery for gradually attaining these objectives.

26. At its second session, the Working Group recommended the formation of a Central American Port Authorities Commission which would serve as a technical and advisory body to facilitate the formulation and execution of the regional ports policy. The Working Group also reaffirmed its support for efforts designed to set up shipowners' associations and shippers' councils, and to establish port authorities of national scope, since all of these are necessary for the adequate development of shipping activities in Central America. It examined the practical problems which arise at terminals as a result of the large number of shipping documents required, and laid down some guidelines for overcoming them. In addition, it approved the bases for a uniform system of accounts and statistics, and established the main lines for calculating costs and fixing the rate structure as part of a co-ordinated and rational system of information, which is considered to be an essential factor in the development and effective control of activities at port terminals.

Central American Statistical Co-ordination  
Sub-Committee

Second special session: Guatemala City, 28 to  
30 November 1968

Chairman: Mr. Edgardo Nájera Ochoa (Guatemala)

Rapporteur: Mr. Carlos Raudales (Honduras)

27. The second special session examined the 1970 census programme. The Sub-Committee agreed that the programme should be conducted in a co-ordinated manner so as to be more economical and beneficial for the countries concerned. Measures were adopted concerning the regional financing of the programme, technical assistance requirements and the training of census personnel in the different countries, and specifically technical aspects requiring immediate attention.

/Other meetings.

Other meetings connected with the work of the Central  
American Economic Co-operation Committee

28. Under the Central American Economic Integration Programme, the ECLA secretariat collaborated with and participated in the following meetings:

Thirty-first and thirty-second meetings of the Central American Executive Council

SIECA/BCIE/ECLA Inter-agency Meetings on Co-ordination

Second and third ODECA/BCIE/SIECA/ECLA Inter-agency Meetings on Co-ordinated Development of the Economic Infrastructure

First and second ODECA/SIECA/ECLA Inter-agency Meetings on Statistical Co-ordination

Joint Meeting of the Inter-American Committee on the Alliance for Progress and the Central American Economic Council

: Eighth and ninth meetings of the Co-ordinating Committee on Marketing and Price Stabilization in Central America

Meeting of the Regional Committee on Water Resources for the Central American Hydrometeorological Project

Central American Meeting of Experts on National Accounts

Fifth session of the LAFTA Advisory Commission on Monetary Questions

Meeting of the Special Technical Committee on Compensatory Mechanisms of the Governors of Latin American Central Banks

Meetings of Working Groups of Government Experts of the Inter-American Economic and Social Council

Fourth session of the Board of Directors of the Inter-American Productivity Association

/B. ACTIVITIES

## B. ACTIVITIES OF THE SECRETARIAT

29. This and the following sections deal with the activities of the Commission that are not directly related to the proceedings of its subsidiary bodies.

## ECONOMIC DEVELOPMENT AND RESEARCH DIVISION

30. During the period covered by this report the Division was concerned with the work undertaken by the secretariat in preparation for the second United Nations Development Decade; consequently research on the current economic situation has centred on the position of Latin America's economy at the end of the first Development Decade, and the mobilization of resources for the second. The first part of this research has been included in the Economic Survey of Latin America, 1968, and the second forms a special study for presentation at the thirteenth session of the Commission (E/CN.12/827). Work has also gone forward on the studies of income distribution and human resources, the latter under the arrangements made with the International Labour Organisation (ILO) in relation to the Ottawa Plan.

Economic Survey of Latin America

31. The Economic Survey of Latin America, 1968 (E/CN.12/825 and Add. 1 and 2) was completed in time for presentation at the thirteenth session of ECLA. It consists of two main parts, one of which describes the situation of the Latin American economy at the end of the nineteen-sixties while the second analyses economic trends in 1968. The principal conclusions suggested by the second part are summarized below:

/32. In



32. In 1968, the economic development of Latin America was much more satisfactory than in 1967. The aggregate gross domestic product of the region grew at a rate of 5.4 per cent, compared with 4.5 per cent in 1967 and an average of 4.6 per cent over the period 1960-1966.

33. Most of the countries in the region followed this general trend. Argentina, Brazil, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua and Uruguay raised their economic growth rates; Bolivia, Chile, El Salvador and Haiti maintained theirs at levels similar to those of 1967; while those of the Dominican Republic, Ecuador, Panama, Paraguay, Peru, and to a lesser extent Venezuela, declined compared with 1967.

34. This progress was achieved despite the fact that in many countries the performance of the agricultural sector was relatively poor owing to adverse climatic conditions in large areas of Latin America - Argentina, Brazil, Chile and Ecuador being the countries most affected. In contrast, manufacturing industry grew very rapidly, increasing by 8.1 per cent in the region as a whole; this was a complete reversal of the trend in 1967, when agricultural growth far outpaced industrial growth. Much of this was attributable to the recovery of the industrial sector in Brazil, which increased output by 12 per cent, while there were fairly high growth rates in Argentina, Bolivia, Colombia, Mexico, Peru and the Central American countries.

35. In several countries there was a very pronounced upturn in construction and public works, especially in Argentina, Brazil, Colombia, Mexico and Venezuela.

36. Another important feature of economic development in 1968 was the growth of exports and the marked rise in the value of imports. Exports, measured in terms of the current value of  
/external sales

external sales of goods and services, reached the unprecedented figure of 13,720 million dollars, an increase of 5.6 per cent over 1967, while imports of goods and services totalled 13,380 million dollars, an increase of 7.3 per cent.

37. These trends meant that several countries recorded higher trade figures in 1968 than ever before. Particularly striking in this respect were imports by Brazil (over 2,300 million dollars), Chile (1,050 million), Mexico (2,600 million), Bolivia, Costa Rica, Guatemala, Honduras and Panama. There were some important exceptions, however: the current value of imports of goods and services declined sharply in Peru, and to a lesser extent in Argentina, Nicaragua and Uruguay.

38. The foregoing considerations, which reveal a considerable expansion of Latin America's foreign trade, make it necessary to add some observations in order to assess more accurately the significance of this trend in the external sector. To some extent, it can be evaluated differently according to the standpoint from which it is viewed, in particular, that of Latin America's position in world trade, or that of the relationship between internal growth and external limitations. Viewing the trend from the first standpoint, it should be borne in mind that the recent advances noted have taken place in the context of an exceptional boom in world trade, and that in spite of the higher absolute values of its sales abroad, Latin America has been unable to prevent its share in total world exports from continuing to decline. On the other hand, there is no doubt that in many countries of the region there is now a much more comfortable relationship between the external sector and the growth of the domestic product. In other words, the traditional obstacle to growth deriving from the highly inflexible nature of the external sector has in

/several cases

several cases had little or no influence on recent development. A comparison of imports at 1960 and 1968 prices shows increases of over 100 per cent in Bolivia, the Dominican Republic, Honduras and Nicaragua, and over 50 per cent in Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Panama, and Peru; thus only Argentina, Haiti and Uruguay recorded a decline in the volume of imports between the first and last years of the period concerned.

39. Even so some caution must be exercised in interpreting these facts, in view of the existence of other important factors. First, the characteristic feature of Latin America's foreign trade has been its instability, and there have been no radical changes either in the policy of the industrialized countries or in Latin America's ability to change the structure of its exports which might be considered sufficient to protect it from this instability and ensure that the recent upward trends will continue. Secondly, it is imperative to remember that the larger increase in the last few years is attributable to imports, while the evolution of exports has been much less favourable, which has resulted in rising external indebtedness. The gross inflow of foreign capital increased substantially in the last two years, including a marked rise in short-term financing. Meanwhile, foreign capital servicing - amortization, interest and remittances of profits on direct investment - has come to represent very high proportions of the total value of exports of goods and services: not less than 35 per cent for the region as a whole, and well over 40 per cent in several countries, including Mexico, Brazil and Chile.

40. In 1968 the increase in imports meant that the supply of goods and services for internal use in the whole region grew faster than the product, which favoured the expansion of consumption and, in particular, of investment. This trend

/was observable

was observable in Brazil, Chile and Colombia, while in El Salvador, Nicaragua, Peru and Uruguay the opposite occurred as a result of the less favourable evolution of the capacity to import or of measures to restrict imports.

41. In several countries - Argentina and Mexico, for example - there was a sharp rise in public investment, which involved appreciable changes in the composition of final demand.

#### Mobilization of resources

42. As part of the secretariat's preparation for the second United Nations Development Decade, a study entitled "Movilización de recursos internos" (E/CN.12/88) has been prepared, which is being completed in the secretariat. It will be presented at the Commission's next session. The subject will be kept on the Division's work programme to expand on the study and explore it in greater depth.

43. Taking as its starting point the fact that savings and investment coefficients are relatively low in most countries in the region, and that no appreciable improvements have been observed in the nineteen-sixties, the study tackles the problem from two main angles: the real potential for capital formation, and the accumulation and channelling of financial resources. In addition, the recent experiences of some Latin American countries in mobilizing private savings (personal and corporation) are reviewed.

44. In analysing the real expansion potential, special attention has been paid to current and potential sources of real available resources and the way in which they are used. In particular, an analysis has been made of the degree of dependence of fixed investment on the capacity to import machinery and equipment, and of the probable trend of the latter  
/in the

in the light of the prospects of the over-all capacity to import or changes in the structure of imports which will free more resources for capital formation. A similar examination is made of domestic production capacity, particularly in relation to idle capacity in national capital goods industries and the flexibility of certain production lines - mainly durable consumer goods - which could be adapted so as to increase the supply of production equipment. Finally, there is a fairly detailed discussion of the scale of the contribution which might be made to capital formation by more efficient use of Latin America's extensive productive reserves, such as some basic resources and above all the large proportion of the labour force now unemployed or underemployed (approximately a quarter of the economically active population).

45. The second part of the paper deals with the accumulation and channelling of financial resources. Some of its conclusions indicate that despite the serious problem of under-consumption which affects nearly half the population, the income of the rest allows for a fairly considerable margin of potential savings. At present the income of the higher groups is less than that of their counterparts in the developed countries but their consumption "basket" is the same and higher in price. Comparatively, then, their savings are lower. There are also problems involved in channelling savings into investment; the financing of purchases of durable consumer goods absorbs a large proportion of savings, and financial resources of differing origin, even external credits, are earmarked for these ends instead of for capital formation. It is recognized in the paper that under present Latin American conditions, private institutions serving as financial intermediaries are not the most important instruments for

/channelling resources

channelling resources from units with surplus savings towards real investment, since public agencies still tend to be the basic intermediaries linking savings and investment for development.

46. Finally, the paper describes some recent experiences in Latin America in mobilizing private savings. In relation to personal savings, the lack of adequate intermediaries has been recently remedied by technological innovations which enable banks to handle small accounts. A high degree of liquidity, however, appears to be a fundamental condition for personal savings. Interest rates have no influence on most personal savings in countries with a high inflation rate, although such savings depreciate less if placed in a deposit account than if held as cash whatever the inflation rate may be.

47. One method used to encourage personal savings has been the periodic adjustment of the principal by a price indicator, but the refusal of entrepreneurs to pay an undisclosed rate of interest has restricted the use of such funds to personal loans. Savings tied to the purchase of housing have proved to be the strongest incentive to personal savings in Latin America, provided that seed capital is made available in advance to help finance the system.

48. The frame of reference for the promotion of personal and entrepreneurial savings is also discussed in this part of the study. As efforts made in this respect are not part of a coherent plan, most of the experiments are mutually competitive, thus leading to unnecessary duplication and the proliferation of financial intermediaries. Several important institutions which act as intermediaries have been copies of others in the industrialized countries but with the elements that made them effective eliminated, as in the case of savings and loan

/associations. There

associations. There are two kinds of financial intermediaries: those that make resources available for existing activities and those seeking to finance new productive investment for development purposes. The predominance of the former is the cause of the savings-investment gap in Latin America. However, the latter are increasing in number and importance, although their operations are still severely curtailed by outdated financial legislation and contradictory economic policy objectives.

#### Income distribution

49. The study on income distribution in Argentina <sup>2/</sup> is one of a series on the general subject of income distribution in Latin America which is being published by the ECLA secretariat. It has been possible to make a study of the Argentine economy in greater depth because advantage has been taken of an earlier statistical study, jointly sponsored by ECLA and the National Development Council (Consejo Nacional de Desarrollo) of Argentina.

50. The study begins by a brief historical sketch of the development of the Argentine economy, in order to summarize some background information which helps to explain the income distribution structure that now exists. This analysis is particularly important in the case of Argentina, where some aspects of the historical growth, and consequently of the income pattern, were quite different from what they were in most of the other Latin American countries.

51. The second chapter analyses the income distribution structure in 1961 - the most recent year for which estimates

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<sup>2/</sup> United Nations publication, Sales No: E 68.II.G.6.

/are available.

are available. This is done in considerable detail, beginning with the general distribution of personal income and its structure in terms of the various socio-economic groupings. From this the principal factors underlying the prevailing inequality can be determined, and the analysis then proceeds to a more specific consideration of each of these through a consideration of functional distribution, sectoral distribution and regional and urban-rural distribution.

52. The third chapter contains an analysis of the changes which have occurred during the post-war period, both in the over-all distribution and in the structure of the distribution by socio-economic groups. This can be done more thoroughly for the three years for which the detailed statistical estimates were made - 1953, 1959 and 1961 - but total and average income data for the socio-economic groupings for other years make it possible to extend the analysis of the central aspects of the distribution.

53. The second and third chapters are concerned only with the distribution of monetary income and, while this is the most important determinant of the distribution of economic welfare, it is not the only one. Chapter IV extends the analysis to other major aspects which limit the applicability of the estimates to a welfare analysis: definition of the income concept applied, effects of fiscal policy, relative prices and economic mobility. The discussion is still limited to economic welfare, but even so is of course less precise than the numerical money income estimates.

54. Chapter V makes a broader analysis of the changes in income distribution discussed in the preceding chapters. While those chapters, and chapter III in particular, refer mainly to 1953, 1959 and 1961, for which full data are available, this

/chapter is



chapter is based on the annual data which provide supplementary information on the functional, sectoral and regional distribution of the product.

55. Chapter VI analyses the role of public policy in the changes in the distribution of income and its structure. Policy measures have been of particular importance in the changes which have occurred in the post-war period, and the policy measures themselves have been of different sorts. This makes it possible not only to discuss what was done and how it affected the distribution, but also to appraise the relative impact of the different types of policy measures.

#### Regional development

56. Research on this subject has been mainly directed towards an analysis of the regional distribution of economic activity (by areas within each country), the factors that have determined this pattern of regional development, its consequences in relation to the main problems of Latin American development (including the utilization of basic resources, income distribution and the growth rate of the over-all product), and the experiences of several Latin American countries in their efforts to influence development trends in different regions. In this last area the main aims are two-fold: support for particularly depressed areas, in which a large proportion of the national population lives in conditions far inferior to those found elsewhere in the same country; and the creation of new centres of growth in regions that are exceptionally well endowed with resources of which little use is being made and where development could have a decisive influence on the expansion of the national economy as a whole.

57. A summary of the progress made so far in this research work is included in Part One, chapter II, of the Economic Survey of Latin America, 1968.

/Problems of

Problems of relatively less developed countries

58. As part of the follow-up to the Meeting on the Problems of Regional Integration of the Relatively Less Developed Countries (Guatemala City, October 1967) a regional adviser has been appointed to assist these countries in dealing with certain problems.

Human Resources

59. Work on this subject has mainly consisted in a detailed diagnosis of employment problems in the context of economic development as a whole. Special attention has been given to the relationships between the rate and forms of technical assimilation on the one hand, and the growth of employment opportunities and the different levels of labour productivity on the other.

60. The continuing evaluation of employment trends and structure which the secretariat has been carrying on for a long time now, forms part of the work of the regional group organized by the ILO as part of the Ottawa Plan.<sup>3/</sup> ECLA plays an active role in this programme, together with other international agencies; it has assigned one staff member on a permanent basis to it and collaborates in the establishment of general guidelines for the work.

SOCIAL AFFAIRS DIVISION

61. During the past twelve months, the Social Affairs Division has advanced further in its research on social problems, and the findings have been embodied in the study presented to

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<sup>3/</sup> Ottawa Plan for Human Resources Development, adopted by the Eighth Conference of American States Members of the International Labour Organisation, on 22 September 1966 (see International Labour Office, Official Bulletin, No 1 (Geneva, January 1967), pp. 73-77).

the thirteenth session under the title "Social change and social development policy in Latin America" (E/CN.12/826). The study consists of two parts, dealing respectively with social trends and social development policy. The first part describes general trends and population trends, presents a typology of Latin American countries in relation to social policy problems, puts forward some general considerations on social structure and mobility, and discusses urban and rural social change, employment, changes in consumption patterns, and youth. The second part deals with general problems of policy delimitation and approach, levels of policy and planning, and the major sectors of public social action, and certain strategic approaches to social development policy. Some guidelines are given for solving the social problems to be faced by Latin American countries during the next decade since the results of this research indicate that, unless serious efforts are made to channel social changes, there is little prospect of an advance towards a dynamic society.

62. Under normal conditions, the population of Latin America will increase from 284 million in 1970 to 379 million in 1980. The greatest drop in rates of increase would not decrease the latter figure by more than 14 million. Moreover the whole of the population that will have reached working age by 1980 has already been born, and will rise from 153 million in 1970 to about 205 million in 1980. The population in 1980 will be predominantly urban, with from 50 to 55 per cent living in centres with 20,000 inhabitants and over; from 25 to 30 per cent will be living in centres of 50,000 and over. Predictions concerning population are the only ones that can be made with any confidence, since most other factors are subject to a number of possible variables. As far as quantitative indicators can

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measure, the educational level of the population in 1980 will be much higher than at present, primary education will be universal and secondary and higher education accessible to much wider strata; the information media will also be playing their part in bringing education to the whole of the population. All of this could mean a population much better equipped to take part in the struggle for development and for a more equitable and democratic social order; at worst, it could mean a population explosively frustrated and divided by the failure of maldistributed, unappropriate and low-quality schooling to produce the status and occupational rewards for which it was sought.

63. Health protection for the population in 1980 will be better than at present, since in health more than in any other sector of public social action, scientific progress permits measurable and relatively unambiguous advances. So far the result has been a speeding up in the rate of population increase.

64. Whether the population is better fed or better housed in 1980 will depend on the strategy adopted in development policy. Nutritional and housing levels may well remain stationary or continue to deteriorate unless effective policies bearing on the structural causes of the deficiencies are found. Whether the physical environment will be more conducive to human well-being is problematical. At present the urban environment is deteriorating through congestion, unplanned urban sprawl and a number of other factors, while the rural environment is increasingly affected by wasteful land use, deforestation, erosion and water pollution. Further irreversible damage is only too likely as pressure on the land increases. The number of people who will be employed or seeking to enter  
/the labour

the labour market in 1980 will depend on the structure of the economy at the time and will be influenced by public policy concerning such areas as education and social security; nevertheless, it can be roughly estimated that gainful employment will be needed for about 120 million persons (80-90 per cent of the men and 30-40 per cent of the women of working age) as compared with 77 million in 1965. Unless more satisfactory sources of income, associated with contributions to production, can be found and the marginal strata trained to take advantage of them, countries in the region will be faced with demands for direct subsidies to support minimum levels of living at costs far beyond the resources they can mobilize. In such circumstances, moreover, continuous growth of the "modern" high-productivity sectors of the economy, already hampered by the narrowness of domestic markets, would presumably be increasingly crippled by the burdens placed on the economic sectors for support of the hypertrophied bureaucracies and for the cost of subsidies which would not prevent the serious social tensions that would arise, and rightly so. The urgent need for different patterns of employment and income distribution is making wider changes necessary in the structure of the economies and the societies.

65. The answers to the questions raised must point towards clear conceptions of the kind of society towards which development policy and planning are directed and of the limitations within which public policy must operate under defined national conditions and in pursuit of defined societal objectives. While each country will have to pursue its own path, certain requisites for success are suggested:

(a) Clearer images of the future societies towards which the striving for development is directed need to be built up,

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through the combined efforts of political leaders, social scientists, planners and the people in general;

(b) National capacity for autonomous policy formulation and applications needs to be greatly enhanced, and authentic opportunities for participation in policy by the different population strata need to be widened and equalized;

(c) The need for autonomous national policy-making informed by an image of the future society does not necessarily imply that policy-making should seek a maximum of rationalization and central control. At best, the State is going to be faced with more responsibilities than it can handle efficiently; the more it can devolve on local and popular initiative the more capable it should be of bringing coherence into its major decisions on lines of policy.

66. The role of international co-operation is discussed; it is pointed out that a great deal of social policy advice focuses upon institution-building and upon the stimulation of change in human motivations, in relationships between different groups or classes, or in patterns of family and community life, and in this area the applicability of expertise acquired in one society to the needs of another can never be taken for granted. On the other hand, research and training at the regional level promise to continue to be one of the most valuable forms of international co-operation during the coming decade.

67. The benefits and drawbacks of financial aid are also discussed. In general, it can be affirmed that external financial and material aid can play a valuable complementary role to national efforts, to the extent that these are governed by clear conceptions of policy and effective planning and administrative machinery, but that it would be illusory

/to expect

to expect it to assume a major part of the burden of support for national levels of living and social services.

Other work

68. Three short studies were published in the Economic Bulletin for Latin America, vol. XIII, No2: "Social security and development: the Latin American experience"; "Integral local development programmes in Latin America"; and "The urbanization of society in Latin America". They were drawn together by a brief introduction on social policy and social change. All of them had previously been submitted as working papers to technical meetings held in 1967.

69. A paper entitled "Development as a social phenomenon and its implications for social policy and programmes at the regional level" was presented at the Seminar on Sociology of Regional Development, organized by the United Nations Research Institute for Social Development (UNRISD), in Geneva, in November 1968.

70. The study on housing costs, undertaken with financial support from the Inter-American Development Bank, was completed and the final report, consisting of five case studies, was delivered to the Bank in September 1968. The central themes were the level and composition of housing costs in Latin America.

71. Work on housing policies was undertaken mainly for the study on the second United Nations Development Decade (E/CN.12/826) and was based on earlier research related to the preparation of teaching materials for the course on housing programming held in 1966. No further research on housing problems will be undertaken by the ECLA secretariat for the time being, because of the need to concentrate resources on other high-priority work. Some assistance in finding solutions to specific housing problems will continue to be given to

/governments, upon

governments, upon request, but ECLA's work in future will be directed more towards urban and regional development, which incorporates activities relating to community development.

72. The Division provided a staff member to lecture at the sixteenth regular course organized by the Regional Fundamental Education Centre for Community Development in Latin America (CREFAL) at Pítzcuaro, Mexico, in 1968; lectures were given on national development, popular participation and community development.

73. Advisory missions on community development problems were undertaken to Ecuador (March and April 1968) and to Uruguay (November 1968). In the first case, advice was requested by the Government in connexion with the work of the Andean Mission, while in the second, the Government had requested assistance concerning development of the urban community in Montevideo.

/TRADE POLICY



TRADE POLICY DIVISION

74. The ECLA secretariat provided assistance and advice to the Latin American group at the second session of the United Nations Conference on Trade and Development (New Delhi, February and March 1968) and liaison services with the Conference secretariat. ECLA was subsequently represented at the seventh session of the Trade and Development Board. Since then the Division has concentrated on evaluating the results of the session from the Latin American standpoint, and on helping Governments in the region to assess the possibilities of future action.

75. Discussions took place with the LAFTA secretariat on current projects and future collaboration, and advisory services continued to be provided to governments on specific problems of trade policy and integration. Comments were prepared on a number of reports of experts relating to trade and integration, with particular reference to export promotion.

76. The Third Regional Course on Trade Policy took place at ECLA headquarters from 1 July to 15 August (see paragraphs 322 and 323).

77. More recently, the Division has been engaged in preparing, for the thirteenth session of the Commission, a document on trade and integration in connexion with the second United Nations Development Decade (E/CN.12/833). This study includes a revision and reformulation of strategy for Latin America's trade policy and of practical measures for implementing it, with special emphasis on the need for new strategies for industrial and development policies as well. It describes and evaluates the recent trends and experience of different Latin American integration efforts, including LAFTA, the Andean Group, the Central American Common Market and CARIFTA, and also analyses problems requiring solution and the future prospects for integration in Latin America.

/Trade and

Trade and Development

78. Following the second session of the United Nations Conference on Trade and Development, the Special Committee on Latin American Co-ordination (CECLA) convened its Fifth Meeting at the Expert Level and its Fourth at the Ministerial Level; these meetings took place at Santo Domingo from 17 to 21 and from 22 to 26 June, respectively. Resolutions adopted at these meetings, which were attended by the secretariat in an advisory capacity, dealt with the strategy of Latin American action and the future activities of the Group of 77; they urged that the ECLA secretariat should undertake specific tasks in that connexion, within the general terms of ECLA resolution 264 (XII). Prior to the Meeting at the Expert Level, the secretariat had prepared working material which provided a basis for discussion. Following it, and in accordance with ECLA resolution 262 (AC/58), the secretariat brought together a group of experts, which met at ECLA headquarters from 12 to 16 August 1968 to help the Trade Policy Division in preparing a document containing proposals on possible formulas for agreement in connexion with a scheme of general non-discriminatory and non-reciprocal preferences. Subsequently the secretariat helped and advised the Latin American countries at the inter-governmental meeting of CECLA experts held at ECLA headquarters from 23 to 26 September 1968 to consider those proposals.

79. In line with the resolutions adopted by CECLA at Santo Domingo, a meeting on supplementary financing was held at ECLA headquarters from 19 to 23 August 1968 to make proposals for improving a supplementary financing scheme, which is to be considered at the next meeting of Governors of Latin American Central Banks and will then be a main plank in the Latin American platform at the fourth session of the expanded UNCTAD Inter-governmental Group on Supplementary Financing. The Division

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collected and transcribed all the pertinent documentation in collaboration with IDB, CIAP and UNCTAD, and helped to draft the final report.

### Export Promotion

80. An article on the role of international organizations in promoting Latin American exports was prepared for publication in the Economic Bulletin for Latin America, vol. XIV, N° 1. This number also includes an article on the transfer of technological know-how in relation to trade policy and export promotion in Latin America.

81. The first draft of a Handbook for Latin American Exporters has been completed, containing information on problems encountered daily by exporters in the different stages of export trade, and suggestions on export practices to be adopted. A bibliography to accompany the Handbook is in course of preparation.

### Integration

82. The ECLA and LAFTA secretariats agreed on a programme of collaboration in 1968, covering several aspects of trade policy relating, in particular, to the common external tariff and the origin of goods. Three experts, on customs procedures, tariff policy and the origin of goods respectively, have been collaborating with the LAFTA secretariat. The ECLA secretariat participated in the LAFTA Study Group on the Common External Tariff, which met at Montevideo from 18 to 23 September 1968, and examined at length the questions of the methodology and criteria to be used in drawing up a common external tariff. A note on the subject is being prepared.

/83. The

83. The first drafts of two studies have been circulated for comment. One deals with the co-ordination of trade policy and the other with the origin of goods in LAFTA. In view of the forthcoming negotiations among developing countries under the auspices of the GATT Trade and Development Committee, and the concern expressed by a LAFTA member at the meeting of the Standing Executive Committee on 17 September 1968, the Division has prepared a note on the subject. This indicates whether the concessions negotiated by LAFTA member countries with other developing countries and not extensive to developed countries are subject to the most-favoured-nation clause, and whether the LAFTA rulings concerning the reinstatement of preference margins resulting from tariff reductions negotiated among the Contracting Parties to the Montevideo Treaty are applicable in such case.

#### Advisory services

84. Advisory missions on institutional aspects of export promotion were undertaken at the request of the Governments of Bolivia, the Dominican Republic, Guyana, Honduras, Nicaragua and Peru, and a project on the subject was prepared for the latter. Similar services were extended to SIECA and exploratory missions were sent to Honduras, Panama, St. Lucia, and Trinidad and Tobago. In Bolivia, assistance was also given in connexion with monetary planning, while in Peru the Central Bank was helped with problems of monetary and credit programming. A similar mission was sent to assist the Central Bank of Uruguay.

85. Advice was given to Chile's Development Corporation on the promotion of footwear exports, and an exploratory mission on export promotion was undertaken in Venezuela.

86. The secretariat collaborated with the Latin American Institute for Economic and Social Planning (ILPES) and IDB in organizing the Trade Policy Course for Central America sponsored by SIECA. Lectures were given by ECLA staff on financial and institutional aspects of trade policy. Similarly, lecturers were provided for an ILPES seminar on economic policy, and for the sections of the basic course dealing with monetary, fiscal and exchange instruments. For its course on annual operative plans, assistance was provided in such subjects as monetary policy and budgets, and programming of the external sector.

87. Finally, the secretariat helped the International Trade Centre (UNCTAD/GATT) to select Latin American candidates for its training courses.

#### Special Studies Section

88. As from the beginning of 1969, this Section was transferred to the Industrial Development Division.

#### Purchasing power and parity exchange rates

89. The series were brought up to date for main expenditure sectors and the results, covering the years 1955-1966, were sent to other United Nations offices and to selected international agencies.

90. Collaboration continued with the Brookings Institution on the project being carried out by research institutes of the Estudios Conjuntos de la Integración Económica Latinoamericana group along lines similar to those adopted by ECLA in 1960-1962. The secretariat participated in an advisory capacity in meetings of that group (Rio de Janeiro, July 1968 and Santiago, Chile,

/December 1968),

December 1968), while members of the Section carried out test-checks of data received from each country. Contacts were also made with the University of Pennsylvania, which will be carrying out a similar project on a world-wide basis, in conjunction with the United Nations Statistical Office. Advice was also given by correspondence to the Economic Commission for Africa, which is contemplating a similar type of study.

#### Joint ECLA/ILO study on labour costs and productivity

91. Tabulations and questionnaires received from Venezuela and Bolivia were examined in order to assess the consistency of the data and to determine a methodology for the final elaboration and computation of the material. Meantime, similar data are expected from Brazil, Colombia, Mexico and Peru, where the field work is well advanced. In two other countries - Argentina and Uruguay - financing difficulties have been overcome and the collection of data is expected to begin shortly.

#### Prices of industrial goods

92. Owing to staff shortages, little progress was made on this project; discussions have taken place with the Brookings Institution, concerning the possibility of its undertaking a similar or complementary study.

/JOINT PROGRAMME

JOINT PROGRAMME FOR THE INTEGRATION OF  
INDUSTRIAL DEVELOPMENT

93. For a number of reasons, the secretariat's activities in the field of industry progressed more slowly in 1968 than was anticipated, and some projects had to be modified while others were postponed. The principal reason was the lack of staff owing to recruitment difficulties, which has meant that the resources actually available for the Joint Programme in 1968 were 30 per cent less than in 1967.

The industrial economy

94. The Programme prepared a study on Latin American industrial development (E/CN.12/830) as part of the work undertaken by the secretariat with a view to framing a strategy for the second United Nations Development Decade. In this study, alternative industrial development objectives and policy instruments are considered with a view to formulating an industrial development strategy for 1970-1980.

Export promotion

95. Work continued on the series of studies on short- and medium-term prospects for exports of manufactures, and the study on the Central American Common Market countries (TD/B.C.2/61), prepared in collaboration with the UNCTAD Division of Manufactures, was completed.

96. A programme of technical co-operation with the Government of Brazil has been drawn up as a sequel to the study on the promotion of exports of manufactures undertaken in that country (TD/B.C.2/35). The following areas have been selected for technical assistance activities: ~~the~~ metal-transforming industries (machine-tools, machinery and equipment for other industries and for roadbuilding and similar activities); electrical domestic appliances and similar products, such as sewing machines; steelmaking (special steels); leather and leather manufactures (tanned hides and footwear); and textiles (unbleached cotton yarns and fabrics, and finished goods of cotton and ramie). Although the ECLA secretariat has held talks with the United Nations Industrial Development Organization (UNIDO) and UNCTAD concerning the final form this project will take, since both these organizations will be participating in it, further progress has been impossible owing to lack of staff.

#### Technological research

97. Two projects on the transfer of technology are being prepared and agreements are being concluded with the different organizations which are to participate in them. The first project relates to the transfer of technology on the basis of agreements among enterprises, and will be carried out in Brazil through an agreement with IDB, the United Nations Institute for Training and Research and the United Nations Division of Public Finance and Financial Institutions, as a contribution to the world-wide project being undertaken by UNITAR.

98. The second project, also to be carried out in collaboration with IDB, is concerned with technology from the sectoral

/standpoint. It



standpoint. It will be carried out partly in Brazil and partly in other countries of the region.

99. As a result of the meeting of the Latin American Regional Group of the Advisory Committee on the Application of Science and Technology to Development (see paragraph 321), the secretariat is collaborating in the preparation of the report to be presented to the Committee in connexion with the World Plan of Action.

100. The Regional Adviser on Technological Research took an active part in the meeting and maintains regular contacts with the Advisory Committee. He has continued to advise Governments, at their request, on the establishment, and operation of industrial research institutions.

101. In November, work started on a project for technological research in the Latin American steel industry, to be undertaken on a joint basis with the Organization of American States and the Latin American Iron and Steel Institute (ILAFA). A mission from the three organizations has begun to visit steel mills and laboratories in the region and also some of the main steel users in order to examine the situation of steel research.

#### Steel industry

102. Two papers were prepared for the second United Nations Interregional Symposium on the Iron and Steel Industry, at which the ECLA secretariat was represented. One dealt with the present status and future prospects of the iron and steel industry in the Latin American countries (ID/WG.14/42), and analysed production and consumption of steel in Latin America and the capacity of the different production departments in the

/region's integrated

region's integrated steel mills. The second stressed the influence of the scale of operations on investment and production costs in steel mills operating in Latin American conditions. (ID/WG.14/43). Minimum and optimum economic sizes were defined, and the situation of several Latin American steel mills was examined in relation to them.

103. A study was begun in 1968 on the steel industry in the relatively less developed countries, in particular, Bolivia, Central America, Ecuador and Paraguay. An examination was made of demand trends, existing resources for steel manufacture, the situation and characteristics of installed industry, alternative technical structures for the development of the industry, plans and projects and so forth.

#### Forest industries

104. The ECLA/FAO/UNIDO Forest Industries Advisory Group for Latin America has continued to send advisory missions to countries in the region. They included one to Honduras, in connexion with the Olancha forest industry project; one to Cuba to evaluate afforestation and pulp and paper development programmes; one to Venezuela to define and formulate follow-up action to the FAO study on the construction of a pulp mill in Venezuelan Guayana; one to Brazil in connexion with the possibilities of obtaining aid from United Nations organization for forest industry development projects; and one to Central America to advise SIECA on development prospects for the pulp and paper industry.

105. Preparations are being made for a Latin American Conference on Forest Industries, to be held in 1970 in Mexico. Some studies

/for it

for it have been started, including one on the situation of packing paper in the region, another on development prospects for newsprint production and others on the manufacture of paper board and the sawmill industry in Latin America.

#### Chemical industries

106. A number of advisory missions were undertaken to the countries of the Andean Group, LAFTA and Central America. The last mission was requested by the Central American Research Institute for industry for a study on the trends and development of the chemical industry in the Central American countries, with a view to examining the future prospects for and relations between the Central American Common Market and the rest of Latin America.

#### Basic equipment and metal-transforming industries

107. Advisory services continued to be provided, especially to the countries of the Andean Group.

108. The first draft of a study on the manufacture of machinery and equipment for basic industries in some Latin American countries was finished in November 1968. This had originally been planned as a regional study, but owing to the difficulty of completing the arrangements with certain countries, it was restricted to four, namely Argentina, Brazil, Chile and Colombia.

109. The difficulty of obtaining basic data and recruiting the necessary technical staff has prevented the study of the motor-vehicle industry, which is being carried out in conjunction

/with IDB,

with IDB, from progressing as fast as had been anticipated. In 1968 work was concentrated on an analysis of the motor-vehicle market and projections of future demand.

#### Small-scale industry

110. A project is being drawn up with UNIDO and with the co-operation of the ILO for the establishment of a regional centre for small-scale industry, which will be submitted to the United Nations Special Fund. It is hoped that this Centre will bring together the resources, information and experience available inside and outside the region to ensure that they will be used more rationally. It will be a regional centre, open to all the Latin American countries, and will have four main functions: (a) research; (b) information and publications; (c) technical co-operation; and (d) training.

/TRANSPORT PROGRAMME

## TRANSPORT PROGRAMME

111. During the period covered by this report, the Transport Programme concentrated its activities on studies and projects dealing with maritime, rail and road transport and with problems of regional integration. In addition, preparations were made for the Seminar on Statistics, Accounting and Costs of Railway Enterprises (see paragraphs 324 to 329). For the thirteenth session of the Commission, the Programme prepared a document entitled "Los transportes en la década de 1970" (E/CN.12/832) with a summary in English under the same symbol, as part of a series designed to provide background information for the formulation of the strategy for the second Development Decade. The Organization of American States continued to supply two experts for joint studies on maritime transport, but this arrangement came to an end at the beginning of 1969. Contacts were maintained with the secretariats of UNCTAD and LAFTA and with some non-governmental bodies such as the Latin American Railways Association, the Latin American Association of Shipowners and the Latin American Road Transport Association.

### Maritime freight rates

112. A study on freight rates in Latin America's external trade (E/CN.12/812) was completed in 1968 under the joint programme with the OAS. It is part of a broader programme of basic economic studies on maritime transport a subject in which UNCTAD has been showing increasing interest.

113. The model used to study the structure of freight rates contained the following variables: value per ton of goods transported; handling costs (loading and unloading at ports); possibilities of damage or spoilage during the voyage; proportion of the total tonnage transported over a given route

/represented by

represented by each product and the stowage factor of each product. Very satisfactory results were obtained, indicating that this particular combination of variables provides the most reasonable explanation of the freight rate structure. In most cases only the value of the product and the stowage factor need to be considered, since the former shows the status of demand while the latter indirectly reflects costs.

114. In the analysis of the level of freight rates the following factors were taken into account: the number of regular lines serving the different routes; the age of the ships; unbalanced traffic flows; distance; port costs, and tonnage transported. Although less satisfactory results were obtained than in the study of the structure of freight rates, the factors examined did help to explain the level of freight rates, and three of them - number of regular lines, distance and port costs - are almost always of special importance.

115. The study indicates that, while exports of manufactures and goods containing a high degree of processing can withstand the highest freight rates in absolute terms, they represent a lower proportion of the value of the product than other less processed goods. This would seem to indicate that it is unlikely that freight rates as such limit export prospects to any significant extent, although it was found that many freight rates were too high.

116. An analysis of other factors showed the degree of monopoly power of the shipping conferences, as a result of which the level of freight rates is, in general, higher than it would be if there were more competition. Nevertheless, it was found that the degree of monopoly often varies considerably among the different services used for the region's external trade, and in some cases is relatively insignificant.

117. Many freight rates are fixed outside the region, and regional lines have only a minority role in the conferences and other agreements; this is hardly surprising since only

seventeen of the 118 regular lines serving Latin America are registered in the region. The conferences have achieved uniformity in some important aspects, such as the monetary unit for expressing rates - the United States dollar - and the system of classifying freight rates by goods and not by classes or categories. There are specific rates for nearly all raw materials on all routes, and for 71.5 per cent of semi-manufactures, but for complex manufactures this proportion is only 54.2 per cent. In other respects the different rates have no common denominator. Rates are sometimes expressed by weight and sometimes by volume, and in many cases the carrier can choose between the two. Moreover, in the ninety-eight freight tariffs analysed, there were more than thirty different systems for surcharging abnormally heavy or bulky goods. Different systems of weights and measures seem to be used for no apparent reason, and considerable progress could be achieved if efforts were made to standardize them.

118. So far, only a few conferences have fixed rates for container shipments; those that have, however, have generally made transport in containers more expensive.

#### Port costs and efficiency in Latin America

119. Work on this topic, the second most important in maritime, transport started in mid-1968, but had to be postponed owing to lack of resources.

#### Road transport

120. The analysis of the main features of road transport has acquired added importance in view of the tripartite agreement on road transport of June 1966 between the Governments of Argentina, Brazil and Uruguay (later joined by Chile and Paraguay) and, in particular, the efforts of LAFTA in mid-1968 to promote a multilateral agreement on road transport, and it

/has been

has been agreed with LAFTA that the ECLA secretariat will undertake a study of the main features of road transport. In May 1968 a fact-finding mission visited Colombia, Ecuador, Mexico, Peru and Venezuela, and subsequently completed a provisional report on the rules and regulations governing the commercial motor transport of passengers and freight. The report is a compilation of the main national regulations governing the commercial transport of passengers and goods in the LAFTA countries, based on replies by national authorities to an ECLA questionnaire. It forms the first part of a three-part study, and was presented as a working paper at the fifth session of the LAFTA Transport Advisory Commission (Montevideo, 12-16 August 1968).<sup>4/</sup>

121. Some work has been done on the second part of the study, which deals with the present situation of road transport and its main problems, in respect of Argentina, Brazil and Ecuador. Considerable material has also been collected for the third part of the study, which will deal with international road traffic.

122. The secretariat will participate in a working group of the Transport Advisory Commission, which will meet in May 1969 to discuss the framework for a draft multilateral road transport agreement, to be submitted to the Advisory Commission at its sixth session (July 1969).

#### Other work

##### Regional organizations

123. The secretariat participated in regional meetings organized by several organizations, including the Fourth General Assembly of the Latin American Railways Association.

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<sup>4/</sup> See "Asuntos reglamentarios del transporte comercial por carretera" (ALALC/CAT/V/dt/2), 12 August 1968.



(Santiago, Chile, October 1968); the First Inter-American Seminar on Ports (Bogotá, March 1968) organized by the OAS; the Third Inter-American Ports and Harbour Conference (Viña del Mar, 15-23 November 1968); and the LAFTA Working Group on Simplification of Shipping Documents (Montevideo, 27-30 May 1968), to which ECLA submitted its comments on the draft proposals for a uniform bill of lading.

Advisory services

124. The Programme participated in a mission which visited Bolivia between 21 October and 3 November to determine the technical assistance programmes needed for a number of projects designed to promote the economic and social development of the country. In the transport sector, stress was laid on the need to develop road links between the Altiplano and the northern and eastern regions, and to use inland waterways to open up new territories.

125. An exploratory mission to the Caribbean was undertaken in order to examine, in conjunction with the staff of the ECLA Office for the Caribbean, transport problems in the CARIFTA area and in the Caribbean Basin as a whole. A draft project for maritime transport in the area was drawn up.

126. Exploratory discussions were held with the staff of IDB and its Institute for Latin American Integration concerning transport projects for the development of the River Plate Basin.

127. In response to a request from United Nations Headquarters, comments were prepared on a draft report on the co-ordination and perfecting of the United Nations system of transport (E/4509-E/AC.51/21); comments were also prepared on a draft report on tourism stressing the importance of tourism for the Latin American countries and the desirability of ECLA undertaking research on its economic aspects.

/128. The

128. The Programme prepared proposals on transport for a report on the main scientific and technological advances which require further study before they can be applied in Latin America; this was a contribution to the World Plan of Action, and developed out of the meeting of the Latin American Regional Group of the Advisory Committee on the Application of Science and Technology to Development which was held in July 1968 (see paragraph 321).

129. As in the past, the secretariat continued to co-operate closely with UNCTAD's Division for Invisibles. A report on ECLA's activities in maritime transport has been prepared for the third session of the UNCTAD Committee on Shipping, to be held in April 1969. The secretariat also helped to prepare material on some Latin American countries for another study based on a sample of the imports and exports of the developing countries, and dealing with the effects on the trade of the developing countries of contracts with c.i.f. or f.o.b. or other types of condition which give sellers or buyers greater or lesser influence on maritime transport.

130. An evaluation was made of the results of the second session of UNCTAD, in relation to maritime transport in Latin America, which was submitted to the Fifth Meeting at the Expert Level of CECLA (Santo Domingo, 17-26 June 1968).

131. The Programme participated in the Eighth Seminar on Ports and Navigation, organized by the United Nations Development Programme (UNDP) in collaboration with the Government of Denmark, in particular with respect to problems relating to the time spent by ships in port.

/JOINT ECLA/FAO

JOINT ECLA/FAO AGRICULTURE DIVISION

132. With the completion in 1967 of the studies on agricultural inputs, activities during the period under review have concentrated on two main projects: studies of agricultural integration among the LAFTA countries, and a study on prospects in Latin America during the second United Nations Development Decade.

133. In addition, the Joint Division has represented ECLA and FAO at a number of regional meetings, including, in particular, the tenth FAO Regional Conference for Latin America (see paragraph 330). As it has always been done, it prepared the chapter on agriculture for the current Economic Survey of Latin America, and material for the FAO publication The State of Food and Agriculture.

134. In recent months, an agreement was reached with FAO under which the Agriculture Section of ECLA's Mexico Office became part of the Joint Division. This will ensure better co-ordination of work with FAO, particularly in so far as co-operation with the integration programmes of the Central American countries and the Caribbean is concerned. The Section's activities during the period covered by this report were directed mainly towards an evaluation of land reform in Latin America for the Economic Survey of Latin America, 1968, a study of land tenure and working conditions in Central America, and another study, on agricultural and livestock development in Mexico.

Agricultural development and planning

135. The Joint Division prepared a study for ECLA's thirteenth session on the prospects for agriculture in the region during the second United Nations Development Decade entitled "Agricultural development in Latin America" (E/CN.12/829). This forms part of the general work being done by the secretariat on prospects for economic and social

/development in

development in 1970-1980. Work on this study is being closely co-ordinated with the preparation of the FAO Indicative World Plan.

136. The Division has made a thorough examination of the factors which hamper or retard agricultural development, and has tried to define policies and strategies which would help to increase the rate of progress, at both the sectoral and the general levels. The document starts by emphasizing the critical state of agricultural development in Latin America, and the reasons for it, which are summed up as follows:

- (a) a slow rate of increase of production, especially in the livestock sectors, in relation to the rate of population growth;
- (b) little improvement in unit yields of a large number of products and, as a general rule, inadequate technological progress in most countries;
- (c) an unsatisfactory structure of production, characterized by under-diversification;
- (d) over-concentration of ownership of land and agricultural income, with the result that the income and living levels of vast numbers of the rural population are deplorably low;
- (e) under-utilization of available land and labour, giving rise to high unemployment and under-employment in rural areas and to substantial and increasing population shifts from the countryside to the towns;
- (f) low levels of food consumption in most countries in both rural and urban areas, despite the steady growth of imports;
- (g) slow expansion of agricultural exports, and a progressive decline in the prices of Latin America's chief agricultural exports;
- (h) lack of integrated agricultural development planning aimed at removing the existing obstacles and solving the above-mentioned problems through the adoption of continuing and consistent policies and appropriate administrative and institutional reforms.

/137. Should

137. Should agricultural development in most Latin American countries continue along the same lines, the average annual per capita income of the rural population - now standing at some 100 dollars - would rise by only 30 or 40 dollars annually over the next twenty years, whereas that of the small group owning most of the land would rise by more than 1,000 dollars. Yet, with more even distribution and more rational exploitation of the vast natural resources of Latin America, and sufficient technical resources and capital, the rural population could enjoy much higher levels of nutrition and income than they do at present.

138. On the other hand, prospects for some Latin American agricultural exports do not seem very encouraging, except for a few products, such as beef. The reasons for this situation are given in the study, together with supporting data. Nevertheless, there will be more intra-regional trade, since the progress to be expected in economic integration, whether at the regional or the subregional level, will necessarily help to bring national production plans into line with each other and to promote specialization. Recent advances in agricultural technology should make it possible to raise unit yields considerably, providing that suitable production methods and techniques are used. This assumption is supported by experience in various parts of the world, including some Latin American countries, where increases were in average national yields, which cover a large number of farmers and a wide range of situations.

139. What is needed, then, is the formulation and application, in all countries, of a deliberate policy of technological improvement, including the strengthening of the research and extension services, intensive training of specialized staff

/at both

at both the university and the secondary levels, increasing the production of inputs and lowering their prices, the use of new varieties on a larger scale, increasing the area under irrigation and making better use of water, improving the control of crop diseases and pests, and so forth. On the other hand, whether or not the cattle population can be increased during the next decade largely depends on the extent to which the birth rate can be stepped up, mortality reduced and the rate of extraction kept within normal limits. There is no real reason why pig and poultry production should not increase more rapidly than in the past, although sheep production is not expected to develop very much.

140. Stress is laid in the study on the need to weigh carefully the different problems that need to be solved in applying any programme of land reform. This holds true both in the planning of agrarian reform in traditional agricultural areas and in the organization of new farm enterprises in areas recently brought under cultivation. Otherwise there might be a risk that the final outcome of the process would be the expansion of subsistence farming on a gigantic scale, and that the benefits of technical progress would be reaped almost entirely by a small minority of farmers.

141. The study points out that the agricultural development process, including agrarian reform, should be self-financing. Since, however, the heaviest investment will have to be concentrated in its initial stages, a potent injection of capital from other sectors of the economy or from external financing institutions will be needed.

#### Agricultural integration

142. The Division's work during the early part of the period under review was concentrated on the study of factors influencing current trade flows for a large group of commodities,  
/and of

and of future prospects for this trade among the eleven LAFTA countries. An analysis is being made of the current situation concerning production, productivity, consumption, external trade and policies for prices and marketing of these commodities in each of the countries concerned, projections of demand, both internal and external, are being prepared and an estimate made of probable flows of intra-regional trade in these commodities. Draft reports on wheat, maize and sugar have been completed and distributed among member Government and the LAFTA secretariat for appraisal and comment. The report on wheat was presented at the fifth meeting of the LAFTA Advisory Commission on Agriculture (Montevideo, May 1968) and later at the first meeting of the LAFTA Agricultural Policy Council, held in June. Work is proceeding with the studies on beef, rice, cotton, coffee, cocoa, dairy products, tobacco and wool.

143. The statistical information and guiding principles in these studies should be very useful to the LAFTA member Governments and secretariat in designing the policies for intra-regional trade in agricultural commodities after 1973 - that is, the year when the transition period of the Montevideo Treaty expires. It has been recognized that the complex socio-economic situation of agriculture in all these countries and the dissimilar conditions of productivity, costs and prices existing among them make it very difficult for the establishment, over a short period, of any automatic liberalization system for trade in agricultural commodities. Instead, it would be preferable to reach specific agreements by commodities or groups of commodities, taking into account each country's particular circumstances and seeking better co-ordination and harmonization of national policies and

/plans and

plans and a specific definition of the volumes and terms of intra-regional trade in agricultural commodities without unduly hampering the prospects for the agricultural development of each country.

Studies undertaken in the Mexico Office

144. In collaboration with the FAO Advisory Group on Central American Economic Integration (GAFICA), a preliminary version was prepared of a study on the advance in regional trade in agricultural commodities, for discussion at the joint meeting of the Central American Economic Council and the Ministers of Agriculture of Central America, to be held in the first quarter of 1969.

145. Research was continued on the development of Mexico's agriculture, aimed at determining how far it has advanced in recent years and at evaluating as far as possible the effectiveness of the main agricultural policy measures. A study on stockbreeding in Mexico was also started, on the basis of a joint research programme. At present this work is concentrated on the north and north-west of the country. In addition, some material was collected on the evaluation of agrarian reforms in Latin America.

146. A study on the development of beef cattle farming in Central America and Panama has been prepared in collaboration with SIECA.

147. Several notes on specific problems of land use and distribution were prepared by the FAO/CIDA/IICA/ILO/SOECA/ECLA Working Group. They included notes on land development projects in Costa Rica, El Salvador and Honduras, which were distributed for comment to the agrarian institutes of the respective countries. The staff of the Joint Division at the Mexico Office also helped the Working Group to prepare a study on

/land tenure



land tenure and development of the rural sector in Central America, the final version of which should be available shortly. It will be submitted to the Special Meeting of Executives of Agrarian Reform being convened by the Inter-American Institute of Agricultural Sciences (IICA) in May 1969.

#### Advisory services

148. Through the FAO officer stationed at Montevideo, who forms part of the Joint Division, advisory services are provided on a continuing basis to the LAFTA secretariat and member Governments. During the course of 1968, missions were undertaken to countries of the Andean Group.

### NATURAL RESOURCES AND ENERGY PROGRAMME

#### Energy

149. In connexion with the second United Nations Development Decade, a document was prepared entitled "La energía en América Latina" (E/CN.12/828), with a summary in English under the same symbol. In this document it is pointed out that serious distortions have occurred in the economies of the region, not only because of lack of unity in planning and programming throughout the sector, but also because policies on this question have in several cases been rather unstable and prone to change with the circumstances of the moment.

150. Policies for exploring natural resources, and mainly the non-replenishable resources, have also shown variations. Electricity rates, and prices for petroleum products and coal, are usually fixed independently, without the necessary co-ordination, so that the use of these forms of energy is often very inefficient, and at times runs counter to the lines of more general policies.

/151. The

151. The study on petroleum resources made slow progress for reasons beyond the control of the Programme, but it is hoped that these difficulties will be overcome in 1969. The work was concentrated mainly on revising the preliminary versions of the studies submitted to the Latin American Electric Power Seminar, held in February 1967, and incorporating the comments subsequently received from Governments. At the same time, the statistical information is being brought up to date. The article entitled "Investment in the petroleum industry in Latin America" was completed for publication in the Economic Bulletin for Latin America, vol. XIII, No 2.

152. Staff of the Programme undertook missions to Ecuador in response to a request from the Government for assistance in connexion with electric power development. The missions worked in co-operation with the Ecuadorean Electric Power Institute.

#### Water resources

153. The group of water experts undertook field studies in order to advise the Government of Brazil on the more efficient use of water in the Paraíba valley. This valley runs between the states of Rio de Janeiro and São Paulo, and conflicts arise between the two states on questions of authority and water uses. These conflicts are likely to become more serious in the future unless immediate and adequate steps are taken.

154. In line with the policy of disseminating the results of research as broadly as possible a number of papers dealing with ECLA's experience of water problems were prepared for submission to different seminars and meetings. One of these papers, on sanitary engineering and multiple use of water resources, was submitted to the Eleventh Inter-American Congress on Sanitary Engineering (Quito, July 1968); a second paper,

/dealing with

dealing with some aspects of water legislation and management in Latin America, was presented at the First International Conference on Water Law (Mendoza, Argentina, September 1968); and a third paper, on legal and administrative requirements for multinational projects and waterworks in Latin America, was submitted to the Latin American Seminar on International Law, convened by the United Nations Institute for Training and Research (Quito, 13-25 January 1969).

#### Other natural resources

155. Work has continued on the different mineral deposits, exploratory activities in progress, and the mining, processing and marketing of ores.

156. A document was prepared on mining in Latin America and its prospects for the nineteen-seventies (E/CN.12/837), which shows that, besides providing raw materials for certain industries, minerals will continue to be the most immediate source of foreign exchange for some countries. Among the problems impeding development in this sector, the following are mentioned: lack of a suitable institutional and juridical structure; slow progress in knowledge of geology and mining; shortage of domestic financial resources and lack of entrepreneurial organization; insufficient vertical integration and inadequate modernization in certain mining sectors. As a corollary, some suggestions are made for a strategy that would enable the sector to make a more effective contribution to the economic and social development of the region.

#### Other activities

157. Contact has been maintained with the Headquarters Resources and Transport Division, particularly in connexion with the five-year programme for the development of natural

/resources, with

resources, with various specialized agencies, and with some regional organizations, such as the Regional Electricity Interconnexion Committee and the Latin American State Oil Companies Mutual Aid Association (ARPEL). Consultations continued also with the Special Fund component of UNDP, IDB, and the Governments concerned on plans for the development of the River Plate Basin.

158. Comments on projects of various kinds connected with natural resources and energy are prepared on a continuing basis in response to requests made by governments to the Special Fund component of UNDP.

159. During the period under review, the sections on energy and mining were prepared for the Economic Survey of Latin America, 1968.

#### STATISTICAL DIVISION

160. Preferential attention continued to be given to the preparation of statistical series relating to industry, external trade, national accounts, demographic and social statistics, agriculture and prices. Most of this work is used for studies prepared by the different substantive divisions and programmes and, in particular, the Economic Survey of Latin America and the two numbers of volume V of the Statistical Bulletin for Latin America published during the course of the period under review.

161. Preparations were made for the Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America (see paragraphs 316 to 320).

162. There was continuous collaboration with the United Nations Statistical Office, particularly in connexion with technical assistance projects. The final draft of the

/statistical study

statistical study on the situation of children and youth in Latin America, which was undertaken in close co-operation with the United Nations Children's Fund (UNICEF), is well under way. Occasional assistance was given to the Latin American Institute for Economic and Social Planning, and contacts were maintained concerning the latter's statistical projects. Information was exchanged with the Inter-American Statistical Institute on pending projects and, whenever possible, there is mutual participation in meeting. The ECLA secretariat continued to advise the LAFTA Advisory Commission on Statistics, with which permanent contact is maintained. Working contacts are also continued with the Latin American Demographic Centre.

#### Advisory activities

163. The work of the regional advisers on statistical problems is a particularly important feature of the Division's programme, and a brief resumé of their main activities is given below.

#### Economic statistics

164. From 15 April to 14 May 1968, a mission was undertaken to the Dominican Republic. An integrated programme of industrial statistics was suggested, and effective co-ordination established among different public offices. For industrial census purposes, a sampling programme was proposed which would meet the needs of a number of organizations. Some special questionnaires were examined, and suggestions were made on the work of compiling industrial statistics carried out by the national statistical office, and on draft questionnaires for general and specific surveys of manufacturing industry.

/165. From

165. From 22 May to 2 June advisory services were made available to the state of São Paulo, Brazil, concerning the establishment of a system of basic information for state policy. From 5 to 16 June a mission to Paraguay followed up earlier work on the collection of information through industrial sample surveys and the preparation of an industrial output index.

National accounts

166. The Planning Office of Bolivia requested a mission to provide assistance in reorganizing the national accounts unit which was transferred to the Department of Statistics. A brief course was given for new staff, and discussions were held on the possibilities of improving existing series and the need to change the base year from 1958 to 1966. Estimates on income distribution were revised and recommendations made to bring them more closely into line with United Nations standards.

167. From 14 to 21 May and again from 1 to 7 June, work was done with the staff of the Central Statistical Office at Port-of-Spain on the preparation of a methodology for making calculations at constant prices, deflating the series to current gross domestic product prices by type of expenditure. A detailed list of possible deflators was drawn up with the aid of the statistical material available in the office.

168. Short visits were paid afterwards to Grenada, Barbados and Grand Cayman to establish contacts with local officials and draw up, at the request of the respective Governments, some indications on ways of preparing future estimates of national income.

169. The next two missions were to Peru, from 5 to 17 August and from 29 September to 20 October 1968. Their purpose

/was to

was to provide technical assistance to the National Planning Institute in calculating the gross domestic product at the regional and departmental levels. During the first visit, some methodological notes were drafted on the main sectors of economic activity, statistical sources were identified for use in provisional estimates for 1963 and 1965, and local staff were trained in methods of preparing them. The preliminary results were examined during the second visit, and some adjustments and corrections were made. Some indications were also given for completing the calculations for the services sectors and refining estimates that had already been prepared. In addition, preliminary tables were drawn up for publication, with the results already obtained.

#### Sampling

170. In view of the important part that sampling may play in reducing the cost of the 1970 census programme, the work in this area will be described rather more extensively. So far, there has been a relative dearth of statistical undertakings based on sampling in the region, no doubt largely because of the lack of trained and experienced sampling statisticians. For various reasons the formation of technical cadres well versed in applied sampling has been disappointingly slow in Latin America, but there are increasing signs that this situation will take a sharp turn for the better during the next five years. For the time being it is clear that the uses of scientific sampling in Latin America are a mere fraction of what they ought to be if the statistical needs of the different countries are to be met. In this connexion, a paper was prepared on "Some applications of sampling to population and housing censuses" (ST/ECLA/Conf.32/L.19) for the Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America mentioned earlier.

/171. The

171. The 1970 census programme offers a golden opportunity for increasing the use of sampling methods in the region. Not only could sampling procedures bring about substantial reductions in the time needed for and the cost of producing census results, but as a by-product, hundreds of young technicians would gain experience in the use of such methods and their first understanding of the practicalities of statistical sampling procedures.

172. During 1968, missions on sampling were undertaken to Argentina, Brazil, Chile, Colombia and the Dominican Republic. Each of these countries, except Brazil, was visited two or three times during the year. The missions are described in the order of importance of the work done.

173. In Colombia, a course on sampling applications was given at the Universidad Nacional, Bogotá, and assistance was provided in carrying out a sample survey of internal trade, which marked the culmination of work done during earlier visits. Field work was undertaken throughout the country in 1968, with 1967 as the reference year. The sample covered 20,000 establishments in seventy-eight cities and towns, and is important in that the same methods can be used in other countries, as the information gathered is needed everywhere for the compilation of national accounts.

174. Other activities included the drawing up of plans for placing household surveys on a continuing basis in 1969, and participation in the programme of industrial statistics.

175. In Argentina, assistance with household surveys was given to both the National Development Council and the Ministry of Public Health. The latter is preparing the first national household sample in Argentina's history for the purposes of a major and continuing programme of surveys on public health,

/and outside



and outside assistance in designing the sample was found to be essential. During the adviser's last visit in November 1968 second-stage sampling was reached, and it is expected that the entire sample will be ready for the first national survey in mid-1969.

176. Other activities included discussions on the establishment of a centre on sampling applications, participation in work on household surveys in the province of Buenos Aires, and recommendations to the Federal Investment Council on the design of a household sample for a study on illiteracy in one of the northern provinces.

177. In the Dominican Republic, a report was issued with the results of the first samples of industrial establishments in 1964-1965, and late in the year all was ready for the publication of the report relating to 1966 and 1967, also based on samples. This was the result of earlier advisory missions, which had made it possible to update the series through the introduction of sampling procedures, which sharply reduced the volume of work. Other uses of sampling were developed as a result of the national education survey, for which the adviser designed the sample. A sub-sample was selected from the large sample survey for use in a family budget survey to be started in January 1969. Detailed discussions were held on other possible surveys, including one on the characteristics of the unemployed.

178. The principal activity in Chile was the designing of a sample of small industrial establishments to be combined with the manufacturing census, which covered all the larger units. Work on the sample was completed during the first half of 1968, and the field work has since been carried out. Assistance has been given to other groups in Chile, in, for instance, a sample of secondary school students and a study on infant

/and child

and child mortality. Furthermore, a paper was prepared on measures for increasing the use of sampling by Latin American statistical agencies for the symposium on sample research in Chile, organized by the Centre for Statistical and Mathematical Studies (Centro de Estudios Estadísticos-Matemáticos) of the Universidad de Chile (21-25 October 1968).

179. Assistance was given to Brazil in the selection of samples of registered workers in all types of establishments requested to submit detailed reports for 1968. The programme consisted in the tabulation of samples, which covered about 300,000 employees in all. The sampling plan was agreed upon during a fifteen-day visit in October-November, and work is now in progress.

#### LATIN AMERICAN ECONOMIC PROJECTIONS CENTRE

180. Over the past twelve months, the Centre has concentrated on completing the first drafts of its country studies, with a view to providing material for the secretariat's work in relation to the second United Nations Development Decade. Some of the results of these studies are presented in "The trade and domestic savings gaps and structural unemployment in Latin America" (E/CN.12/831).

#### Economic projections and planning

181. A general model has been constructed to show relations between the over-all variables of the external sector and capital formation, and the variables involved in the economic development of the Latin American countries in 1950-1966. On the basis of this study, numerical values were obtained for the main macroeconomic variables in the ten South American

/countries, the

countries, the five Central American nations, Panama and the Dominican Republic in the nineteen-seventies, and the years 1975 and 1980 in particular.

182. Among the exogenous variables of the model, exports stand out because of their direct incidence on trade balance estimates and their influence on the other variables. The possible effects of terms-of-trade trends have also been examined, because of the impact of any deterioration on the developing economies. The identities presented in the external financing model are sufficiently explicit; a distinction has been made between profit remittances and interest payments on the current and new external debts; new debts have been classified on the basis of explicit assumptions, according to rate of interest, amortization terms and grace periods, and other assumptions have been made on depreciation and the amortization of external capital.

183. Once the coefficients or parameters of the relationship forming each country model had been estimated, and the initial values and trends of exogenous or predetermined variables established, average rates of 6, 6.5 or 7 per cent were taken for most countries in order to examine the effects of such targets on the trade, payments and domestic savings gaps. The model was divided into two distinct submodels for this purpose: the first, or import model, is useful for analysing the trade gap, and the second for determining the savings gap.

184. The values of these gaps were projected for each country on the basis of a high and a low rate of exports, so as to gauge the possibility of achieving the growth targets represented by the three growth rates of the product given above. When the estimated gap for a particular rate is not unduly large in absolute figures or as a percentage of total savings, of exports or of the product, and when the residual or implicit

/behaviour of

behaviour of the relationship which is not included in the basic submodel is reasonable, it can be accepted that the projections are based on a reasonable framework in so far as those criteria are concerned.

185. In the next stage, certain changes were made in the above projections which it is considered feasible to bring about through economic policy measures. These changes were introduced in some numerical coefficients of the relationships, in order to study their effect on the general behaviour of the model during the nineteen-seventies. The object of modifying its structure is to see whether the new projections give more satisfactory results in terms of the growth of the product and the absolute and relative magnitude of the gaps. This model should therefore be viewed as an economic policy model, and the parameters of its relationships must be treated as instrumental variables in that they allow changes in order to achieve a higher growth rate for the product, which presupposes the adoption of appropriate economic policy measures.

186. These projections, with their corresponding comments and conclusions, are preceded by an introduction which reviews the trends, current situation and main characteristics of the economy of each country, and shows some of the main factors limiting growth, the prospects for import substitution and exports, and sectoral and regional aspects.

187. Finally projections were made of the sectoral product at factor cost as a function of consumption, total investment and exports or of the over-all product, as appropriate, in order to obtain numerical values for sectoral manpower needs in 1975 and 1980. In doing so, it was assumed that the postulates put forward would be confirmed.

/188. Apart

188. Apart from the estimates indicated above, a detailed study has been made for each country of supply and demand prospects for the more important goods and services on the external market; this has helped to determine the growth rates for the second Development Decade, which are amalgamated into two average rates of growth for exports as a whole (one high and one low).

189. The rates established are of course conjectural and subject to revision, because of the shortcomings in the data on probable international trade trends and even on each country's productive and competitive potential.

#### Techniques and methods of projection

190. A special study has been undertaken to solve the problems that arise in the preparation, calculation and analysis of the projections.

191. One of the main points dealt with is the model or models to be adopted in different circumstances, and the relationships which constitute them. As previously indicated, during the stage prior to calculation of the projections, the parameters of functions not included in the final model were estimated. In this way, tests were made of production functions with incremental capital-output ratios, in which some variations of over time must be allowed for. In particular, an effort was made to express the conditioning effect of exports on utilization of installed capacity in the previous year by introducing a coefficient which varied with the ratio between purchasing power in a given year and in the previous year. In addition, several import-saving functions were studied by using the same ratio to indicate the results of import substitution, not in an inflexible way but by taking advantage of development possibilities that would increase the capacity

/to import

to import, and by showing in the domestic saving function how the marginal propensity to save in relation to income varies in accordance with the upward impact of an increase in the purchasing power of exports on expenditure by the public sector and some private sectors on purchases of capital goods and equipment. Other variations and tests have not yielded useful results.<sup>5/</sup>

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- 5/ The modification of the numerical values of the parameters, which was mentioned in relation to economic projections and planning, presupposes a study of the sensitivity of projections to the changes introduced. It would be useful to systematize these tests in a broad simulation model. It would also be useful to extend the analysis to the methods of estimation, which would take into account the interdependent and simultaneous nature of the relationships forming the model. Another point to consider is of the possible influence of the autocorrelation of residuals on the projections and the desirability of correcting any such effect. Particularly difficult problems are the use of factors for obtaining constant values and the use of exchange rates that would yield homogeneous results which could be aggregated for the different countries in the region. There are also problems of compatibility between global and sectoral results, which arise, for instance, when non-linear relationships are employed to project sectoral products and manpower requirements. These difficulties and problems together with others which have not been referred to here, have been provisionally solved in a more or less satisfactory way, but are still in need of constant and deeper research.

/Statistical and

Statistical and technical information  
required for preparing projections

192. The appendix to the country studies contains basic statistical tables, which were drawn up after examining available sources of information and reconciling possible discrepancies, in order to make estimates of the parameters in the relationships of the model. Other auxiliary numerical tables have been incorporated in the text of the introductory studies, to support and supplement the prior analysis of the economies of the different countries. Graphs have also been prepared which help to indicate the trends of the major variables over time, the interdependence of some of them, and the relative participation of certain factors in an aggregate effect.

193. Although the studies carried out for sectors or regions are still of a preliminary nature, they have underlined the need to complement technical knowledge in the field concerned by consultations and discussions with experts on the different subjects. It would also be interesting to try to bring out the basic information required for the purposes of projections in order to compensate for gaps in information and improve the statistical quality of the basic data.

194. Another point meriting special consideration within this project is the availability of journals and bibliographic works and references for consultation. Given the nature of the information available, this is in itself a subject for research.

Compilation and analysis of projections  
prepared by other organizations

195. During the stages preceding the preparation of projections, that is, during the study of statistical and technical information, the information that has served as a basis for projections made by other organizations is sometimes compiled and analysed. These compilations and analysis are mainly useful for evaluating the results of intermediate and final stages. Particular attention is paid to the results issued by the Centre for Development Planning, Projections and Policies at United Nations Headquarters, UNCTAD, FAO, CIAP and national planning organizations.

Short-term projections

196. The work on short-term projections has been confined to occasional references in the accounts of the trends and economic situation of the different countries. The preparation of this type of projection will depend on the recruitment of a suitably qualified staff member for the Centre.

/PUBLIC ADMINISTRATION



~~PUBLIC ADMINISTRATION UNIT~~

197. During the period under review, the report and selected papers of the United Nations Seminar on Administrative Aspects of Plan Implementation, held at ECLA headquarters in February 1968 were prepared for printing.<sup>6/</sup> The Spanish edition has already appeared <sup>7/</sup> and the English version will be sent to the printer in 1969.

198. ECLA co-sponsored the United Nations Seminar on Central Services to Local Authorities in Latin America (Rio de Janeiro, 20 to 28 May 1968), which was organized by the United Nations Public Administration Division and Office of Technical Co-operation (OTC), with the co-operation of the Brazilian Municipal Administration Institute and the German foundation for developing countries. A paper entitled "La planeación municipal en el proceso de desarrollo latinoamericano" was prepared by a regional adviser attached to ECLA.

199. In addition, ECLA participated in the United Nations Interregional Seminar on Development of Senior Administrators in the Public Service of Developing Countries (Geneva, 19 to 29 August 1968). The Seminar was organized jointly by the United Nations Public Administration Division and Office of Technical Co-operation.

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<sup>6/</sup> A brief description of the Seminar may be found in the last annual report (Official records of the Economic and Social Council Forty-fifth Session, Supplement No. 4 (E/4499), paragraphs 261-265) and in the report of the Seminar (E/CN.12/807).

<sup>7/</sup> United Nations publication, Sales No.: S 69.II.G.2.

### Advisory services

200. Further to its participation in the seminars mentioned above, ECLA carried out advisory missions, through its regional experts in public administration, at the express request of Governments in the region.

These missions cover a wide range of subjects and problems which are summarized below.

#### Administrative reform

201. ECLA gave high priority to its participation in the United Nations project for collaborating with the Brazilian authorities in reforming the administration of the state of São Paulo. In 1967 and 1968 the Unit's experts in public administration - and those of ILPES - carried out frequent missions to São Paulo. The Unit has also co-operated with the Governments of Colombia and Panama in their plans for administrative reform.

#### Administrative aspects of economic integration

202. Missions in this field include both the participation of ECLA experts in the course on administration for integration, organized by the Central American Institute of Public Administration at San José, Costa Rica, in April 1968, and advisory assistance to the English-speaking countries of the Caribbean in their efforts to achieve subregional economic integration.

#### Advisory services in other fields

203. The Commission also undertook the following public administration activities: assistance in formulating the programme of work of the development Administration Division in the Planning Office of Paraguay; advisory assistance to Peru's National Office for Rationalization and Training in Public

/Administration (ONRAP)

Administration (ONRAP), in municipal financial administration, and to Empresa Petrolera Fiscal, in connexion with its reorganization and administrative reform; assistance to the Government of Trinidad and Tobago in solving organization and methods problems; advisory assistance to Venezuela in connexion with the administration of government property.

#### UNITED NATIONS DEVELOPMENT PROGRAMME

##### Technical Assistance Component

204. ECLA's Technical Assistance Co-ordinating Unit directs the work of some forty regional advisers and subregional experts attached to the Commission; among them there are eight experts financed by UNIDO, one by WMO and another by WHO/PAHO, an associate expert on public administration provided by the Government of Sweden and another on community development financed by the Government of the Netherlands. The rest are financed through the United Nations Office of Technical Co-operation.

205. The activities of these experts cover the following subjects: economic, industrial, regional and community development; trade policy; energy and water resources; transport; ports and navigation; fiscal policy; national accounts; economic statistics and sampling; public administration and social welfare.

206. In line with the recommendations made at the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries,<sup>8/</sup> joint missions were

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<sup>8/</sup> See the "Report of the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries" (E/CN.12/798), Guatemala City, 23 to 28 October 1967.

/undertaken to

undertaken to Bolivia, Ecuador and Paraguay by regional advisers and staff members of ECLA, in order to determine what technical assistance programmes should be given priority, especially in the industrial sectors, as a complement to the international co-operation which these countries are already receiving. During the next few months similar missions will be undertaken to other relatively less developed countries in the region.

207. During the period covered by this report, the subregional experts in various special fields attached to ECLA's Mexico Office and those assigned to SIECA worked with the staff of both offices on the following projects: a study on balanced development in Nicaragua, and another concerning prospects for economic co-operation between British Honduras (Belize) and Central America; a research project relating to Central America's short-term monetary policy; the final draft of a SIECA study on the convergence of LAFTA and the Central American Common Market; the continuation of a study dealing with the basic economic characteristics of the countries and territories in the Caribbean Basin; a study of Central America's relations with the General Agreement on Tariffs and Trade (GATT), in connexion with research on problems of the Central American customs union: a survey of industrial profiles for Mexico; a study of the prospects for establishing certain export industries in Panama; and the collection of preliminary data for a study on road standards and specifications. Many of these studies and research assignments have been completed, and the rest will be finished in the next few months.

/208. The

208. The regional advisers on trade policy provided technical assistance to nearly all the countries in the region. Their work was directed towards the establishment of national institutes for export promotion; the evaluation of priority needs for technical assistance in trade policy matters; the promotion of exports of specific commodities; the study of schemes for providing support and financial incentives for exports; participation in international meetings on the subject, and the drafting of documents on export promotion and fiscal incentives for exports at the regional level.

209. Two regional advisers helped the LAPTA secretariat with studies on the co-ordination of different aspects of customs procedures, particularly the uniform interpretation and application of the common tariff nomenclature, and with a study on new approaches and standards relating to the determination of the origin of goods.

210. Regional advisers forming the ECLA/OTC/WMO/WHO survey group on water resources continued, with the aid of subregional experts from the Mexico Office, to collect the necessary basic information in Central America and Panama for the study on water resources in that area. The Group collaborated with the authorities in Brazil in drawing up a basic plan for the integrated use of the water resources of the South Paraíba River (see paragraph 153).

211. The regional advisers attached to ECLA's Office for the Caribbean advised the Governments of the English-speaking territories of the Caribbean on such questions as training personnel for community development, the formation of youth camps, pilot projects for developing communities, the establishment of planning mechanisms in some territories and

/the study

the study of fiscal policies in the area. Several visits were paid to the area by regional advisers attached to ECLA headquarters at Santiago to provide advisory services in export promotion, national accounts, financing of housing and public administration.

212. The regional advisers on national accounts, economic statistics, sampling, social welfare, community development and public administration undertook numerous short-term missions to countries in Central and South America.

213. Similarly, the UNIDO regional experts seconded to ECLA provided advisory services to Latin American countries in technological research for industry, pulp and paper production and the chemical industry.

214. At the beginning of 1969 special regional and local development activities were started. The regional adviser in this branch, and the others assigned to ECLA, not only provide direct technical assistance at the request of Governments in the region but also prepare training courses on the subject, which form part of the regional technical assistance programme for 1969 and 1970. These experts have also begun to study local and community development programmes in Latin America.

215. The Technical Assistance Co-ordinating Unit co-operated with the United Nations Institute for Training and Research in the preparations for its Regional Seminar on Techniques and Procedures of United Nations Technical Assistance, held at ECLA headquarters from 3 to 21 June 1968. Furthermore, it helped with the arrangements for the UNDP Regional Meeting of Resident Representatives for Latin America and the Caribbean, the general sessions of which took place at ECLA headquarters,

from 3 to 12 March 1969. The ECLA secretariat was particularly concerned with the agenda items on programming problems and on ECLA/UNDP co-operation in regard to subregional integration programmes, regional advisers and regional/interregional technical assistance projects.

216. The Technical Assistance Co-ordinating Unit helped in the preparation of the following courses and seminars organized by ECLA with OTC financing which are described in paragraphs 316-329 of this report: Third Regional Course on Trade Policy; Seminar on Statistics, Accounting and Costs of Railway Enterprises and the Seminar on the Organization and Conduct of Population and Housing Censuses in Latin America.

217. The Fifth Central American Intensive Training Course on Development Planning and Trade Policy took place (San Salvador, 20 May to 20 July 1968) with the participation of forty-two officials of the Central American Governments and one SIECA staff member. The course was held under the joint auspices of the Government of El Salvador, ECLA, OTC, ILPES and IDB, and with the participation of several regional advisers and subregional experts attached to the Commission.

#### Special Fund Component

218. During the period covered by this report, the ECLA secretariat continued to give firm support to the Latin American Institute for Economic and Social Planning, which is a regional project financed by the United Nations Special Fund, IDB and the Latin American Governments.

/219. As

219. As from 1 June 1968, certain operational and administrative aspects of another important Special Fund regional project - the Latin American Demographic Centre - were decentralized to ECLA.

220. The ECLA secretariat helped UNIDO to prepare a regional project for creating a Latin American Centre for Small-Scale Industry, to be set up at Quito. The establishment of this Centre, which is to be financed by the Special Fund and Governments in the region, was first proposed at the Seminar on Small-Scale Industry in Latin America, held at the end of 1966 at Quito under the auspices of ECLA, OTC, and the former United Nations Centre for Industrial Development, now UNIDO.

/MEXICO OFFICE



## MEXICO OFFICE

221. During the period covered by this report, the Mexico Office assigned a greater proportion of its resources than in the past to work relating to Mexico and Panama and to the countries of the Caribbean Basin. Nevertheless, the major effort has still been concentrated on the Central American Economic Integration Programme and in particular on preparations for meetings of subsidiary bodies of the Central American Economic Co-operation Committee (see paragraphs 17-28).

### Economic development

222. Revision is proceeding on the preliminary version of the study on Nicaragua's economy and its comparative position in the Central American Common Market (CEPAL/MEX/68/16), which was undertaken at the request of the Central American Economic Co-operation Committee and the Central American Economic Council. The main causes of Nicaragua's trade gap with the rest of Central America are analysed, and some measures are indicated for speeding up this country's participation in the regional integration process.

223. The study entitled "Possibilities of economic co-operation between British Honduras (Belize) and Central America" (E/CN.12/809/Rev.1) was finished. This analysis indicates that for the first few years no significant increase in exports to the countries in the region could be expected from the adherence of British Honduras (Belize) to the Central American Common Market, nor would there be any great expansion of local industries directed towards that market. The geographic location of British Honduras (Belize) places it far from the main consumer centres in the region; transport facilities are poor and the incipient stage of the country's development limits production; all of these are adverse  
/factors and

factors and as a result the integration of this country with its Central American neighbours cannot be conceived exclusively in terms of intra-regional trade. The best solution would seem to be to reach co-operation agreements under which British Honduras (Belize) would participate in the development of regional industries directed mainly towards overseas markets.

#### Trade

224. The secretariat helped to give final form to a study initiated by SIECA on the convergence of the Central American Common Market and LAFTA. Studies and research were undertaken on such subjects as the basic economic characteristics of the countries and territories of the Caribbean Basin, relationships between Central America and GATT (so that the Central American Governments should have some guiding principles on which to form a judgement regarding possible membership of the Central American Common Market in GATT), problems posed by the Central American customs union, and the present situation and prospects of Nicaragua with respect to intra-area trade. The Mexico Office also co-ordinated and organized the fifth Intensive Training Course for Central America mentioned above (see paragraph 217). At the request of the Common Market organizations, work has started on an evaluation of the effects to be expected upon the entry into force of the Central American Agreement on Fiscal Incentives to Industrial Development and its Protocol, should this take place during 1969.

#### /Industry

232. Two other studies <sup>10/</sup> were finished which provide information on the speeding up of electrification in Central America and, on a comparative basis, trends in electric power costs in the region.

233. A study on electricity interconnexion in Central America containing a technical study of interconnexion possibilities (CCE/SC.5/GTAE/GRIE/I/4; TAO/LAT/85) was prepared for the first session of the Working Group on Electricity Interconnexion. During the next stage a draft Central American agreement on the subject, and a technical and financial study on different methods of interconnexion will be prepared. The drafting of the agreement will be done by SIECA with the help of the ECLA secretariat, while ECLA will prepare the study, which will include market projections, evaluation of potential resources for power generation, the planning of additional generating capacity, transmission, and comparison of the results of economic and financial research.

#### Water Resources

234. One regional and six national studies on water resources are being prepared, dealing with hydrometeorology, drinking water, irrigation, hydroelectric power, inland waterways navigation, multipurpose water use, and economic, financial, legal and institutional questions. National working groups are being formed to review the country studies, while the regional report will be examined at a meeting of the Regional Committee on Water Resources which it is hoped to convene in the first half of 1969.

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<sup>10/</sup> "Estudio comparativo de los costos de energía eléctrica en Centroamérica y Panamá, 1966" (E/CN.12/CCE/SC.5/65; TAO/LAT/97); "Estadísticas de la energía eléctrica de Centroamérica y Panamá, 1967" (E/CN.12/CCE/SC.5/66).

### Transport

235. Two studies on highways were finished, dealing with project evaluation (E/CN.12/CCE/SC.3/25; TAO/LAT/95), and technical highway problems in Mexico and Central America (E/CN.12/CCE/SC.3/26), and work is being done on related matters, such as transport services, regulations on the weight and size of cargo vehicles, and instructions for determining maximum permissible weights and sizes.

236. Seven studies on ports and shipping activities were finished for the second session of the Working Group on Maritime Transport and Port and Harbour Development,<sup>11/</sup> (see paragraph 26).

### Social Development

237. A preliminary study on interrelationships between economic development trends and human resources in Mexico; Central America and Panama (CEPAL/LEX/68/14) was finished, in order to complement

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11/ "Actividades portuarias realizadas en Centroamérica en 1967" (CCE/SC.3/GTTM/II/2; TAO/LAT/92); "Bases para la formulación de una Comisión Centroamericana de Autoridades Portuarias" (CCE/SC.3/GTTM/II/3; TAO/LAT/89); "Fundamentos para constituir una Asociación Centroamericana de Armadores" (CCE/SC.3/GTTM/II/4; TAO/LAT/88); "Lineamientos para la constitución de una Asociación Centroamericana de Usuarios de Transportes Marítimo" (CCE/SC.3/GTTM/II/5; TAO/LAT/93); "Orientaciones para establecer autoridades portuarias de alcance nacional en los países centroamericanos" (CCE/SC.3/GTTM/II/6; TAO/LAT/94); "Elementos básicos de un sistema uniforme y simplificado de la documentación exigida en las terminales portuarias centroamericanas" (CCE/SC.3/GTTM/II/7; TAO/LAT/90); y "Principios generales de un Código Uniforme de Cuentas y Estadísticas para las Terminales Portuarias Centroamericanas" (CCE/SC.3/GTTM/II/8; TAO/LAT/91).

and bring up to date the study on human resources in those countries from 1950 to 1980, completed in 1960 (E/CN.12/789). This research indicates that even though the growth rate of these countries' economies over the past ten years exceeded the rate of population increase (per capita income increased at rates varying from 1.6 per cent in Honduras to 3.8 per cent in Panama), adequate planning of existing resources is needed in order to increase or at least to maintain the real gross product in these countries.

238. Another important conclusion is that the amount of land per worker will decline because of the heavy population increase and bleak prospects of any greater absorption of labour in industry and services. Agriculture will therefore have to be more intensive and productive in 1980 in order to feed a more numerous population.

239. A study on recent demographic trends in Central America (E/CN.12/CCE/356; TAO/LAT/86) was finished; it shows that the population increase in Central America is higher than in any other region of the world. The above-mentioned study includes estimates of the components of natural growth, fertility and mortality; the conclusion reached is that the small size of the countries, together with the high proportion of the population living at subsistence levels with only a very slight participation in the market economy, constitutes a serious obstacle to the sustained and balanced development of the region. Unless there are radical and unforeseen changes, particularly in fertility, the problems caused by the high rate of population increase will persist or become more serious, as in the last decade.

240. Another study was finished on the space distribution of the population in Central America (E/CN.12/CCE/357; TAO/LAT/87). It shows that the variations in the degree and patterns of population

/settlement in

settlement in Central America are so great that it has been necessary to sketch in a general picture of population density and distribution against which the particular situation in each country could be understood. It was necessary also to describe the space distribution at the regional level in order to make a study of population mobility

241. Some countries in the area have sparsely populated areas, particularly those with the lower population densities; in these cases a large segment of the population is outside the rural economy, and development prospects can therefore improve when a higher population density is reached. This process could be speeded up if a solution was sought along regional lines because migrations from El Salvador (where there is a high rural population density and evident pressure on the land) to Honduras, Nicaragua, Costa Rica and Panama would hold out better prospects of solving the problems both of underpopulation and of overcrowding.

#### Statistics

242. New indexes of quantum and unit value were prepared for imports of Central America, Panama and Mexico.

243. Indexes of agricultural production were also prepared for these countries for the period 1962/1963 to 1967/1968, and the figures for production exports, quotas and prices of the major agricultural commodities of Central America were brought up to date for the period 1960-1966. The series for eighteen of Mexico's agricultural exports and for the main Central American agricultural exports were revised.

244. The secretariat played an active role in co-ordinating the work of countries and regional and international organizations to promote a regional programme for the 1970 censuses. A study

/on the

on the subject (E/CN.12/SCE/SC.2/105) was prepared for the special meeting of the Central American Statistical Co-ordination Sub-Committee.

#### WASHINGTON OFFICE

245. The Washington Office continued to supply the secretariat with information for the use of the substantive divisions in their research work.

246. Information and documentation on the activities of the Commission were provided in response to a number of enquiries received from international and regional organizations, from branches of the United States Government, and from universities, research foundations and other private bodies in the United States.

247. The Washington Office continued to represent the secretariat at a number of meetings, and undertook liaison work in connexion with activities of IDB, OAS, CIAP and CIDA. It also represented ECLA at the country review meetings convened periodically under the auspices of CIAP.

248. Assistance was provided to ECLA staff members visiting Washington on official business, and occasional help was also given to ILPES and UNCTAD.

#### RIO DE JANEIRO OFFICE

249. In April 1968 a new two-year agreement was signed between ECLA and the Ministry of Planning of Brazil, replacing the previous agreement between the secretariat and the Banco Nacional do Desenvolvimento Economico (BNDE). Under the terms of the new agreement, a programme of joint activities has been drawn up,

/consisting of

consisting of a number of research projects of mutual interest and of training courses to be held in Brazil under joint auspices. The arrangements include an undertaking by the Government of Brazil to provide office premises and the salaries of the local staff recruited to carry out the work under the joint programme.

#### Research activities

250. Since the start of these activities in April, work has proceeded on two projects. The first covers preparation of material on the Brazilian economy for the 1968 Economic Survey of Latin America. The second is a study of income distribution in Brazil and is being conducted jointly with the Ministry of Planning. The purpose of this project is to understand and explain the present characteristics of income distribution in Brazil, with particular reference to the analysis of the extent to which they - and their modifications over time - have conditioned the type of industrial development that has taken place and its degree of dynamism. Now that the import substitution process is well advanced and has ceased to be the principal force behind industrial growth, other methods must be sought in order to give new momentum to the growth rate, which, after the high expansion of the post-war period, has been interrupted since the beginning of this decade. The study is now in its final stages; it presents income distribution figures for 1960, preceded by an analysis of the regional formation of Brazil. In this analysis, emphasis is laid on those aspects which mould the current disparities in distribution by geographical area and an effort is made to establish the interrelationships between the changes in the productive pattern of the economy and their effects on income distribution.

251. The programme for 1969 was drawn up towards the end of 1968 in consultation with the Ministry of Planning. Research will be

/directed towards



directed towards three areas: the first is a logical continuation of the work already done on income distribution, and aims at determining consumption functions by levels of income and by commodities, and the effectiveness of the redistribution policies, whether deliberate or not, which have been applied in the country. The second is a study of the potential prospects for exports of industrial products, with a view to proposing some alternative policies for promoting such exports. Finally, it is hoped to start a study of the role of external financing in Brazil's development.

#### Training activities

252. During the period covered by this report, the technical staff of the Rio de Janeiro Office participated actively as lecturers on various subjects relating to Brazil's economy in the training courses organized by ILPES. In this way, efforts have been made to link the planning techniques taught at ILPES' basic courses with the actual trends in Brazil's economy.

253. First cycle of lectures on international trade (April to August). In response to a request by the Ministry of Foreign Affairs, daily lectures on international trade were given over a fourth-month period at Itamaraty, and were attended by some forty Brazilian foreign service officers. Lectures were given by staff of ECLA (including economists from the Rio de Janeiro Office) and ILPES, and by Brazilian diplomats.

254. Introductory course on agricultural programming (August). This course was requested by the Ministry of Agriculture for its technical staff and was given in Brasilia.

255. General programming course (April-July). The Department for the Development of the Nordeste (SUDENE) requested this course for the purpose of training its experts, who will be participating in the preparation of the Fourth Development Plan for SUDENE. It took place at Recife and lasted four months.

/256. Intensive

256. Intensive course on programming and project preparation (June-September). This course was given at Belém, at the request of the Department for the Development of Amazonia (SUDAM).

#### MONTEVIDEO OFFICE

257. During a visit by the Executive Secretary to the LAFTA secretariat in December 1967, a specific programme of work was drawn up for the Montevideo Office in 1968.

#### Common external tariff

258. In view of recent decisions by LAFTA's Standing Executive Committee, the ECLA secretariat re-examined the work done so far and analysed the results at a meeting of the LAFTA Working Group on the Common External Tariff, held at Montevideo at the end of September 1968. The ECLA secretariat has undertaken to provide experts in 1969 to furnish technical support on this subject to the LAFTA secretariat.

259. An expert was provided by ECLA to work for two months on the preparation of a common tariff nomenclature, and another will be helping shortly with problems of customs procedures, taking advantage of experience acquired with the mechanisms and procedures used in the European Economic Community.

#### Common trade policy

260. A preliminary study was prepared by the ECLA secretariat on the co-ordination of trade policies within the integration process, but the Contracting Parties have not as yet taken any action in this respect. The LAFTA secretariat would like experts to collaborate in analysing the bases of a progressive programme for harmonizing the trade policies of the Contracting Parties, including

/the basic

the basic principles for a common external tariff. If resources permit, work on this subject will have priority in 1969.

#### Origin of goods

261. The secretariat has helped to reformulate the criteria used by LAFTA, in order to achieve a systematic and complete system for indicating origin of goods. A report on the subject was prepared by an ECLA expert and submitted to the LAFTA Advisory Commission on the Origin of Goods. After examining the objectives of a system of origin in a free trade area, the Commission proposed that a percentage system should be adopted which would allow for certain exceptions in the interests of the Contracting Parties.

262. Arrangements were made for intermediate LAFTA secretariat staff to attend the Third Regional Course on Trade Policy (see paragraphs 322-323 of this report).

#### Industrial development

263. The co-operation between the ECLA and LAFTA secretariats on industrial questions has been related mainly to the work of the sectoral study groups within the Advisory Commission on Industrial Development (CADI), that is, steel, petrochemicals, pulp and paper, and chemicals in general. Since difficulties arose at CADI's third session concerning specific proposals for integration presented by the steel and petrochemicals group, new reports were requested. The ECLA secretariat has therefore been assisting LAFTA staff in preparing reports and proposals for each of the study groups. These new proposals will have more limited objectives and are to be discussed in April 1969 in the case of steel and petrochemicals, and in June in that of pulp and paper. During the next stage governments will be provided with guidelines on economics of scale and problems of costs, which will be useful to them in seeking and analysing integration formulas.

/264. The

264. The Montevideo Office participated in a number of sectoral meetings of businessmen, in particular, one for the chemical industry (July 1968), and another for the plastics industry (August 1968). It kept in close touch with the negotiations which culminated in November 1968 with the signature, by entrepreneurs from Argentina, Mexico, Uruguay and Venezuela, of a draft complementarity agreement for petrochemical products, on similar lines to those proposed by the secretariat for the draft agreement on steel.

265. The Office prepared a draft on regional industrial integration and the progressive opening up of the region to external competition as part of its contribution to the document on economic development strategy in the coming decade (E/CN.12/836).

#### Agriculture

266. Following an earlier report on wheat, studies on maize and rice were prepared for the LAFTH secretariat. These are the three agricultural commodities with the highest incidence in intra-area trade, and the studies may lead to specific agreements for developing a regional trade policy for agricultural commodities.

#### Transport

267. ECLA's studies on shipping services, ports, the modernization and expansion of the merchant marines in Latin America and the organization of shippers' councils are intended to contribute to the analysis of problems involved in the implementation of the LAFTH Water Transport Agreement. In the case of land transport, ECLA helped the LAFTH secretariat to organize the fifth session of the Advisory Commission on Transport.

/Statistics

### Statistics

268. Assistance was provided by ECLA's Statistical Division in the final stages of preparation for the fifth session of the LAFTA Advisory Commission on Statistics, and the ECLA secretariat took an active part in the meetings.

### Study on relative price levels

269. ECLA's Special Studies Section prepared a report, which was transmitted to the LAFTA secretariat in November 1968, on purchasing power parities of the currencies of all the LAFTA countries in 1955-1966.

### OFFICE FOR THE CARIBBEAN

270. During the period covered by this report, the Office gave priority to assisting the newly independent countries of the Caribbean and the West Indies Associated States in establishing a framework for closer trade ties through the creation of a free trade area, and in preparing the instruments for putting into operation within that area a common market among the West Indies Associated States.

271. In response to requests from the Governments, a variety of subjects was examined by the Office in consultation with other members of the Technical Advisory Group to the Caribbean Free Trade Association and the special studies on industrial evaluation and harmonization of incentives; which had also been requested by Governments, were initiated in conjunction with other agencies. Material was prepared for the annual Economic Survey of Latin America, 1968 (E/CN.12/825, and Add. 1 and 2), on the economic situation in Barbados, Guyana, Jamaica, Trinidad and Tobago.

/Intra-regional

Intra-regional trade and integration

Trade liberalization

272. The Agreement establishing the Caribbean Free Trade Association was signed on 30 April 1968 and entered into operation on 1 May 1968 with four members - Antigua, Barbados, Guyana, and Trinidad and Tobago. On 1 July, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent acceded to the Agreement, and on 1 August, Jamaica and Montserrat became members. Staff of the Office also helped the Council of Ministers to establish the Commonwealth Caribbean Regional Secretariat, which is to serve the Free Trade Association. The Office drafted working papers at the request of the Governments, prepared a text of the CARIFTA Agreement, which is now used as a reference document, and consulted Governments on possible interim solutions to some urgent problems of free-trade implementation.

273. The terms of the CARIFTA Agreement require the immediate elimination of customs tariffs among the participants, except for a few items on the Reserve List for which transitional arrangements have been made; the abolition of quantitative restrictions; stand-still arrangements on incentives to industry pending harmonization of these incentives; and preferential treatment for the West Indies Associated States, which have been designated less developed territories.

274. In addition, the Office assisted the West Indies Associated States in drafting common market instruments for a closer integration of those territories within the framework of CARIFTA. The draft formed the basis for the discussions leading up to the conclusion of the Agreement on the Eastern Caribbean Common Market (ECCM), which entered into force on 15 July 1968. The members consist of Antigua, Dominica,

/Grenada, St. Kitts-

Grenada, St. Kitts-Anguilla, St. Lucia and St. Vincent. Negotiations have continued on the implementation of some aspects of the Agreement, including the operation of a common customs tariff among these territories. The Agreement provides for the adoption of common policies by these territories in all the major fields of economic activity, including agriculture, industry and transport.

#### Agricultural marketing

275. Preparations are being made to put the CARIFTA protocol on the marketing of agricultural products into full operation. This protocol provides for the regulation of trade in specific commodities on the principle that supplies in the sub-region will be utilized ahead of imports from outside it. Prices are to be fixed for these commodities and market allocations made in accordance with supplies and requirements in individual CARIFTA countries.

#### Integration industries

276. Upon a request from governments for studies on the possibilities of industrial development in the CARIFTA area, the ECLA secretariat arranged with the United Nations Industrial Development Organization for a team of experts to be provided. Three members of the UNIDO mission arrived at the Office in December 1968, and began work in conjunction with the ECLA Staff.

277. The team is to study and make recommendations on the establishment of integration industries for the CARIFTA area, and the development of industrial activities in the West Indies Associated States. In their intensive research on the industrial sector, special attention is being paid to the possibilities of import substitution and increased utilization of local resources. This work has not yet been completed.

/Harmonization of

Harmonization of industrialization incentives

278. In response to another request from the Governments, a small team of experts was asked to make a study on incentives to industry in the CARIFTA countries, with a view to presenting proposals for their harmonization and modernization in keeping with the requirements of the CARIFTA and ECCM Agreements. This team is composed of one expert provided by the Permanent Secretariat of the General Treaty on Central American Economic Integration, another provided by the United Nations Division of Public Finance and Financial Institutions and the Regional Economic Adviser for the Caribbean. It is expected that the team's report will be presented to the countries in the course of the next three months.

Transport services

279. Priority has been given to some urgent short-term problems. The CARIFTA Agreement imposes on the member Governments the obligation to maintain and improve the services of regional carriers so as to facilitate the expansion of trade within the area, and to rationalize transport services and freight rates between the area and overseas countries. Moreover, the members of ECCM resolved to formulate and pursue a common transport policy, and to frame joint regulations for the operation and development of transport in the Common Market area.

280. A preliminary report is being prepared on the recent development and present situation of the transport sector in the CARIFTA countries, and assistance was provided to ECCM in the preparation of a study of the local inter-island shipping service. The Governments have indicated the necessity of financial assistance from UNDP (Special Fund component) for the completion of these tasks, but at the time of writing no decision has been taken in this respect.

/Regional development



Regional development bank

281. The Office continued to hold talks with the Governments regarding the establishment of the Caribbean Regional Development Bank, which is to complement the CARIFTA free trade arrangements. Broad agreement was reached among the Governments on most of the outstanding matters, but at the time this report was being prepared final decisions still had to be taken on location, capital participation, and the date of the Bank's entry into operations.

282. The Bank's charter, the drafting of which is being co-ordinated by UNDP, is to provide for equity participation by regional and non-regional members, and special operations for development projects with preferential treatment for the relatively less developed territories. Through its operations, the Bank will supplement the activities of existing agencies, both national and international, in financing and promoting economic development. It will take care of public sector demands for infrastructure development, and also look after the private sector by investing through suitable national financial institutions or directly, where appropriate. One of its main functions will be to act as a catalyst for other investment and to promote the joint financing of larger projects.

Caribbean Basin programme

General survey

283. Preparations are being made for conducting a general economic survey of the Basin, which includes all the islands of the Caribbean and the countries with a Caribbean coastline. A preliminary report is to be made on the economic situation and long-term development possibilities in the countries of the Caribbean Basin in order to identify priority areas for future research and to formulate measures for increasing economic co-operation among the countries concerned.

/Transport

Transport

284. A study programme has already been initiated, with a view to determining the best systems for moving merchandise and services in the area, and promoting the over-all development of transport in the Basin. In this programme emphasis is placed on technical and economic studies of the main forms of transport; the preparation of a long-term capital investment programme, and feasibility studies for the most urgent projects.

Economic planning

285. Advisory assistance has been provided by the regional economic adviser, particularly to the West Indies Associated States, since the post was filled again in July 1968. Proposals have been formulated, as requested, for the establishment and operation of small planning offices within the Governments, and they have been helped to crystallize their ideas on planning procedures in general and project evaluation in particular.

286. Aid was also given to Trinidad and Tobago, in formulating the Draft Third Five-Year Plan: 1969-1973, and to the members both of the East Caribbean Common Market and of the wider grouping of the Caribbean Free Trade Area in framing a common regional development policy.

Rural development and community development

287. The report on the Regional Training Workshop on Community Development and Local Government (E/CN.12/L.37), which was held at Port-of-Spain in May 1968, was completed and published. It makes specific recommendations on local planning, community, development and youth programmes. The deep interest which the Governments have shown in following the recommendations of the Workshop is reflected in the strengthening of national training programmes. For instance, training courses have

/been held

been held for community development personnel in Guyana and a joint seminar has been held for representatives of local rural government institutions and central government ministries in Dominica. The Regional Adviser has assisted Governments in preparing and directing these projects. Moreover, in response to specific requests, the community development programme for Jamaica has been evaluated, recommendations have been worked out on operational and organizational aspects of the new Ministry for Community Development in St. Vincent, and proposals for the establishment of local rural government institutions have been submitted to the Government of the British Virgin Islands.

#### Public administration

288. The Caribbean Governments are developing new national policies designed to take advantage of the subregional economic integration process. At present the main sectors involved are trade, agriculture, finance and industry, but other sectors will be involved as integration proceeds.

289. ECLA assigned a regional adviser in public administration to these countries, from December 1968 to April 1969. He is examining the public administration framework in these countries, and studying the inter-governmental machinery required for the integration process.

#### Maritime transport

290. The Regional Adviser on Maritime Transport is exploring the possibilities for the reorganization of the shipping service jointly owned by the countries in the Caribbean area so that it will be better equipped to meet the needs arising from the process of economic co-operation. Activities at this

/stage consist

stage consist in the formulation of measures to modernize and expand the fleet. Close contact has been maintained with the Government, which will continue to own and operate the ships on a joint basis.

Other activities

291. Office staff have served on special study teams on a wide range of subjects, including the exodus of trained personnel from developing countries. Some of the numerous requests by Governments for assistance on such varied matters as methodology in national accounting statistics, the financing of housing and urban development, export promotion, administrative improvement and the organization and operation of social welfare services were met by short-term assignments of advisers from Santiago. In such cases, programmes were drawn up in the Office after consultation with the adviser concerned.

/BOGOTA OFFICE

## BOGOTA OFFICE

292. Staff of the Bogotá Office continued with the work programme drawn up in consultation with the three Governments it is designed to serve (Colombia, Ecuador and Venezuela), and modified in the light of the programme outlined in the Declaration of Bogotá (signed in August 1966 by the Governments of Colombia, Chile, Ecuador, Peru and Venezuela, with Bolivia adhering in 1967).

### Economic Survey

293. As in the previous year, the Office helped to collect and analyse statistical data and to examine the economic policy of Colombia as a contribution to the chapter on this country in the 1968 Economic Survey of Latin America.

### Study prepared at the request of the Government of Venezuela

294. Between 20 July and 3 September, the Office participated in the ILPES mission requested by the Government of Venezuela to conduct a study defining different economic and social development strategies to enable the country to achieve the optimum growth targets established for the next twenty to twenty-five years in the context of Latin American integration.

### Representation at meetings

295. The Office represented the ECLA secretariat at several meetings, including the ninth assembly of Governors of the Inter-American Development Bank (Bogotá, 22 to 26 April 1968); the Andean Round Table organized by Business International (Bogotá, 17 to 21 November 1968), and the Executive Committee of the Inter-American Confederation of Air Transport (Bogotá, 27 to 29 November 1968).

/Seminar on

Seminar on international relations of the Caribbean

296. The Office was invited to the Seminar organized by the Institute of International Studies of the University of the West Indies (Trinidad and Tobago) to examine different aspects of the international relations of the English-speaking territories of the Caribbean, British Honduras (Belize), Guyana, Puerto Rico, the Dominican Republic, and Colombia among themselves, with European countries and with the rest of Latin America. Within this general framework, the Seminar emphasized economic relationships and the analysis of different systems and movements for regional and subregional co-operation and integration.

Collaboration with organs of the Andean Group

297. Collaboration with the Group has different aspects and is provided at different levels, namely the Joint Commission, the Committee of Government Experts, and national organizations in Colombia, Ecuador and Venezuela, which are in charge of subregional affairs. The Office has participated in meetings held between agencies of the Andean Group and the business groupings in the subregion. It has also maintained close permanent contact with the Co-ordinating Office of the Joint Commission and has helped to draw up proposals for launching a programme of research and analysis to lay the foundations for a real economic rapprochement among the countries of the Group; it has contributed in a practical way to the identification of particular aspects for the application of the Agreement; and has suggested specific solutions for overcoming the problems that may be caused by the establishment of an Andean common market.

/Joint Commission

### Joint Commission

298. The Office was represented at the Commission's fifth session (Bogotá, 5 to 9 February 1968) and at the first meetings of the sixth session (Cartagena, 29 July to 9 August). On the second occasion a joint ILPES/ECLA document was presented, as requested by the Joint Commission. It proposes a work programme leading to the study of the problems which arise in linking national development plans and the subregional integration process, with a view to holding a meeting of chiefs of planning offices in those countries which have signed the Declaration of Bogotá.<sup>12/</sup>

### Committee of Government Experts

299. This Committee was established by the Joint Commission at its fourth session (Lima, November 1967), to study the different technical problems that have to be solved before drawing up the subregional agreement, and to prepare the draft agreement. The Committee's work was divided into two stages: the first from the beginning of January to the end of March 1968, and the second throughout June and the first week of July. On both occasions there were simultaneous meetings of experts to study the specific problems mentioned above.

300. The Bogotá Office took a continuing part in the Committee's work and that of the experts, and made specific suggestions or helped to examine the different chapters in the draft for the subregional agreement.

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12/ ECLA/ILPES, "Programa de trabajo sobre las vinculaciones entre los planes nacionales de desarrollo y el proceso de integración de los países de la Declaración de Bogotá" (Santiago, April 1968).

Entrepreneurial Committee of the Andean Group

301. The Office participated in a joint meeting of the Entrepreneurial Committee and the Committee of Government Experts (Bogotá, 17 to 21 June 1968) in order to acquaint itself with businessmen's thinking about the draft agreement, and to inform them of the progress of the negotiations.

Relations with national authorities

302. Colombia. Relations with the authorities in the host country were maintained and expanded, both in relation to the basic work programme and to tasks specifically linked to the subregional movement. These relations have become even closer because, since 1968, Colombia has been in charge of the Co-ordinating Office of the Joint Commission.

303. Ecuador. A visit was paid to Ecuador from 26 to 30 May, and assistance was given in the examination of the proposed subregional agreement by the Ministry of Foreign Affairs, the Ministry of Industry and Commerce and the Planning Office. The Office also participated in meetings convened for the same purpose by entrepreneurial bodies in Ecuador.

304. Venezuela. The Office collaborated with the Central Office for Planning and Co-ordination and other government authorities in analysing the subregional draft agreement, which was currently being examined by those authorities together with local businessmen.

Integration Sectoral

305. At the request of the Co-ordinating Office of the Joint Commission and with the collaboration of the ECLA Joint Programme on the Integration of Industrial Development, the Bogotá Office helped the Government of Colombia to analyse the statistical data and other basic information

/relating to



relating to the development of the metal-transforming industry in the country, prior to the meeting on the integration of this branch of industry held at Santiago, Chile, at the end of August 1968. Similar collaboration was extended to the Government of Venezuela. A second meeting to continue the analysis of the characteristics and conditions of the industry's integration is to be held at Caracas early in 1969.

UNITED NATIONS HEADQUARTERS AND REGIONAL  
ECONOMIC COMMISSIONS

306. The secretariat continued to maintain close contact with the substantive divisions and programmes of the United Nations during the period covered by this report. Consultations took place with the United Nations Centre for Development Planning, Projections and Policies in connexion with work on projections, and ECLA's Deputy Executive Secretary participated in the third session of the Committee on Development Planning (Addis Ababa, 29 April to 10 May 1968).

307. Contacts were maintained with the Resources and Transport Division in connexion with the five-year survey programme for the development of natural resources, and assistance was provided to experts from the Division who were working in Latin America. Arrangements had been made for joint work in Latin America in relation to the project for surveying water and mineral resources, and assistance was given to the water resources survey group.

308. The secretariat participated in consultations for the work being carried out by the Headquarters Social Development Division on income distribution and social welfare, and made its usual contribution to the Report on the World Social Situation. Some discussions have taken place with the Population Division in relation to ECLA's work on population policies.

/309. The

309. The United Nations Statistical Office co-operated in the organization of the United Nations Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America (Santiago, 20 to 31 May 1968) (see paragraphs 316-320), and regular contacts were maintained with it by ECLA's Statistical Division.

310. The Public Administration Unit held consultations on a regular basis with the Public Administration Division at Headquarters during the preparations for the Seminar on Central Services to Local Authorities in Latin America (see paragraph 198).

311. ECLA worked with the secretariat of the United Nations Advisory Committee on the Application of Science and Technology to Development, in connexion with the meeting of this Committee's Latin American Regional Group, held at ECLA headquarters in July 1968 (see paragraph 321). Regular contacts were maintained with the Advisory Committee in connexion with the preparation of the report on the World Plan of Action.

312. ECLA's Joint Programme for the Integration of Industrial Development worked with UNITAR and the United Nations Division of Public Finance and Financial Institutions in connexion with a joint project with the IDB on transfers of technology through enterprise-to-enterprise agreements (see paragraph 97).

313. The Technical Assistance Co-ordinating Unit continued to be the centre for co-ordination and liaison of all technical assistance activities. The Unit helped UNITAR with the preparations for the Regional Seminar on Techniques and Procedures of United Nations Technical Assistance for Latin America, held at ECLA headquarters in June 1968, and played an active role in the Regional Meeting of Resident Representatives for Latin America and the Caribbean.

/314. Co-operation

314. Co-operation with UNIDO was particularly close, since there is a UNIDO interregional adviser stationed at ECLA Headquarters at Santiago and another in Mexico, and four regional advisers are attached to ECLA's Joint Programme for the Integration of Industrial Development and two to the Mexico Office. A team of three UNIDO experts started work with ECLA's Office for the Caribbean on the possibilities for industrial development in the Caribbean area. The Joint Programme participated in the Interregional Symposium on the Iron and Steel Industry (see paragraph 102). Consultations have taken place with both UNIDO and UNCTAD concerning a programme of technical co-operation with the Government of Brazil as a follow-up to an earlier study on export promotion. Work is also proceeding with UNIDO and the ILO on a project to be submitted to the Special Fund for the establishment of a regional centre for small-scale industry (see paragraph 110).

315. The ECLA secretariat participated in the second session of the United Nations Conference on Trade and Development and has worked with the UNCTAD secretariat on a number of problems of common interest. These have included follow-up work on trade policy, research on transport problems and studies and advisory work on export promotion.

### C. MEETINGS AND SEMINARS

#### Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America

(Santiago, Chile, 20 to 31 May 1968)

316. This Seminar was organized by ECLA and the United Nations Statistical Office and Office of Technical Co-operation with the collaboration of the Inter-American Statistical Institute, the Latin American Demographic Centre and the United States Bureau of the Census.<sup>13/</sup>

317. Forty-one participants and observers from twenty-four ECLA member countries attended; there were also representatives of ILPES, the ILO, WHO/PASB; FAO; and the Inter-American Statistical Training Centre. The agenda included such subjects as the planning of population and housing censuses; co-ordination between population and housing censuses and between these censuses and other statistical surveys and compilations; geographic work for census purposes and the preparation and use of control lists; the selection of census subjects and preparation of a tabulation programme; the preparation of the census questionnaires and of instructions for enumeration; enumeration; checking, coding and editing of census questionnaires; electronic processing of census data; the design and execution of a census publication programme; methods for evaluating the reliability of population and housing census data; the use of sampling in population and housing censuses; and census tests and the experiences of the American countries in conducting pilot censuses and

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<sup>13/</sup> The report of the Seminar was issued as document E/CN.12/810.

surveys relating to the 1970 census. One or more working or reference papers were available for each of these subjects.

318. The Seminar recognized the essentially national character of censuses and the responsibility which falls on the statistical offices of the different countries; stress was laid on the great importance of careful census planning and the need to allow sufficient time (at least two to three years) for the preparatory work. It was pointed out that the simultaneous use of sampling techniques in census enumeration could considerably speed up the process of obtaining results and reduce costs. For some countries it might even be the only way of securing the desired results at a reasonable cost. The Seminar considered that sampling techniques should be more extensively used at all stages of census activity, because of the saving in resources and time.

319. Owing to the close connexion between population and housing censuses, on the one hand, and many inter-censal sample surveys on the other, it was necessary to determine the way in which censuses could contribute more towards the design of a sample for subsequent surveys. As the frame of the sample is not obtained automatically, there must be some certainty that censuses will provide total population and housing figures for the smallest clearly defined subdivisions in the country, in order to obtain as much information as possible for designing small samples. Research should be planned in the light of national and international information requirements, the degree of statistical development in a country, resources available to cover the cost of all phases of the censuses; the respondent's cultural level and ability to supply the requested information, and procedures for the selection of subjects. Four main aspects were also considered

/in relation

in relation to tabulation: (a) the statistical tables to be obtained as an end product; (b) priorities (subprogrammes) for the tabulation itself; (c) periods for obtaining results; and (d) methods of processing data. In this last connexion, there was considerable discussion on the pros and cons of electronic data-processing and the use of computers, and on the organization that it would entail. Attention was also paid to questions relating to the margin of error in population censuses, and measures for reducing it.

320. The need for census tests was stressed, in view of the organizational requirements and costs involved in preparing censuses. Even where no effort is made to introduce many changes into the national census, census tests will help to ensure that the staff are properly trained or to combine such training with tests of new methods and questions, since, if these are wrongly used, irreparable harm can be done to the data and results of the general census.

Advisory Committee on the Application of  
Science and Technology to Development:  
Latin American Regional Group

(Santiago, Chile, 29 to 31 July 1968)

321. The Advisory Committee's Latin American Regional Group met for discussions with representatives of the specialized agencies and the OAS concerning the preparations for the World Plan of Action. The OAS was represented at the meeting in order to co-ordinate its own important programme of scientific and technological development with the United Nations programme in the region. It was agreed that ECLA and the OAS should jointly prepare a report on the World Plan for submission to the Advisory Committee.

/Third Regional

Third Regional Course on Trade Policy

(Santiago, Chile, 1 July to 15 August 1968)

322. This course was attended by nineteen trainees with United Nations fellowships, and five participants whose expenses were paid by their Governments. Altogether, seventeen countries were represented at the course. There were fifteen lecturers, fourteen of whom were staff of ECLA and ILPES or regional advisers whose expenses were paid out of technical assistance funds. The fifteenth was a former senior official of GATT who had been recruited specially for the course. Special efforts were made in 1968 to assist Governments in the selection of candidates for the course, and this helped to raise the level of the participants.

323. The study materials were based on documents prepared by the ECLA secretariat and other organizations, particularly those which had been presented at regional and world meetings; however, in many cases special material had to be prepared. Since the end of the course a paper has been drafted on some techniques of trade negotiation, which brings together the experience and knowledge of the group of staff who lectured on this subject at the second and third courses. This study, which includes an analysis of the different stages involved in the simplest type of negotiation, may prove useful as a first attempt at a practical handbook on techniques of negotiation.

Seminar on Statistics, Accounting and  
Costs of Railway Enterprises

(Santiago, Chile, 25 to 30 November 1968)

324. This Seminar was organized by ECLA, with the collaboration of the Latin American Railways Association (ALAF), and financed by the United Nations Office of Technical Co-operation. It

/brought together

brought together thirty-five specialists in railway statistics and accounting from ten LAFTA countries, of whom twenty-nine were from railway enterprises and six from government organizations. There were also twelve observers from international and other agencies. Three consultants (two from the Spanish national railway network) helped the secretariat to prepare the working papers, and, in particular, a draft statistical manual; nine methodological and technical reports and three information papers were submitted to the Seminar and also considerable material supplied by the participating organizations.<sup>14/</sup>

325. The purpose of the Seminar was to help railway enterprises to improve, rationalize and modernize their information systems; to adopt a manual of basic statistics for use by all railways in the region; to revise the working papers for publication in the form of a report on railway information systems to guide the enterprises in their work; and to establish bases for the permanent improvement of the information systems by the railway enterprises and agencies in the region.

326. Participants concurred in stressing the importance of statistics as a basic management tool for railway enterprises. Statistics should take into account the activities carried out and, through adequate processing, provide the information requested at different levels so that executive sectors can regulate their activities and formulate future programmes. Statistics and accounting should be co-ordinated and both should provide data for cost calculations. This relationship should be extended to the functional organization of the enterprises so that specific responsibility can be assigned to the different decision-making centres.

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<sup>14/</sup> The draft report of the Seminar was circulated as document ST/ECLA/Conf.33/L.14.



327. Various aspects of electronic data-processing were reviewed, and it was recommended that, before computers were brought into an enterprise, a thorough analysis should be made of the jobs to be done, staff should be trained and a sound staff policy adopted for preventing an exodus from the enterprises.

328. Cost calculations and techniques applied by railways in the United States and Europe were examined and found to be very similar. After a broad exchange of ideas on Latin American experience, ways and means were considered of applying and adapting European and American methods to the specific needs of the railways in the region.

329. The Seminar approved the proposed statistical manual which contains a terminology section, twenty-three operational and financial statistical tables and a section of explanations and instructions for preparing and interpreting the tables. It was recommended that, from 1969, railways in the region should try to prepare their statistics in accordance with the manual, and that the resulting tables should be published annually by ALAF. It also recommended that ALAF should establish a standing committee on railways statistics, accounting and costs, which would be open to its members and other railway enterprises and agencies in the region.

Tenth FAO Latin American Regional Conference  
(Kingston, 2 to 14 December 1968)

330. In keeping with the general tenor of the proceedings at the Fourteenth Conference of FAO, the Tenth Regional Conference was convened in co-operation with ECLA, whose secretariat played an active role in the organizational arrangements. The Executive Secretary of ECLA addressed the Conference, and staff of the Joint ECLA/FAO Agriculture Division helped to service it.

D. RELATIONS WITH SPECIALIZED AGENCIES  
AND OTHER ORGANIZATIONS

331. Throughout this report there have been references to the ways in which the secretariat has co-operated with the specialized agencies and other organizations. ECLA has always attached the greatest importance to the need to co-ordinate all efforts designed to accelerate the development of Latin America. The Latin American Institute of Economic and Social Planning also works with many of the agencies and organizations mentioned hereafter, but its activities are not recorded here since they are reported on separately by the Institute. ECLA's main co-operative activities are summarized below.

Specialized agencies

332. The secretariat continues to supply one staff member to work with the International Labour Organisation team which is studying some aspects of the Ottawa Plan (see paragraphs 59-60). The Food and Agriculture Organization of the United Nations reached an agreement with the ECLA secretariat whereby the Agriculture Section of the Mexico Office, reinforced by a FAO staff member, becomes part of the Joint ECLA/FAO Agriculture Division, thus bringing the total FAO staff seconded to work with ECLA to three in Santiago and one each in Mexico and Montevideo (see paragraphs 132-148). In addition, FAO and ECLA collaborate with the Office of Technical Co-operation in connexion with the Forest Industries Advisory Group (see paragraphs 104-105).

/333. The World

333. The World Meteorological Organization and the World Health Organization each continued to provide the services of a staff member to work with the water resources survey group.

334. The secretariat continued to co-operate with the United Nations Children's Fund in preparing material for a statistical publication on children and youth in Latin America (see paragraph 162).

#### Latin American Demographic Centre

335. Work on demographic problems is carried out in close collaboration with CELADE. The Centre also participated actively in the Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America.

#### Organization of American States

336. The Executive Secretary of ECLA and his staff held a series of meetings in July with Mr. Galo Plaza, the Secretary General of the Organization of American States, at ECLA headquarters in July to discuss a number of questions of mutual interest. Up to the beginning of 1969, the OAS supplied two experts to work on shipping studies; in exchange, ECLA seconded two of its staff to work on economic analysis with the OAS in Washington.

337. Close contact continued to be maintained with the Inter-American Statistical Institute, which took part in the Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America.

338. As in the past, the Washington Office participated in the cycle of meetings convened by the Inter-American Committee on the Alliance for Progress to review country programmes.

/ Inter-American Committee

Inter-American Committee for Agricultural Development

339. The Washington Office of ECLA took part in periodic meetings of CIDA, and a staff member of the Joint ECLA/FAO Agriculture Division stationed in Mexico worked with a group of CIDA experts there.

Inter-American Development Bank

340. The Inter-American Development Bank continued to provide two experts in 1968 for the Joint Programme on the Integration of Industrial Development. Its collaboration terminated at the beginning of 1969, although it will still give financial assistance for specific joint projects.

341. Similarly, IDB continued to provide financial aid for the work on agricultural inputs carried out by the Joint ECLA/FAO Agriculture Division and for the study on housing costs undertaken by the Social Affairs Division.

Integration agencies and other regional bodies

342. During the period under review, the secretariat worked closely with the regional integration agencies. Short expert missions helped in the solution of industrial and statistical problems, and studies undertaken by the Trade Policy Division and the Joint ECLA/FAO Agriculture Division laid down guidelines for overcoming obstacles to integration.

343. Each of the ECLA regional offices gave priority to activities in co-operation with the different integration agencies: LAFTA, The Andean Group, the Central American Common Market, and the Caribbean Free Trade Association (see paragraphs 257-269; 292-305; 17-28; and 270-282 respectively).

Part II

THIRTEENTH SESSION OF THE COMMISSION

A. ATTENDANCE AND ORGANIZATION OF WORK

Opening and closing meetings

344. At the opening meeting, held on 14 April 1969 at the Círculo Militar, Lima, statements were made by H. E. General Juan Velasco Alvarado, President of the Republic of Peru; Paw U, Chief of the Regional Commissions Section of the United Nations, who read out a message from the Secretary-General; General Edgardo Mercado Jarrín, Minister for Foreign Affairs of Peru, in his capacity as Chairman of the thirteenth session of the Commission; and Mr. Enrique Krauss, Minister for Economic Affairs and Development of Chile on behalf of the delegations attending the session.<sup>15/</sup>

345. At the first working meeting, Mr. Carlos Quintana, the Executive Secretary, made a statement on the position of the Latin American economy at the end of the nineteen-sixties, recent economic trends, the need to improve levels of living during the second Development Decade, the efforts made during the nineteen-sixties to promote the economic and social development of the region and the role to be played by the ECLA secretariat in the coming decade.<sup>16/</sup>

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<sup>15/</sup> The full text of the opening statements was circulated as document E/CN.12/840.

<sup>16/</sup> The full text of the statement by the Executive Secretary was circulated as document E/CN.12/839.

346. The Commission as a whole and certain delegations expressed deep sorrow at the death of Mr. Emilio Arenales Catalán, who had been Minister for Foreign Affairs of the Republic of Guatemala and President of the United Nations General Assembly in 1968.

347. At the invitation of the Chairman of the session, Mr. Raul Prebisch, Director General of the Latin American Institute for Economic and Social Planning, made a statement at the 128 th plenary meeting, which included some comments on Latin America's main problems and on the strategy to be adopted during the second Development Decade.

#### Membership and attendance

351. Representatives of the following States members of the Commission attended the thirteenth session: Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, France, Guatemala, Haiti, Honduras, Jamaica, Mexico, the Netherlands, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Uruguay and Venezuela.

/352. The

352. The West Indies Associated States and British Honduras (Belize) were also represented, in their capacity as associate members of the Commission.

353. In accordance with paragraph 6 of the Commission's terms of reference, representatives of the following States Members of the United Nations but not members of the Commission attended the thirteenth session in a consultative capacity: Belgium, Bulgaria, Czechoslovakia, Finland, Hungary, Japan, Poland, Romania, the Union of Soviet Socialist Republics and Yugoslavia.

354. In accordance with Economic and Social Council resolutions 632 (XXII) and 861 (XXXII), the Federal Republic of Germany and Switzerland sent observers to the thirteenth session.

355. A full list of delegations to the thirteenth session will be found in annex I to this report.

#### Credentials

356. Pursuant to rule 15 of the Commission's rules of procedure, the Credentials Committee reported to the Commission at the 131st meeting held on 21 April 1969 that it had examined the credentials of the delegations attending the thirteenth session and had found them in order.

#### Election of officers

357. At the 120th meeting held on 14 April 1969, the following officers were elected: Chairman: General Edgardo Mercado Jarrín (Peru); First Vice-Chairman: Mr. José Guillermo Aizpu (Panama); Second Vice-Chairman: Miss Haydée Castillo (Venezuela); Rapporteur: Mr. Sergio Luis Cano (Mexico).

#### /Organization of

Organization of work

358. Fifteen plenary meetings (120th to 134th) were devoted to the consideration of the items on the agenda of the thirteenth session (see paragraph 360).

359. Two working groups were established: one to consider agenda item 6 "Latin American trade policy" under the chairmanship of Mr. Juan Somavía (Chile), and the other to consider agenda item 9 (a), "Draft programme of work and priorities", under the chairmanship of Mr. Roberto Robles Martínez. A number of drafting groups were also established to deal with particular aspects of various draft resolutions on topics coming under agenda item 5, "The development of Latin America and the second United Nations Development Decade". Informal working groups were also set up and co-ordinated by members of the secretariat, to exchange ideas and information on the social aspects of development, industrialization, and shipping and land transport.

/B. AGENDA



B. AGENDA

360. At its 120th meeting the Commission adopted the following agenda:

1. Opening addresses
2. Election of officers
3. Adoption of the agenda
4. Amendments to the Commission's rules of procedure

Document:

Note by the secretariat on amendments to the rules of procedure of the Commission (E/CN.12/814 and Add.1).

5. The development of Latin America and the second United Nations Development Decade:
  - (a) The economic and social situation in Latin America;
  - (b) Strategy for the economic and social development of Latin America.

Documents:

Economic Survey of Latin America, 1968 (E/CN.12/825 and Add.1 and 2)

The Latin American Economy in 1968 (excerpt from the Economic Survey) (United Nations publication, Sales No.: 69.II.G.3);

Basic aspects of Latin American development strategy (E/CN.12/836)

Social change and social development policy in Latin America (E/CN.12/826)

Mobilization of internal resources (E/CN.12/827) (summary)

Energy in Latin America (E/CN.12/828) (summary)

Agricultural development in Latin America (E/CN.12/829)

Industrial development in Latin America (E/CN.12/830)

The trade and domestic savings gaps and structural unemployment in Latin America (E/CN.12/831 and Add.1) (Spanish only)

/Transport in

Transport in the nineteen-seventies (E/CN.12/832)  
(summary)

6. Latin American trade policy

Documents:

Latin American foreign trade policy (E/CN.12/816)

Recent developments in the Latin American integration process (E/CN.12/833) (summary)

7. Latin American Institute for Economic and Social Planning

(a) Report on activities, 1967-68;

(b) Election of new members of the Governing Council

Documents:

Report on the activities of the Latin American Institute for Economic and Social Planning, with a note by the secretariat (E/CN.12/817)

Note by the secretariat on the election of new members of the Governing Council of the Latin American Institute for Economic and Social Planning (E/CN.12/818)

8. Latin American Demographic Centre

Document:

Note by the secretariat on the Latin American Demographic Centre (E/CN.12/819)

9. Report on the activities and programme of work of the Commission

(a) Draft programme of work and priorities, 1969-71;

(b) Biennial sessions of the Committee of the Whole

Documents:

Draft report of the Commission to the Economic and Social Council (E/CN.12/820)

Draft programme of work and priorities 1969-71 (E/CN.12/835)

Note by the secretariat on the biennial sessions of the Committee of the Whole (E/CN.12/822 and Add.1)

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Note by the secretariat on resolutions adopted by the Economic and Social Council (forty-fourth and forty-fifth sessions) which are of concern or of possible interest to the Commission (E/CN.12/821)

Note by the secretariat on the resolutions adopted by the General Assembly at its twenty-third session which are of concern or of possible interest to the Commission (E/CN.12/834)

Note by the secretariat on the work programme of the United Nations in the economic, social and human rights field, and the co-ordinating role of the Economic and Social Council (E/CN.12/823)

Note by the secretariat on the division of responsibilities among the United Nations Secretariat units concerned with shipping and ports (E/CN.12/824)

10. Consideration and adoption of the annual report of the Commission to the Economic and Social Council
11. Date and place of the fourteenth session

/C. ACCOUNT

## C. ACCOUNT OF PROCEEDINGS

### Introduction

361. The Commission adopted its agenda and decided to devote its thirteenth session to an appraisal of the present state of the Latin American economies, the characteristics of their evolution during the nineteen-sixties, the prospects for the future, and the work to be done during the coming decade. It was guided in its decision by the fact that the United Nations has begun to discuss the formulation of an action programme for the second Development Decade, based on realistic considerations, that will take account of the potentialities and aspirations of the different regions and make specific proposals to solve the substantive problems faced by the developing economies.

362. The present report summarizes the main points of the discussion which developed around the items of the agenda. Thus the first section is concerned with the amendments to the Commission's rules of procedure adopted at this session. The second section gives the views expressed on economic developments in Latin America in 1968 and on over-all trends during the nineteen-sixties. The third reviews the various positions of delegations on the content and objectives of a strategy for the second Development Decade. It is followed by a summary of the discussions on the foreign policy of the Latin American countries, a statement of the reservations made by a number of delegations and, lastly, a review of the action taken on the other agenda items, relating to the Latin American Institute for Economic and Social Planning, the Latin American Demographic Centre, the draft programme of work and priorities 1969-71, and the date and place of the fourteenth session.

/Amendments to

Amendments to the rules of procedure

363. At its 122nd meeting, on 15 April 1969, the Commission considered a draft resolution under which the rules of procedure would be amended to include a new chapter on consultations with the specialized agencies and the International Atomic Energy Agency and the Commission would dispense with summary records. The draft resolution was adopted unanimously (see paragraph 475 resolution 284 (XIII)).

The present economic situation and the results  
of the first Development Decade

364. The Commission's review of the present state of the Latin American economy was based on the "Economic Survey of Latin America, 1968" (E/CN.12/825 and Add. 1 and 2) and on the information and statistical data supplied by a number of delegations on recent economic trends and, in particular, on the economic policy of their respective countries. It was thus possible for the Commission to compare over-all trends in the region as a whole with the conditions in the different countries. It was pointed out in this connexion that some problems are common to all the Latin American countries and that certain general principles were applicable, in varying degrees to most of them. It was observed, however, that each country had strongly individual features that were reflected not only in their development trends over the short term - which might be the result of the particular circumstances of the moment - but also in their levels of development, the obstacles they had to overcome to bring about the changes needed, the degree of external dependence and the imbalances caused by the different economic structures.

365. A number of delegations regarded the results of the economic process in 1968, as generally satisfactory, since data provided by the secretariat indicated that the over-all

/growth rate

growth rate was about 5.5 per cent, which compares favourably with that of 4.6 per cent for the nineteen-sixties in general. The representatives of some countries emphasized the strengthening of their economic sovereignty and the success they had as salient features of their policy achieved in transforming their national economies. Several delegations drew attention to the high growth rates and particular goals, such as the control or reduction of inflation and the improvement of income distribution, which had been attained in their respective countries.

366. Despite the encouraging results of the past year, it was generally agreed that these favourable signs should be judged in a broader perspective i.e., against the background of the general economic situation in Latin America, viewed in terms of absolute levels and the region's position in world affairs. The frame of reference would therefore be not only the trends in 1968, but also the extent to which structural obstacles to development continued to exist. Some delegations emphasized the extent to which wealth and power were still concentrated in small sectors of the population, the continued high degree of external dependence and the new forms the latter is assuming.

367. In the course of the debate, the results of the first Development Decade were evaluated, with reference to the achievements made and the problems that persisted which together with new problems that had emerged, were holding back the economic development of the region.

368. Among the more outstanding results achieved, mention was made of the progress in regional integration, particularly with the formation of the Central American Common Market, the Latin American Free Trade Association and the Caribbean Free Trade Area; the establishment of institutions to promote development,

/in particular

in particular IDB for matters of financing and of ILPES for research, training and advisory services; the steps taken towards the formulation of a common policy for most of the Latin American countries as in UNCTAD and CECLA; the results obtained in public sector planning and in the training of technical personnel; the initiation of progress in agrarian and tax reform in various countries; and the allocation of more funds for social purposes, in particular, for education, health and housing projects.

369. One delegation stated that the redistribution of land had been virtually completed in his country, and that technical assistance and credits were being given to rural areas on an increasing scale. An intensive programme of rural industrialization had also been launched in order to provide employment for the growing labour force.

370. Most delegations were of the opinion that the salient characteristics of the first Development Decade were the improvement in the studies undertaken, the growing awareness of the real situation in Latin America, and the establishment of machinery and institutions to promote development.

371. Moreover, it was generally recognized that thus far in this first Development Decade, many countries had failed to meet the established growth targets and the gaps between the developed and the developing countries, and also those between the under-developed countries themselves, were continuing to widen.

372. In examining the obstacles to development in the first Development Decade, attention was drawn to two types of factors: those relating to the internal situation of the different countries and those relating to their external sectors.

/373. Among

373. Among the internal problems, various representatives cited the persistence of the unequal distribution of income and wealth; the increasingly serious structural unemployment; the contrasts between the growth of different regions in each country; the backwardness of agriculture and its low productivity; the lack of progress in transport and communications systems, and the slow growth of the social services.

374. Several delegations, in referring to the problems persisting towards the end of the decade, pointed out that although the Latin American Governments had earmarked increasing resources for social progress, there were still serious problems in that field. One representative stressed the importance of ensuring equal opportunities for all segments of the population, specially with respect to education and health services.

375. One representative said that underdevelopment was the result of long years of colonial and neo-colonial exploitation by the great powers of a group of countries which comprised the major portion of the world's population.

376. A number of delegations referred to the demographic problems associated with development. One representative said that his country took a favourable view of the high rate of population growth, regarding it as an incentive to accelerated development. In any event, he said, if the people, and in particular the young, were not to be defrauded, population growth should not be used as an argument to justify lack of progress. Another representative stated that, had it not been for the high rate of population growth, the economic development of most of the Latin American countries would not have fallen short of its objectives.

/377. Several



377. Several delegations considered that structural unemployment was one of the gravest problems confronting the region; it should therefore be given particular attention in devising a development strategy for the next decade.

378. Stress was also laid on the importance of the conclusion reached in the secretariat documents, that structural unemployment would become more serious unless the growth rate of agricultural and industrial production was considerably stepped up and the growth by sectors more evenly balanced.

379. Some delegations, in attempting to explain the disappointing results of the first Development Decade with regard to economic and social development in Latin America referred to certain institutional and political factors, such as reluctance to implement the economic policies proposed and poor organization for development.

380. One representative reported on the steps being taken to reduce the disparities existing between the different regions in his country.

381. The discussion on the external problems during the first Development Decade centred on Latin America's trade relations with the rest of the world, transfer payments and the transfer of technology.

382. Some delegations said that the major developed countries lacked understanding of the poorer nations' problems, and were apathetic about helping to solve them.

/383. Several

383. Several representatives agreed that on the whole despite the perceptible improvement in 1968, the situation at the end of the present decade would be more difficult: Latin America's share in world trade would continue to decline, it would continue to export chiefly primary commodities in sharp competition with other regions, and it would have to cope with protectionist policies applied by the developed countries; it would need an increasing volume of manufactures and raw materials, and would encounter apathy on the part of the industrial countries towards complying with international agreements. It was also agreed that there had been an increase in the cost of transport services between countries of the region, and between them and the rest of the world; the problems affecting trade in primary products had not been solved; the developing countries themselves were competing in primary exports and thereby benefiting the more developed importing nations; Latin America's manufactures and semi-manufactures had not gained access to the markets of the industrialized countries; the steady deterioration in the terms of trade was tending to offset a substantial proportion of the increased purchasing power to be expected from the expanding volume of exports; there was a lack of complementarity between the various countries of the region, a heavy dependence upon external technology, and indebtedness was spiralling more steeply upwards.

384. Several speakers pointed out that given the sluggish trends of many traditional exports, there was little hope any substantial improvement in future unless there was a radical change in the way those commodities were produced and placed on world markets.

/385. Several

385. Several delegations expressed the view that the slackening of the import substitution process - of which there were already very obvious signs in some countries and which could be expected in others in the not too distant future - made it essential to find ways of revitalizing industry, and particularly to remove or alleviate the external bottleneck by the promotion of new exports and the stimulation of import substitution, taking advantage of the wider opportunities offered by a regional market.

386. Some delegations said that, as their countries had already made substantial progress in import substitution, there was little likelihood that it could do so much in the immediate future as it had in the past to reduce needs for imports. There were already severe restrictions on imports, and these had been imposed when there had been critical shortages of foreign exchange, and mainly at the expense of imports of capital goods. The relative contraction of imports, both through import substitution and through the imposition of restrictions, could no longer be as useful an expedient as in the past as a means of preventing recurring deficits in the trade balance. That, together with the unfavourable trends in exports, helped to make the solution of the external problems more difficult.

387. Most delegations expressed the view during the debate that there had been only limited progress in economic integration except in the Central American Common Market, and the substantial progress it had made was described.

388. Many delegations spoke at length about the problems resulting from accumulated foreign indebtedness over the last decade or so. They also mentioned the tendency of some

/advanced countries

advanced countries to regard private foreign investment as part of their foreign aid programmes, disregarding the fact that private investment was made with an eye to profit for the investors. Some delegations said that they accepted foreign investment as a means of providing complementary financing for development, but that it should be made in accordance with the laws and institutions of the recipient countries. One representative stated that direct foreign investment had always resulted in a flight of capital from the countries in which it was made, and a representative of a developed country pointed out that investors in his country should be informed of the conditions to which their investment would be subject in Latin America, for if those conditions did not suit them, they could invest anywhere else they wished.

389. It was stated that many countries had borrowed abroad in order to offset the slow growth of their exports, with the result that their foreign indebtedness had risen to very high levels. On the other hand, the borrowing terms for such capital had worsened, as repayment periods had been shortened and interest rates had risen. A contributory cause of this situation had been the general worsening of the terms offered on the capital markets providing these funds, which was largely due to the alarming increase in the proportion of tied loans and the fact that many countries were forced to contract short-term loans - on unfavourable terms - because they had difficulty in obtaining long-term loans to finance their balance-of-payments deficits.

390. It was also pointed out that remittances of interest, amortization profits and other payments of foreign capital had increased rapidly. At the present time, they amounted

/to over

to over 35 per cent of the value of exports each year and were already tending to exceed the gross annual inflow of capital. Several delegations laid special emphasis on the paradoxical situation thus created: Latin America was actually financing the more developed countries of the world.

391. One delegation said that the terms on which foreign capital was made available prevented it from being a positive solution to the problem of growth; it was, moreover, a means of intervening in the general economic policy of the recipient countries.

392. Taking up references to the industrialized countries' failure to carry out the recommendations of the second session of UNCTAD and other recommendations that they should earmark at least 1 per cent of their gross national product for assistance to the developing countries, the delegations of the industrialized countries said that the percentage had been reduced.

393. Several speakers expressed the view that unless there were far-reaching changes in economic and social structures, the results of the second Development Decade would be even less favourable to Latin America than those of the first and one representative said that if the present situation persisted, it might create a problem of unforeseeable consequences and magnitude.

394. With reference to the role of international organizations in helping the different countries to establish and carry out development programmes and meet development targets, several speakers stressed the need for such organizations, and ECLAC in particular, to continue or undertake new studies on the factors and problems which had been discussed at the

thirteenth session and were of interest to the Latin American countries. Special attention should be given to the improvement of systems of education and research so as to bridge the technological gap in Latin America, and an analysis should be made of economic policy instruments for making development programmes more effective and of the conditions required to speed up Latin American integration.

395. One representative spoke of the importance his Government attributed to regional centres which would compile and prepare research and planning material, and stated that a donation had recently been made to ECLA and ILPES for the establishment and promotion of those activities. Two other delegations said that their Governments intended to maintain their financial contributions to international organizations at the same level despite balance-of-payments difficulties.

396. On the subject of industrialization policy, one delegation pointed out the need for the ECLA secretariat to develop suitable development models for the Latin American region, and said that his country was interested in attending meetings or round tables convened for the purpose of finding the best means of reducing the present gap between real and potential capacity for industrial growth. Another representative gave an account of the industrialization policy that had been adopted in his country to make industry more competitive on foreign markets, to introduce a growing proportion of domestically-produced components into finished goods and to bring about the establishment of enterprises in which local capital constituted the majority share.

397. One speaker expressed satisfaction with the general ideas set forth by the ECLA secretariat, such as those expounded in the document on "Energy in Latin America"

(E/CN.12/828), and recommended the preparation of reports on the particular situation in each country. In his opinion, the lack of planning and programming in the energy sector of a large number of Latin American countries, which ECLA had pointed out, was one of the main obstacles to the formulation of a development strategy for the coming decade, and had to be overcome. Another representative said that it was important for countries to exercise full control over their sources of energy for purposes of economic development, and stressed the need to revise some of the figures given in the secretariat report for the per capita generation of electric energy in his country and its growth rate. He also described the efforts that were being made in his country, with the aid of various socialist countries, to develop the petroleum resources, and other areas vital to its economy.

398. With regard to the mobilization of internal resources, one representative said that in his country the State had played a key role in tapping internal productive resources and channelling them into strategic sectors of the economy. In the past forty years, his Government had allocated large amounts of public and private savings to the establishment of the economic infrastructure and the expansion of decentralized agencies and semi-public enterprises which controlled the development of energy and other important branches of production. Government action in his country had extended to other fields and had created monetary and credit arrangements designed to encourage investment and make for a stable exchange rate, yet there had been no decline in the over-all rate of growth.

399. One representative expressed the view that international agencies and officials sometimes had difficulty in grasping

/the complexities

the complexities of political life in the Latin American countries with the result that their suggestions were often not practical. Governments sometimes felt frustrated at the inadequate amount of help they received from the increasingly intricate jungle of international agencies.

400. The Commission expressed its gratification at the abundant and detailed documentation prepared by the secretariat for the thirteenth session. Some delegations said it was regrettable, however, that the documents had not arrived in their countries in time to be properly studied by the technical experts of the specialized bodies concerned.

401. A number of delegations were of the opinion that the ECLA secretariat should continue to use its independent judgement and increase its creativeness in order to carry out far-reaching and realistic analyses of the region's economic and social development problems.

Development strategy in the next decade

402. The nature and requirements of the strategy which the region should adopt in the second Development Decade was one of the main topics of discussion. However, several delegations stressed that it was the sovereign right of each country, to develop and apply its own ideas on how to achieve economic and social development.

403. One delegation said that it was his impression that the documents submitted by the ECLA secretariat to the thirteenth session<sup>17/</sup> were basically concerned with the problems and objectives of the Latin American countries to be reflected in the content of national development policies and strategies, but that, in terms of priorities, a central problem had been underestimated, i.e. the establishment of an international development strategy.

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<sup>17/</sup> E/CN.12/826, E/CN.12/827, E/CN.12/828, E/CN.12/829, E/CN.12/830, E/CN.12/831, and Add.1, E/CN.12/832 and E/CN.12/836.



404. Many statements revealed substantial agreement on the diagnosis made of the contemporary problems of Latin America in the documents considered at the thirteenth session. That diagnosis would have to supply the main elements of the strategy for the future. In that connexion, it was agreed that the relatively slow rate of growth over the past decade clearly showed that the main goal should be to correct that trend, which meant substantially accelerating the rate of economic and social development. That objective was regarded as both essential and attainable, in the light of the documents submitted and the information provided by different delegations.

405. The view was expressed by several speakers that the efforts to speed up development should be accompanied by other and equally important efforts, relating to the social aspects of development. It was considered, for example, that the acceleration of the process of growth should go hand in hand with considerable progress in various other fields: employment, income distribution, balanced development within the region, and external factors of various kinds affecting the content and dynamics of development.

406. If those goals, which are naturally interrelated, are to be met, the strategy for the second Development Decade must cover a task of great magnitude. On that subject, one delegation pointed out that, if Latin America was to recover its 1960 position, vis-à-vis the developed countries, its per capita income would have to grow at a rate of almost 5 per cent a year over the next decade, which would mean tripling the growth rate of the nineteen-sixties. Another delegation pointed out that, even if the Latin American economies succeeded in attaining an over-all growth rate of

6 per cent a year in the nineteen-seventies, the per capita income of the region would still be less than 15 per cent of what it was in the more advanced countries.

407. It was generally agreed that the first and most obvious prerequisite for the attainment of the goals mentioned was a decisive increase in savings and investment coefficients. Several delegations regarded that as a feasible proposition, in view of the region's average income level and, above all, the marked concentration of income in certain strata of the population - a potential source of savings that had hardly been tapped so far for attaining the priority targets of national development. One delegation, however, expressed doubts about the practicability of increasing savings and investment coefficients through taxation, since those who now hold the reigns of power in many countries were precisely those who benefited by the existing situation.

408. Several representatives agreed that a primary condition for speeding up development was to achieve a more complete mobilization of the human and material resources of which little or no advantage was now being taken or which were being used for purposes low on the scale of economic and social priorities. Reference was made in this connexion to the hidden reserves of manpower to be found in rural areas and on the urban fringe, and also to the idle capacity existing in many industrial establishments of different kinds.

409. Several representatives also agreed that land reform was one of the essentials in a more active and socially better balanced development strategy, as it should alleviate structural unemployment in rural areas to begin with, permanently improve the distribution of income in the rural sector and in the economy as a whole and bring about more intensive use of land resources.

410. With regard to agricultural development in Latin America, one delegation expressed the view that in the strategy for the second Development Decade, the needs of the agricultural producers of each country should be assessed in relation to the conditions and requirements of the world market, so as to preclude the possibility of over-production, thus supporting the FAO principles of surplus disposal, according to which the disposal of surpluses should not affect the traditional openings for and international trade flows in agricultural products.

411. Some delegations linked those considerations with another factor which they regarded as a key component of development strategy for the coming decade, namely employment policy. There was an exchange of views based on the central ideas put forward in the documents submitted by the secretariat (E/CN.12/831 and Add. 1; E/CN.12/836), in which it was stated that the possibility of absorbing the growing labour force in productive employment mainly depended on the general vitality of the system of production, on the way economic expansion was distributed among sectors and regions, on the manner in which capital equipment and technological progress in general were introduced and, lastly, on the specific policies and measures that directly or indirectly affected the labour market and conditions of employment. As a number of delegations pointed out, closer examination should be made of the technology suitable in each individual case, so as to be able to judge whether resources can be concentrated in activities requiring the highest technological density; in other activities, priority would go to technological advances likely to raise productivity substantially without needlessly aggravating the employment situation.

412. Many delegations observed that it would be difficult to achieve the domestic objectives of development strategy if conditions in the external sector were not radically altered. The main points referred to in this connexion were expanding and diversifying the exports of the region as an essential means of increasing the inflow of resources without a corresponding increase in financial servicing, developing new arrangements for external financial co-operation and accelerating regional economic integration.

413. In dealing in greater detail with the various aspects of the strategy for the external sector in the coming decade, one delegation stated that the programme for the second Development Decade should fix its goals on the basis of equitable international distribution of the productive structure, bearing in mind the possibility of expanding exports from the poor to the rich countries. At the same time, several delegations emphasized the need to establish the generalized non-reciprocal, non-discriminatory system of preferences for the manufactures and semi-manufactures of the developing countries as soon as possible.

414. The delegation of one developed country indicated that its Government was ready to open its markets to Latin American goods and that it therefore supported the generalized system of preferences for manufactures and semi-manufactures; it also suggested preferences for processed and semi-processed agricultural goods.

415. An observer from a country with a centrally-planned economy stated that, in keeping with the recommendations of UNCTAD, his country was prepared to receive manufactures from the developing countries in part-payment for its exports of machinery and equipment to those countries.

/416. In

416. In connexion with the role of economic integration in the strategy for the next decade, the delegation of one country, speaking on behalf of the Central American Common Market, said that the economic growth of the member countries had gone hand in hand with the progress made in integration during the first Development Decade. The continuation of that progress was to be a key aspect of development strategy for the next decade. With that end in view, an action programme had been drawn up, which would ultimately create a more sophisticated form of economic union. The aims sought included the harmonization of policies of fiscal incentives to industrial development, intensification of efforts to establish a regional monetary stabilization fund and to draw up a regional agreement on the co-ordination of monetary and exchange policies. The action programme provided for the perfecting of the common market in agricultural commodities, measures relating to movements of capital and labour and joint action by the member countries in their trade relations with the rest of the world.

417. It was pointed out that a regional transport system should urgently be established to meet the needs of Latin American trade, most of which was now carried by ships of other regions.

418. In the discussion on external factors, several delegations stressed that the strategy which the Latin American countries should adopt for the region must be based primarily on national efforts, and that any support they might seek from outside, although a necessary part of the strategy, must only complement their own efforts.

419. Several delegations mentioned other factors that were indispensable for the formulation and successful implementation of a strategy for the second Development Decade, such as the adaptation of institutions and of the general apparatus of

/government to

government to the demands of development. One delegation pointed out that the problems involved were not purely technical or administrative, since they were also bound up with the nature of the existing power structures, which left the largest and least privileged groups on the margin of some Latin American societies. Other representatives stressed that it was essential to create a favourable climate for change in the ruling circles among businessmen and among the population as a whole, and that the success of the second Development Decade would moreover, depend on the decisions and the political support of every nation.

420. As a result of its deliberations, the Commission at the 128th meeting, adopted resolution 285 (XIII) on co-operation with CECLA by 23 votes to none, with 1 abstention. The delegation of Cuba objected to the use of the resources of the Economic Commission for Latin America to provide advice to organizations like CECLA, which did not include all the States in the region.

421. The secretariat informed the Commission that resolution 285 (XIII) would have no financial implications, as the activities and studies requested could be undertaken by the existing staff of the substantive divisions without any additions to the manning table.

422. The Commission adopted resolution 289 (XIII) at its 130th meeting by 23 votes to none, with no abstentions. Various delegations requested that note be taken of their reservations concerning the resolution.

423. The representative of Canada said he had voted in favour of the resolution because it was a comprehensive statement of the necessarily interrelated aspirations of the region; that vote did not, however, imply acceptance of new or expanded

/commitments. Canada

commitments. Canada did not agree with all the views expressed in the resolution and had serious reservations concerning three specific points. Although Canada considered that providing easier access for primary commodities and manufactures to the markets of the developed countries was desirable as a means of assisting Latin American economic advancement, it wished to point out that the elimination of restrictive measures and revision of policies of incentives for anti-economic production could, if indiscriminately applied, have an adverse effect on the economy of the developed country itself. Although it accepted the contention that distortions might be produced by tied loans, it believed that some degree of control over the disbursement of loan funds by the lending country was both necessary and desirable. In that connexion, it suggested that meetings be held in future between major foreign lending institutions and recipient government agencies to develop some type of mutually acceptable lending formula. It could not accept per se a proposal relating increased external aid to the expansion of international liquidity. The problem of expanding international liquidity had been tackled by the International Monetary Fund and both the Executive Directors and the Governors of the Fund had approved appropriate amendments to the Articles of Agreement of the IMF. Those amendments were at present before the member countries of the Fund for ratification.

424. The representative of Cuba said he did not agree with operative paragraph 1 (e), because private foreign investments by their very nature inevitably gave rise to a process of decapitalization in the recipient countries.

425. Similarly, since the Federal Republic of Germany participated in the work of the Preparatory Committee for the Second United Nations Development Decade, that Committee should

/also include

also include the German Democratic Republic in recognition of its rights as an independent State which, like the Federal Republic of Germany, is not a Member of the United Nations.

426. The representative of the United States said that his vote in favour of the resolution should be interpreted as an expression of support by the United States for the efforts to attain a set of objectives which it had previously supported in ECLA and other international forums. However, its vote did not imply the assumption of new or expanded obligations. He wished it to be placed on record that his delegation did not agree with all the views expressed in the resolution. In particular, it regretted the inclusion of the proposal relating increased external aid to the expansion of international liquidity; it shared the reservations expressed by the representative of Canada on that point. He also stressed the great importance of early ratification and acceptance of the new liquidity arrangements in order to assure more adequate financing for the increasing world trade desired by all. Such trade had roughly doubled in the nineteen-sixties. While appreciating the importance of adequate external assistance, his delegation thought it unwise to link it with international liquidity, since the liquidity sought on the initiative of the Fund was related to trade, not aid, and should be ratified promptly on that basis.

427. The representative of France stressed that his vote in favour of the resolution as a whole did not mean that his country approved all its provisions. In particular, France considered that the first step to be taken with regard to primary commodities was to conclude international agreements aimed at stabilizing their prices, and that the question of creating international liquidity should not be linked up with

/that of



that of increasing external aid, since the two operations were different in kind.

428. The delegation of the United Kingdom stated that the resolution was an expression of the aspirations of the developing countries members of the Commission rather than a balanced document expressing every shade of opinion. It had, in particular, reservations on the advisability of including in paragraph 1 (d) a reference to a possible link between the increased external financial assistance and the expansion of international liquidity. It also had reservations about including in paragraph 6 (f) a reference to a possible assessment of the effects of the present system of ownership of trade marks and patents on development in the region.

429. At its 131st meeting, the Commission adopted unanimously resolution 290 (XIII) on the development of Latin America in the second Development Decade, in which basic aspects of the secretariat's work programme relating to development strategy and policy are set out.

430. At the request of the delegation of Colombia, it was agreed that although the resolution did not explicitly mention all the specialized agencies that were active in the fields mentioned therein, the final paragraph was to be interpreted as referring to all of them, and that ECLA should seek means of co-operating with them in order to avoid duplication of effort and to benefit from their experience.

431. With reference to the fifth preambular paragraph, the representative of Cuba said that he understood that an association of a number of countries in close geographical proximity could indeed contribute to the economic growth and social progress of the area concerned. At the same time, he was nevertheless of the opinion that not all types of

/integration were

integration were capable of serving that purpose. With respect to sub-paragraph (c), he reiterated his opinion that private enterprise did not play a useful part in the economic and social development of Latin America.

432. The representative of Honduras, speaking on behalf of the Central American delegations, said that they took sub-paragraph (n) to mean that the improvement of statistics and of the data-collecting, data-processing and computer services of the secretariat was dependent on the improvement of national statistical services. It was therefore important that ECLA should provide advisory assistance for that purpose, particularly with regard to the statistical data needed for the application of modern techniques of programming, making diagnosis and constructing development models.

433. At its 133rd meeting, the Commission adopted resolution 292 (XIII) on external financial co-operation by 20 votes to none, with 7 abstentions. Several delegations gave their reasons for abstaining.

434. The representative of Barbados explained that, although his country shared Latin America's aspirations and was fully committed to the region's future development, it had abstained because owing to the small size of the delegation and the necessity of participating in a number of working groups, it had been unable to give the resolution the careful consideration which must always precede decisions of moment.

435. The representative of Canada said that the resolution set forth the viewpoints or the aspirations of the Latin American countries and that it was not for his delegation to say what those expectations should be. The Latin American group had proposed certain criteria which his delegation did not question in principle, since everyone would like the system

of international co-operation to be improved. Canada, for its part, had committed itself to increasing its foreign aid programme. Since it considered, however, that some aspects of the resolution could not be put into practice immediately, it hoped that, instead of putting the developed countries on notice, it would serve as a basis for a constructive dialogue between the nations that were in a position to provide economic aid and those that still needed it.

436. The representative of France and the United Kingdom said that they had abstained because they considered that the resolution reflected only the views of the Latin American countries, but their abstention should not be interpreted as indicating any lack of interest in the proposals set forth therein.

437. The representative of the Netherlands said that his delegation had taken note with great interest of the resolution, which was addressed mainly to the Latin American countries and reflected their legitimate aspirations. His delegation shared the views expressed with regard to it by the representatives of Canada, France and the United Kingdom.

/Latin American

Latin American trade policy

438. The working group formed to deal with this agenda item based its discussions on the document entitled "Latin America's foreign trade policy" (E/CN.12/816), and used the document entitled "Recent developments in the Latin American integration process" (E/CN.12/833 - English summary: Information document No 11) for background information. The working group submitted a report to the Commission which is reproduced in Annex III.

439. During the discussions, some delegations referred to several of the ideas put forward in document E/CN.12/816 regarding the strategy and procedures for giving greater impetus to Latin American exports, and the importance attached in the document to the role of manufactures and semi-manufactures. They expressed certain reservations about the actual possibility of achieving that objective during the second Development Decade and observed that, in any case, efforts to expand exports of manufactures should not work to the detriment of exports of primary commodities.

440. The Latin American delegations indicated that, in order to accelerate the growth of their exports, it was important to secure proper and speedy fulfilment of the commitments and recommendations adopted at meetings of different bodies regarding the reduction and elimination of tariff and non-tariff restrictions affecting the access to markets of and trade in primary commodities and manufactures of special interest to the developing countries; the maintenance of the stand-still; the negotiation and strict fulfilment of international commodity agreements and the modification by the developed countries of their policies of promoting uneconomic production and their methods for the disposal of surpluses and stocks. These

/delegations expressed

delegations expressed their interest in a special round of negotiations within GATT on primary commodities which had not been covered properly in the Kennedy Round, with the aim of improving their access and competitiveness on world markets.

441. On the subject of exports of manufactures and semi-manufactures, the Latin American delegations all agreed that the early establishment of the generalized non-reciprocal, non-discriminatory system of preferences was necessary. They considered that, if the system was to be effective, it would have to offer a sufficiently wide margin of preference and that the new trade flows created, as well as already existing trade flows, should not be jeopardized by the use of escape clauses which could lead to market disruption.

442. The delegations of a number of developed countries indicated the willingness of their Governments to fulfil the commitments undertaken within UNCTAD regarding the generalized non-reciprocal, non-discriminatory system of preferences.

443. In the discussion on external financing, the Latin American delegations expressed their concern about the growing importance of tied loans and some of the extremely unfavourable aspects of such loans, particularly the fact that they considerably increased the cost of imports, distorted trade flows and affected the prospects for expanding trade between the Latin American countries, making it difficult to take advantage of the tariff concessions negotiated within LIFTA. They also observed that their countries needed to be granted easier access to the capital markets of the developed countries, and that the establishment of machinery thanks to which high interest rates could be reduced was an urgent necessity. In addition, they stated that the volume of external financing received by the region was inadequate for its needs and absorptive capacity. Private foreign investment, they indicated,

/could help

could help to stimulate development; in particular, it could serve as a means of introducing or transferring modern technology, although it should be considered as quite separate from the policy of international co-operation in the development of Latin America. Reference was also made to the question of the dependence of the developing countries on the developed countries for technological know-how.

444. The Latin American Governments also referred to problems of shipping, expressing their concern over the unjustifiable increases in freight rates imposed unilaterally by the shipping conferences with lines serving Latin American ports, and the need to revise the entire structure of international freight rates.

445. As regards regional integration, most of the Latin American delegations drew attention to the effective co-operation given by the ECLA secretariat, and the need for it to continue and expand its research on the subject, although certain delegations stated that they disagreed with some of the views and interpretations in document E/CN.12/833.

446. Following the discussion on this item at its 132nd session, the Commission adopted resolution 291 (XIII) on trade policy in relation to development strategy by 21 votes to none, with 5 abstentions. m

447. The representative of Canada stated that, although his delegation had been prepared to vote in favour of the resolution, it had been compelled to abstain, in the first place, because it had been voted on too soon and, secondly, because it was couched in terms that were too harsh with regard to some of the developed countries, treating them as though they were prisoners in the dock. His delegation had felt that more moderation and patience should be shown. Furthermore, Dr. Prebisch, who was regarded as one of the most knowledgeable

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men in Latin America, had pointed out in his statement that some progress had been made; for instance, the principle of non-discriminatory and non-reciprocal preferences, to which one of the developed countries was opposed, had been approved.

448. The representative of France, speaking on behalf of the countries members of the European Economic Community which were also members of the Commission, said that those countries were not opposed to the idea of a study being made of the agricultural policies of the developed countries, but they felt it was regrettable that specific reference had been made to the European Economic Community in the resolution..

449. The representative of the United Kingdom, explaining his abstention, stated that he considered it to be inappropriate to imply, as the resolution did in sub-paragraph (a) of the second preambular paragraph and in operative paragraph 1 (a), that concerted international action was necessary to ensure that the developed countries carried out their commitments, especially when no such action was considered necessary to ensure that the developing countries did likewise. He was not aware, moreover, that any commitments had been entered into of the kind envisaged in the second half of sub-paragraph (a) of the second preambular paragraph. Nor did he consider it appropriate that - as appeared from sub-paragraphs (a) and (g) when taken together - the intention would be that, whereas the implementation by the developed countries of their commitments should be closely supervised, the developing countries should be free to modify their policies without regard to their commitments.

450. The representative of the Netherlands indicated that he had abstained in the vote because he agreed with the

/representative of

representative of Canada that the vote had been taken in haske. He also agreed with the United Kingdom representative that the commitments of the developing countries should be taken into account, since the elaboration of a strategy was a collective action. He had similar reservations with regard to the study of "international machinery" that was requested of the secretariat.

451. At its 133rd plenary meeting, the Commission adopted resolution 293 (XIII) on technical advice for the Latin American Free Trade Association, by 26 votes to 1, with no abstentions.

452. The secretariat informed the Commission that the intensification of its advisory services for LAFTA would not have financial implications. Although those services would have high priority, the staff of the substantive divisions of ECLA and the regional technical assistance experts of the United Nations would be able to provide them and it would not be necessary to request additional financial resources from the Organization.

453. The representative of Cuba stated that his delegation had voted against the resolution because it considered that the resources of a regional commission of the United Nations should not be made available to association of countries in the region that discriminated against other countries in the region. He also wished to record his view that, given the way it was progressing, LAFTA would not satisfy the needs of Latin American development.

/Latin American



Latin American Institute for Economic and Social Planning

454. The Commission based its consideration of the activities of the Latin American Institute for Economic and Social Planning on document E/CN.12/817, containing the report of the Director-General of the Institute to the Governing Council and the work programme for 1969 and heard a report from the Chairman of the Governing Council in accordance with resolution 220 (AC.52).<sup>18/</sup>

455. The Chairman of the Governing Council briefly described how certain activities had been reoriented so as to deal more efficiently with the changing needs of Latin America. In 1968, new material had been introduced in the training courses to cover the subject of short-term planning as a means of co-ordinating economic policy decisions with long-term plans. In 1969, emphasis was being placed on analysis and planning instruments; interpretation of the economic and social aspects of development; over-all, sectoral and regional planning and short-term economic policy.

456. Under the programme, over seven years, 5,000 persons had been trained in the basic course at Santiago and the intensive courses in different countries; they were now the pillars of national planning systems and many of them held important posts in ministries and public sector agencies. The courses were becoming highly specialized in subjects such as industrial planning, human resources and projects, in order to meet the varied and growing demand from countries.

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<sup>18/</sup> The complete text of the statement by the Chairman of the Governing Council was circulated in document E/CN.12/838.

457. The Commission noted that, on the research side, an integrated approach was adopted towards the economic and social aspects of development policy, including interpretation and methodology for the formulation of plans and projects. Many research programmes were executed in co-operation with ECLA, IDB, UNESCO, WHO, UNICEF, Resources for the Future, Inc. and university centres in several Latin American countries. Research was being done on regional and subregional integration, interpretation of the development process, expansion of domestic markets and of economic space, problems of children and youth and employment.

458. Advisory services had been provided to seventeen Latin American countries in over-all planning (including the strengthening of central, sectoral and regional systems and the formulation of plans for periods of varying length) and, in the last year, annual planning. Assistance had also been given in the improvement of budgetary and statistical systems and public administration. A two-year agreement had recently been concluded with the authorities of Minas Gerais, Brazil, to provide technical co-operation in integrated planning, covering all the questions mentioned. In addition, an agreement on the provision of advisory services in budgeting had been signed with the Chilean Development Corporation (CORFO).

459. A manual was being prepared on integrated programmes and projects for basically agricultural areas, which was a classified compendium of the experience of several countries. Some headway had been made in research on criteria for evaluating multinational integration projects in co-operation with IDB, and work had been completed on the first part of a manual for use by those concerned with the formulation of

/projects. Assistance

projects. Assistance had been provided to some Governments in the identification and preparation of development projects. 460. The action described had served as a basis for a publications programme which was becoming increasingly important in the countries of the region. The demand for publications came not only from specialists concerned with economic and social development problems, but also from universities, which used them as part of their teaching material.

461. In conclusion, the Chairman expressed, the Governing Council's deep concern about the precarious basis on which the Institute was financed, and said that ILPES should become a permanent body if it was to be genuinely useful to the Latin American countries. In that connexion, he recalled that the Secretary-General of the United Nations had said that the Institute was an integral part of the machinery for constructive international action, and that its existence and growth should therefore, so far as possible, not be subject to financial uncertainty. He appealed to the Latin American Governments to consider ways of making the Institute a permanent institution so that it could perform its functions satisfactorily.

462. Several delegations expressed gratification at the work done by ILPES, which had helped to clarify important economic and social issues in the region and had assisted many countries in the practical solution of problems associated with development policy and planning. They also welcomed the return of Mr. Raúl Prebisch to his post as Director-General of the Institute.

463. One delegation considered it desirable that the Institute should in future organize short seminars in English for the Caribbean countries.

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464. There was agreement that the financing of the Institute should be placed on a sound and long-term basis. Accordingly, the Commission at its 130th meeting, adopted resolution 286 (XIII) by 20 votes to none, with 1 abstention, requesting the Executive Secretary of ECLA and the Director-General of the Institute in collaboration with the Governing Council, to take the necessary steps to achieve that end.

465. In accordance with resolution 2361 (XXII) of the General Assembly and 1264 (XLV) of the Economic and Social Council, the Commission, at its 130th meeting, unanimously decided that the Governing Council of the Latin American Institute for Economic and Social Planning should meet once instead of twice a year (resolution 287 (XIII)).

466. The representative of Cuba explained that, although he appreciated the work of ILPES, he had had to abstain on the resolution because of the reference to the Inter-American Development Bank which it contained. His delegation agreed with the view expressed by Mr. Raúl Prebisch that ILPES should take care to preserve its independence of judgement which, in the opinion of his delegation, was likely to be jeopardized by relations with a body over whose decisions the United States Government exercised a decisive influence, as it controlled 40 per cent of the votes. The basic principles of IDB were similar to those of a private financing institution. He also denounced the pressure brought to bear on UNDP by the United States Government in order to block the approval of projects for Cuba, irrespective of the principles which were the organization's raison d'etre.

/467. Pursuant

467. Pursuant to resolution 220 (AC.52), the Commission proceeded to elect eight members of the Governing Council of the Institute, who are to serve until the next session of the Commission. The election was held at the 129th meeting. In addition to the members appointed by the ECLA Secretariat, IDB and OAS, the following were elected members of the Governing Council: Mr. Helio Beltrao (Brazil), Mr. Carlos Manuel Castillo (Costa Rica), Mr. Plácido García Reynoso (Mexico), Mr. Enrique Iglesias (Uruguay), Mr. Sergio Molina (Chile), Mr. Luis Enrique Oberto (Venezuela), Mr. Alfonso Rochac (El Salvador) and Mr. Manuel San Miguel (Argentina).

Latin American Demographic Centre (CELADE)

468. Consideration of this item was based on document E/CN.12/819 and on a statement by the Director of the Centre. The Commission was informed that the purpose of the Centre was to train technical staff in population analysis, to prepare studies on population questions and to provide technical assistance in that field.

469. CELADE made a continuing evaluation of population trends, from which it obtained the basic data that it furnished to ECLA, and also collected information on new aspects of the population situation in Latin America. In that connexion, mention was made of the studies on rural migration towards various capital cities of the region (Caracas, Santiago and Lima) and on fertility, and studies undertaken in collaboration with ILPES to assess the effects of different development hypotheses on manpower absorption.

470. With regard to technical assistance, the Commission was informed that CELADE had helped to establish population analysis units in seven of the thirteen countries taking part in the plan of operations and had collaborated in national training programmes, population surveys, multinational projects, such as the population censuses in Central America, in the organization of technical meetings and in the publication of documents on population questions. CELADE was also preparing publications on population questions in Spanish for use as teaching material in Latin America.

471. Several representatives praised the work that had been done, emphasizing its importance at a time when population studies were indispensable for a sound interpretation of the economic and social trends of the Latin American countries.

472. The Commission elected Mr. Alvaro López Toro (Colombia) and Mr. Benjamin Samamé (Peru) as members of the Governing Council of CELADE.

Biennial sessions of the Committee of the Whole

473. The representative of the Secretary-General of the United Nations informed the Commission that the General Assembly and the Economic and Social Council have emphasized the need to reduce the number of meetings of United Nations bodies so far as possible, and observed that it was the responsibility of the Commission to eliminate those meetings which it did not regard as indispensable. Accordingly, the Commission, taking into account the recommendations contained in General Assembly resolution 2361 (XXII) and Economic and Social Council resolution 1264 (XLV), agreed to hold its sessions only every two years. In view of the need to submit to the Council once a year a full report on its activities and plans, the Commission agreed to request the Council to add the following text to paragraph 12 of the Commission's terms of reference:

"For those years in which the Commission does not hold a session, the Executive Secretary shall submit to the Economic and Social Council a full report of its activities and plans, including those of any subsidiary bodies, after approval by the Chairman of the session in question and circulation to Governments of member States for their comments and any necessary modifications."

474. The Commission also agreed that, whenever any matter arose that required an urgent decision on its part, the Executive Secretary would be authorized to convene a special session of the Committee of the Whole; for this purpose the procedure set forth in rule 1 (b) of the Commission's rules of procedures would be followed.





PART III

RESOLUTIONS ADOPTED BY THE COMMISSION  
AT ITS THIRTEENTH SESSION

475. At its thirteenth session the Commission adopted the following resolutions:

- 284 (XIII) Amendments to the rules of procedure of the Commission
- 285 (XIII) Co-operation with the Special Committee on Latin American Co-ordination
- 286 (XIII) Latin American Institute for Economic and Social Planning
- 287 (XIII) Meetings of the Governing Council of the Latin American Institute for Economic and Social Planning
- 288 (XIII) ECLA Office for the Caribbean
- 289 (XIII) The second United Nations Development Decade
- 290 (XIII) The development of Latin America in the second Development Decade
- 291 (XIII) Trade policy in relation to development strategy
- 292 (XIII) External financial co-operation
- 293 (XIII) Technical advice for the Latin American Free Trade Association
- 294 (XIII) Date and place of the next session
- 295 (XIII) Programme of work and priorities, 1969-71

476. The following are the texts of the resolutions:

284 (XIII) AMENDMENTS TO THE RULES OF PROCEDURE  
OF THE COMMISSION

The Economic Commission for Latin America,

Bearing in mind Economic and Social Council resolution 1379 (XLV) which recommends that the subsidiary organs of the Council, which include the regional economic commissions, should dispense with summary records of their meetings in order to reduce the volume of documentation,

Recalling Economic and Social Council resolution 1376 (XLV), which recommends to the Commission that it should insert in its rules of procedure a new chapter on consultation with other organizations on proposals for new activities to be undertaken, in order to achieve better co-ordination,

Considering secretariat note E/CN.12/814 and Add.1 on these questions,

1. Decides to delete rules 46, 47 and 48, relating to the summary records of the Commission's meetings from the rules of procedure and to replace them by a new rule reading as follows:

"Summary records of the meetings of the Commission shall not normally be kept. However, the Commission reserves the right to request summary records for any discussion which may require special treatment. Any delegation may always, at its request, have its views recorded in the Rapporteur's report."

2. Further decides to insert in the Commission's rules of procedure a new chapter XI entitled "Consultation with the specialized agencies and the International Atomic Energy Agency", and to renumber the chapters which follow accordingly;

3. Decides finally that the new chapter XI shall contain a rule reading as follows:

- "(a) Where an item proposed for the provisional agenda of a session of the Commission contains a proposal for new activities to be undertaken by the United Nations relating to matters which are of direct concern to one or more specialized agencies or the International Atomic Energy Agency, the Executive Secretary shall enter into consultation with the agency or agencies concerned and report to the Commission on the means of co-ordinating the use of the resources of the respective agencies.
- "(b) Where a proposal for new activities to be undertaken by the United Nations relates to matters of direct concern to one or more specialized agencies or the International Atomic Energy Agency, the Executive Secretary shall, after such consultation as may be possible with the representatives of the other agency or agencies concerned, draw the attention of the meeting to these implications of the proposal.
- "(c) Before deciding on the proposals referred to above, the Commission shall satisfy itself that adequate consultations have taken place with the agencies concerned."

122nd meeting  
15 April 1969

285 (XIII) CO-OPERATION WITH THE SPECIAL COMMITTEE  
ON LATIN AMERICAN CO-ORDINATION

The Economic Commission for Latin America,

Considering the valuable and effective co-operation and advice provided by the ECLA secretariat to the Special Committee on Latin American Co-ordination (CECLA) in accordance with the provisions of resolution 262 (AC.58) of the Committee of the Whole:

Bearing in mind that CECLA decided in resolutions 15/68M, adopted at its Fourth Meeting at the Ministerial Level, to request ECLA to study the possibility of strengthening its technical staff with a view to providing regular advisory services to CECLA and thus co-operating with national liaison bodies and with the other organizations advising CECLA, such as the Centre for Latin American Monetary Studies (CEMLA), the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) and the Latin American Free Trade Association (LAFTA), which help to prepare and organize the various meetings; and

Noting that the Latin American countries members of CECLA have expressed the desire that the ECLA secretariat should continue to provide co-operation and advice on a regular and permanent basis;

1. Welcomes the request made by the Governments of the Latin American countries members of CECLA in the above-mentioned resolution; and accordingly

2. Recommends that the ECLA secretariat should continue to provide co-operation and advice to CECLA on a regular basis by preparing such studies as CECLA may request and by participating in its meetings in an advisory capacity.

128th meeting  
18 April 1969

286 (XIII) LATIN AMERICAN INSTITUTE FOR ECONOMIC  
AND SOCIAL PLANNING

The Economic Commission for Latin America,

Considering that the Latin American Institute for Economic and Social Planning was established by resolution 220 (AC.52) as a project of the United Nations Special Fund with the support of the Inter-American Development Bank, which ensured its financing for an initial five-year period,

Bearing in mind that in resolution 260 (AC.58) the Commission expressed its support for the activities of the Institute, considered that the functions of the Institute filled a permanent need in Latin America, and adopted recommendations to continue and intensify the activities of the Institute in future,

Considering that the second phase of the Institute's activities began on July 1, 1967, in accordance with the Plan of Operations of the United Nations Development Programme endorsed by the Latin American Governments, for a further period of four years as from that date,

Emphasizing that the tasks entrusted to the Institute are particularly important for the progress of planning in Latin America, and are closely associated with the activities planned by the United Nations Secretariat and the member Governments in the second Development Decade,

Realizing that these tasks have greatly assisted planning agencies in many Latin American countries in their work of organization, strategy formulation, execution of studies and training of personnel,

Aware that there is a growing demand for the services of the Institute on the part of Governments and that these services fulfil long-term needs, and that the Institute should therefore become a permanent body when its second phase of activity comes to an end,

1. Expresses its deep appreciation to the Administrator of the United Nations Development Programme and the President of the Inter-American Development Bank for the support they are giving to the Institute;

2. Urges that the Secretary-General and the United Nations Development Programme should provide the necessary support in order to convert the Latin American Institute for Economic and Social Planning into a permanent body and to ensure its financing over the long term, and also requests the Governments to continue to support it.

3. Requests the ECLA secretariat and the Director-General of the Institute, in collaboration with Governing Council of the Institute, to take the necessary measures to implement this resolution, and to enter into consultations with the Inter-American Development Bank with a view to ensuring that the close collaboration between the two institutions will continue after June 1971.

130th meeting  
19 April 1969

287 (XIII) MEETINGS OF THE GOVERNING COUNCIL  
OF THE LATIN AMERICAN INSTITUTE  
FOR ECONOMIC AND SOCIAL PLANNING

The Economic Commission for Latin America,

Recalling that by resolution 220 (AC.52) it established the Latin American Institute for Economic and Social Planning under its auspices, and that operative paragraph 3 (e) of the said resolution provides that the Governing Council of the Institute shall hold meetings at least twice a year,

Bearing in mind General Assembly resolution 2361 (XXIII) and Economic and Social Council resolution 1264 (XLI), which request all subsidiary organs and bodies of the United Nations to consider reducing the number of their meetings,

Noting the recommendation of the Governing Council of the Institute at its twelfth session that the Council should hold one meeting a year instead of the two prescribed in resolution 220 (AC.52),

Considering that it is advisable to reduce the frequency of meetings, provided that this does not affect substantive work,

Decides to amend operative paragraph 3 (e) of resolution 220 (AC.52) to read as follows:

"The Governing Council shall elect a chairman from among the eight members mentioned in sub-paragraph (b) above and shall adopt rules of procedure for its meetings, which shall be held once a year."

130th Meeting  
19 April 1969

288 (XIII) ECLA OFFICE FOR THE CARIBBEAN

The Economic Commission for Latin America,

Considering the importance for the process of Latin American development of the work of the subregional offices of ECLA,

Considering that a subregional Office for the Caribbean was established in December 1966 with limited resources,

Recognizing the valuable work which has been done by that Office,

Considering, nevertheless, the backlog of work to be done and the number of urgent reports requested by member Governments, which are of vital importance to the development of the subregion,

Requests the Secretary-General of the United Nations to allocate high priority to the strengthening of the ECLA Office for the Caribbean so that adequate resources will be available for the urgent studies that are necessary for the development of the subregion and for more effective co-operation with other Latin American countries.

130th Meeting  
19 April 1969



289 (XIII) THE SECOND UNITED NATIONS  
DEVELOPMENT DECADE

The Economic Commission for Latin America,

Having taken note of General Assembly resolution 2411 (XXII) concerning the preparation of an international development strategy for the coming decade,

Having noted with satisfaction the document prepared by the secretariat on this subject (E/CN.12/836),

Considering that the thirteenth session of the Commission has provided a good opportunity for examining the economic and social evolution of Latin America during the nineteen-sixties and for expounding ideas which will help in the formulation of an effective programme of action for the second United Nations Development Decade,

Noting that the analysis of Latin America's economic and social evolution in the nineteen-sixties has shown that the objectives pursued by General Assembly resolution 1710 (XVI), which proclaimed the first Development Decade, have not been attained, and that, on the contrary, Latin America's share of world trade is still declining,

Recognizing that Latin America is determined to accelerate the development process and to assert a personality of its own with its own criteria and values,

Affirming that it is the sole and sovereign responsibility of the Governments to create internal conditions that will facilitate and encourage more rapid national development,

Realizing that the effectiveness of internal action will depend largely on the acceptance by the developed countries of the obligations arising from their general

responsibility for co-operating in the development process and for taking practical measures to that end;

Aware that definite progress has been made in internal development policy, in regional economic integration and in certain aspects of external financial and technical co-operation;

Recognizing that, despite these advances, as the present decade draws to a close, the Latin American economies continue to be confronted with problems which are still serious in the effort to strengthen and accelerate economic and social growth, and that in international economic relations, these problems take the form of obstacles of various kinds affecting international trade, financial co-operation, shipping and the scientific and technological development of the region,

Bearing in mind the important part played by ECLA in the evolution of economic and social theory applicable to the diversity of conditions in the Latin American countries;

1. Stresses the urgent need for the international community, in the short term, to strengthen and set in motion programmes and measures of co-operation which will bring about substantial improvements in the coming decade that will make it possible to overcome the external restrictions on the development of Latin America and in particular, to:

(a) Provide easier access for primary commodities and manufactures to the markets of the developed countries, eliminate restrictive measures and revise the policies of incentives for anti-economic production which militate against the sale of Latin American products on those markets;

(b) Institute with the greatest possible speed a generalized system of non-reciprocal and non-discriminations system of preferences, for manufactures and semi-manufactures which will open up new opportunities and stimulate the flow of such exports from Latin America to the markets of the developed countries, and envisage measures which will enable the economically relatively less developed countries fully to enjoy the advantages of such a system;

(c) Bring about the structural and geographical diversification of Latin American foreign trade and eliminate the problems that have been and can be caused by tied loans;

(d) Increase external financial assistance and, when possible, augment that assistance as international liquidity increases, and adapt the relevant procedures and terms to the requirements of accelerated and sustained development in Latin America;

(e) Orient private foreign investment so that, subject to decisions taken by the countries themselves, it can effectively contribute to the development of the recipient countries;

(f) Improve shipping conditions and lower freight rates; and

(g) Facilitate the transfer, dissemination, assimilation and creation of modern techniques and technology;

2. Reaffirms the need for each Latin American country to intensify its efforts to increase the effectiveness of its national development policies designed to achieve economic growth and social progress;

3. Reiterates the determination of the Governments members of the Commission to continue to pay special attention to the preparatory work on the United Nations programme for

the second Development Decade so that it will fully reflect the needs and aspirations of Latin America. The plans for the second Development Decade should clearly define the problems of the countries of the region and suggest viable solutions for them;

4. Stresses the importance of social policies that will contribute to the attainment of the targets and objectives for the second Development Decade, with due regard to the social and cultural factors that influence the process of development;

5. Requests the ECLA secretariat, in performing its work, to co-operate as fully as possible with the United Nations bodies engaged in preparing the programme for the second Development Decade, to pay special attention to the formulation of new ideas that will further the aims of this resolution, and to provide the Commission and its member Governments, as and when required, with information and specific proposals that will facilitate their work in this field and help them to evaluate the progress of such action programmes as may be agreed upon for the second Development Decade;

6. Suggests also that in its work on this question, the secretariat, should give particular attention to the activities of the Preparatory Committee for the second United Nations Development Decade and of the United Nations Conference on Trade and Development, emphasizing the following subjects as those of primary interest to Latin America in the formulation of a concerted action programme as part of an over-all development strategy:

(a) Expansion and diversification of exports, with special reference to problems affecting the market access

and sale of primary commodities, and the development and exploitation of the possibilities and potentialities of export trade in manufactures and semi-manufactures;

(b) Improvement of the volume, terms and conditions of external financial co-operation by establishing criteria and operational machinery that respond to the needs of the Latin American countries, in keeping with the priorities and measures established by each country for projects, programmes and plans;

(c) Co-operation with the countries of the region, through the Latin American Institute for Economic and Social Planning, in order to strengthen national planning systems during the nineteen-seventies;

(d) The role of foreign private investment in and its effects upon the economies of the Latin American countries, and the terms and conditions governing such investment;

(e) Improvement of shipping conditions;

(f) Finding better ways of transferring technology, and assessing the effects of the present system of ownership of trade marks and patents on development in the region; and

(g) Strengthening of external co-operation and of regional centres for the scientific and technological development of Latin America.

130th meeting  
19 April 1969

290 (XIII) THE DEVELOPMENT OF LATIN AMERICA IN THE  
SECOND DEVELOPMENT DECADE

The Economic Commission for Latin America,

Having taken note of the efforts the Latin American countries have been making to remove the obstacles to development,

Considering that, despite the headway made by most of the Latin American countries in some aspects of development, serious problems continue to prevent an acceleration of economic and social progress,

Bearing in mind that the Latin American countries have reaffirmed the principle that their development depends essentially on their own efforts,

Considering that if the Latin American Governments are to devise and implement policies that will enable them to accelerate economic growth and social progress and achieve self-sustaining development in the nineteen-seventies, it will be necessary to make a more searching analysis of economic and social questions in order to provide criteria on the basis of which the Governments can select the strategies and alternatives best suited to the various types of economic policy, structure, development and social situation,

Emphasizing that the Latin American Governments have stated that regional economic integration is a basic instrument for stimulating the region's economic growth and social progress and for making the presence of Latin America felt in the international community,

Considering, therefore, that Latin American integration must be strengthened in the next decade within the context of the existing integration agencies, taking into account

the position of countries which are not yet members of those agencies, and, with a view to intensifying that process, taking advantage of the opportunities provided by subregional action and the gradual and progressive convergence of the systems referred to in the Declaration of the Presidents of America,

Recommends that the secretariat, in the context of its programme of work, should give special attention to studies, research and advisory services designed to:

(a) Co-operate with the Latin American Governments and the regional and subregional economic integration bodies in carrying out the necessary studies and furnishing any co-operation and advisory assistance the Governments may require;

(b) Mobilize and channel domestic savings in order to increase capital formation and the financing of the investment required to accelerate development;

(c) Seek formulas that will encourage private initiative and private enterprise to engage more actively in Latin America's economic and social development;

(d) Continue the studies on income distribution in co-operation with the Latin American countries;

(e) Analyse employment and income distribution problems in relation to development policy and domestic capital formation increasing production and productivity, and the assimilation of know-how;

(f) Proceed with studies on agricultural development in the Latin American countries, furnishing the member Governments at their request, with advisory assistance in the formulation and evaluation of agricultural development plans;

(g) Formulate general criteria for the allocation of resources for the creation of new technological know-how and introduce and use it rationally and productively;

(h) Study national policies for regional development that are compatible with the aim of accelerating over-all growth, taking into account the problems of population concentration in urban areas and the decentralization of industrial development);

(i) Develop and diversify production for export, not only of primary products but also of manufactures and semi-manufactures;

(j) Promote the absorption of external financial and technical co-operation (and its adaptation to the objectives and needs of Latin American development);

(k) Encourage research on natural resources in the region and on techniques for evaluating them;

(l) Continue to carry out demographic studies in order to shed more light on population problems;

(m) Continue studies on the social and economic structure and its relationship to the development process, with special emphasis on problems which are hampering development;

(n) Improve statistics and data-collection, data-processing and computer services, for which purpose it is recommended that the secretariat should carry out studies and take steps to modernize its services;

(o) Study questions relating to the rationalization and modernization of public administration, and its adaptation to the requirements of development.

Suggests that the secretariat, in performing the above-mentioned tasks, should seek the co-operation of the specialized agencies and thus benefit from their experience.

131st meeting  
21 April, 1969



291 (XIII) TRADE POLICY IN RELATION TO  
DEVELOPMENT STRATEGY

The Economic Commission for Latin America,

Considering the need to activate the export trade of the Latin American countries as an essential prerequisite for attaining the development targets established by those countries for the next decade,

Bearing in mind, that to that end the following conditions, inter alia, must be met:

- (a) Concerted international action to ensure that the developed countries effectively fulfil the commitments they have assumed in connexion with the reduction and elimination of barriers to the import of goods which the developing countries want to export; restrictions in force are not to be tightened or new restrictions imposed, and the conditions of trade for the developing countries are to be improved.
- (b) The rapid increase and diversification of Latin American exports and the accelerated development of exports of manufactures and semi-manufactures. To this end, international action should be supplemented by internal measures to rationalize production and promote export industries.
- (c) Consideration of the question of food aid.
- (d) The rational disposal of food surpluses and reserves.
- (e) The diversification of markets.
- (f) The improvement of maritime trade conditions and of the structure and level of freight rates.

- (g) The formulation and implementation of national trade policies in a dynamic and flexible way so that they can be adjusted to the changing conditions of world trade.
- (h) An intensive, integrated and systematic programme for the promotion and financing of Latin American exports at the national and international levels.

Emphasizing that external financing should be made available and increased under terms and conditions that will ensure that it effectively contributes to the economic and social development of the Latin American countries and, in particular, to increasing their capacity to export.

1. Recommends that the ECLA secretariat should pay particular attention in its programme of work to the following activities:

- (a) Studying methods and machinery likely to bring about the effective fulfilment of the various commitments that have been or may be undertaken by the developed countries relating to their trade with the developing countries, with reference to the work being done by UNCTAD, GATT and other international organizations;
- (b) Examining the components and instruments of Latin American trade policy that may help to give impetus to and diversify exports, and, in particular, exports of manufactures and semi-manufactures;
- (c) Examining the ways and means by which food aid is made available;
- (d) Modifying the present system and improving the systems of consultation with a view to a more rational disposal of food surpluses and reserves;
- (e) Determining the effects of the agricultural policies of the developed countries, particularly the EEC, on

Latin American exports, including an analysis of the processes whereby production can be re-structured;

(f) Examining how the Latin American countries are organized for purposes of formulating and implementing trade policy, and providing specific advisory services on trade policy to countries at their request;

(g) Analysing the problems of shipping and land transport in the region or in individual countries that affect or influence the external trade of the Latin American countries or the development or participation of their merchant fleets in that trade, and the infrastructure and systems of shipping, and of land and inland water ways transport, and measures to modernize it;

(h) Studying the characteristics and trends of trade with the developed countries, with special attention to identifying restrictions that apply to goods of interest to the Latin American countries;

(i) Studying specific ways and means of expanding trade with other developing countries and with the socialist countries;

(j) Intensifying its work in the field of export promotion, with special reference to the problems of supply, marketing and financing, including credit insurance;

(k) Continuing its regular training courses in trade policy for Latin American specialists;

(l) Continuing its work in the field of external financing, with special emphasis on the volume, terms and conditions of such financing, and preparing a study on the flow of financing into and out of Latin America;

(m) Analysing the various aspects of the technological dependence of the developing countries on the developed countries.

2. Requests the developed countries and the countries of the EEC, so far as possible, to make available to the secretariat full data to be used in the studies referred to in paragraph 1 (e) of this resolution;

3. Suggests that, to assist it in undertaking the above-mentioned activities, the ECLA secretariat may call upon consultants and, in agreement with Governments, set up working groups and convene meetings of government experts from the Latin American countries interested in the topics or areas under study;

4. Recommends that the secretariat should co-ordinate its work with the specialized agencies and seek their assistance if it deems it necessary.

132nd meeting  
21 April 1969

292 (XIII) EXTERNAL FINANCIAL CO-OPERATION

The Economic Commission for Latin America,

Considering that underdevelopment is a structural problem of long standing which can only be overcome by proper economic and social planning, and creates responsibilities in the community of nations because it affects peace, justice and international security,

Bearing in mind that development consolidates the political and economic independence of States,

Believing that the nations of the region are responsible for economic and social development and that the achievement of national and regional objectives depends essentially on the efforts of each country, but that those efforts should be complemented by international co-operation, which is an important prerequisite for the mobilization and utilization of domestic resources,

Considering that, in order for that co-operation to be an effective instrument in achieving economic and social development, it should be based on a number of principles defining its nature, orientation and purposes,

Considering that external co-operation can be a positive factor in promoting development provided that it is adapted to economic and social conditions in the region with due regard for the approach and strategy adopted by each country, thereby ensuring that it will not become an instrument for increasing their external dependence,

Believing that the purpose of external co-operation is perverted when it is given on condition that the recipient country alter its basic economic policies,

Considering that, in the last decade, international co-operation for the development of Latin America fell far short of satisfying the needs of the Latin American countries in volume, and, indeed, deteriorated in terms and procedures,

Bearing in mind the trend towards a tightening of external credit in respect of repayment periods and interest rates,

Considering that economic and social criteria are not always a paramount consideration in decisions relating to external financial co-operation,

Considering that the decisions of international financing agencies may not be compatible with the multilateral nature of those agencies, whereas external financial co-operation on a bilateral basis is becoming increasingly difficult in inter-American affairs,

Declares:

I. That the Latin American countries seek to create the necessary conditions for full economic and social development, with the assistance of international financial co-operation that takes into account the following principles:

1. International economic relations based on respect for the equality of States and the principle of non-intervention in matters within the domestic jurisdiction of other sovereign States. The very existence of legislation which runs counter to those principles jeopardizes their inviolability;

2. Economic co-operation constitutes a commitment and should be substantial in volume, appropriate and continuing so that it can effectively help to promote economic and social development in the Latin American countries and does not serve exclusively as a means of promoting the interests of the donor countries;

3. Financial co-operation should respect the independence of the recipient countries, and should therefore not be subject to any proviso that might distort its real purpose of furthering development;

4. The duties and obligations assumed by each country to achieve and uphold justice in international relations should constitute the foundation of the co-operation provided to Latin America, to stimulate its economic and social development;

5. External financial co-operation should, in addition, be guided by an international spirit of solidarity and not be used to bring pressure to bear on the sovereign will of recipient States.

II. The Latin American countries believe that it is essential that the external financial co-operation defined in the foregoing principles should fulfil the following basic requirements:

1. External financing should be granted in accordance with national development plans and policies, since it should guarantee an adequate and steady flow of funds and the right of the recipient country to fix its own priorities, thereby improving the effectiveness of external financial co-operation in serious situations that require an over-all strategy;

2. The donor countries and international financing agencies should give consideration, in granting aid, to economic and social criteria which take due account of the manner in which the recipient country envisages its own development;

3. It is essential that external financial co-operation should not be subject to conditions which limit the recipient country's ability to make decisions as regards its basic economic policies;

4. Regulations or criteria tying the granting of loans to the purchase of goods and services from specific supplier countries or particular sources should be eliminated;

5. It is imperative to strengthen genuinely multilateral external financial co-operation. International financing agencies, since they are multilateral should not allow their decisions to affect possible bilateral problems among countries;

6. Effective machinery should be set up for liberalizing external credit by, inter alia, reducing interest rates and extending repayment periods. The initial funds required for such machinery would be provided out of contributions from international financing agencies and the developed countries.

133rd meeting  
22 April 1969



293 (XIII) TECHNICAL ADVICE FOR THE LATIN AMERICAN  
FREE TRADE ASSOCIATION

The Economic Commission for Latin America,

Considering that, in accordance with article 44 of the Treaty of Montevideo and the provisions of Protocol No 3 on the collaboration and technical advice to be extended to LAFTA by ECLA, an Office has been established at Montevideo on a permanent basis to deal with the requirements of the Contracting Parties and of the LAFTA Secretariat in relation to the joint work programmes which are periodically agreed upon at the secretariat level,

Persuaded that, if the joint work programmes are to be carried out more effectively, it is necessary to strengthen the Montevideo Office,

Recommends that, in establishing priorities for the work programmes of the Commission and the deployment of the resources available, the ECLA secretariat should strengthen the operational capacity of the Montevideo Office, and

Requests that the joint activities and the permanent advisory services provided should be intensified in the next few years in accordance with the priorities agreed upon with the organs of LAFTA and the requirements of the Contracting Parties to the Treaty.

133rd meeting  
22 April 1969

294 (XIII) DATE AND PLACE OF THE FOURTEENTH SESSION

The Economic Commission for Latin America,

Bearing in mind paragraph 15 of its terms and reference and rules 1 and 2 of its rules of procedure,

Considering the invitation from the Government of Guatemala to hold the fourteenth session of the Commission at Guatemala City,

1. Expresses its gratitude to the Government of Guatemala for its generous invitation;

2. Decides to hold its fourteenth session at Guatemala City in April 1971 or in the following month if this should prove necessary as a result of the consultations to be held by the Executive Secretary of the Commission with the Secretary-General of the United Nations and the Government of Guatemala.

133rd meeting  
22 April 1969

PART IV

DRAFT RESOLUTION FOR ACTION BY THE ECONOMIC  
AND SOCIAL COUNCIL

477. The Commission decided to transmit the following draft resolution to the Economic and Social Council:

"The Economic and Social Council

"1. Takes note of the annual report of the Economic Commission for Latin America covering the period 25 April 1968 to 23 April 1969 (E/4639) and of the resolutions and recommendations contained in parts II and III of that report;

"2. Endorses the programme of work and priorities contained in part V of the report (E/4639/Add.1)."

/PART V



PART V

PROGRAMME OF WORK AND PRIORITIES

478. Part V of this report is printed separately, as Supplement No 4 A to the Official Records of the Economic and Social Council, Forty-fifth session. (E/4369/Add.1).

2. The first part of the document is a list of the names of the persons who have been appointed to the various offices of the city government. The names are listed in alphabetical order, and each name is followed by the name of the office to which the person has been appointed. The list is as follows:

Annex I

LIST OF DELEGATIONS

STATES MEMBERS OF THE COMMISSION

Argentina

Representative: Mr. Manuel San Miguel, Under-Secretary for  
Economic Affairs

Alternate: Mr. Gabriel O. Martínez

Advisers: Mr. Gerardo F. Covello Márquez, Mr. Carlos  
Mazzitelli, Mr. Eduardo Pérez-Tomás

Barbados

Representative: Mr. Stephen E. Entage, Director, Economic  
Planning Unit

Alternate: Mr. Jean B. Holder

Bolivia

Representative: Mr. Roberto Castro Peñaranda, Economic  
Adviser to the Technical Secretariat  
for Integration

Alternate: Mr. Jorge López Videla

Brazil

Representative: Mr. Luiz Villarinho Pedroso, First Secretary  
of Embassy

Alternates: Mr. José Botafogo Gonçalves, Mr. Fernando  
Rodolpho de Souza

/Canada

Canada

Representative: H. E. Mr. François X. Houde, Ambassador to Peru

Alternates: Mr. William Brett, Mr. R. E. Gravel

Advisers: Mr. D. J. Browne, Miss D. Buckley-Jones

Chile

Representative: Mr. Enrique Krauss, Minister for Economic Affairs and Development

Alternate: Mr. Patricio Silva Echeñique

Advisers: Mr. Juan Somavía, Mr. Fernando Sanhueza, Mr. Gastón Illanes, Mr. Eduardo Bravo

Colombia

Representative: Mr. Santiago Salazar Santos, Under-Secretary for International Organizations and Conferences, Ministry of Foreign Affairs

Alternates: H. E. Mr. Alberto González Fernández, Ambassador to Peru

Adviser: Mr. Guillermo S. Polo

Costa Rica

Representative: Mr. Rolando Ramírez Paniagua, Deputy Director-General for Economic Integration and Trade

Alternate: Mrs. Rita Castillo de Howell

Cuba

Representative: Mr. Carlos Rafael Rodríguez, Minister, President of the National Commission for Economic, Scientific and Technical Co-operation

Alternate: Mr. Francisco García Valls

/Advisers



Advisers: Mr. Pelegrín Torras, Mr. Enrique Camejo-Argudín, Mr. Claudio Llinás Castañón, Mr. Edgardo O. Valdés Suárez, Mr. Filiberto López Vega, Mr. Luis Caso Alonso, Mr. Pedro Jola Domínguez, Mr. José L. Masón Ramírez, Mr. Angel Fernas Álvarez, Mr. Luis Armando Álvarez, Mr. Luis Armando Suárez Salazar, Mr. Jorge Pollo García

Dominican Republic

Representative: H. E. Mr. Ciro Amaury Dargam Cruz, Ambassador to Peru

Ecuador

Representative: Mr. Alfonso Barrera, Under-Secretary for Foreign Affairs

Alternate: Mr. Pedro Aguayo

Advisers: Mr. Diego Sánchez, Mr. Universi Zambrano

El Salvador

Representative: H. E. Mr. Roberto Molina y Morales, Ambassador to Peru

Alternate: Mr. José Saguer Caprissa

France

Representative: H. E. Mr. Gabriel Lisette, Permanent Representative of the Government of France to the Economic Commission for Latin America

Alternates: Mr. Roger Establié, Mr. Paul Bertin

Advisers: Miss Elisabeth de Miribel, Mr. Lionel Jospin, Mr. Jean Février

Guatemala

Representative: Mr. Alfonso Alonso Lima, Vice-Minister of Integration, Ministry of Economic Affairs

/Alternate

Alternate: Miss Judith Vásquez Beckers

Haiti

Representative: H. E. Mr. Joseph D. Baguidy, Ambassador  
to Peru

Honduras

Representative: Mr. Valentín J. Mendoza, Executive Secretary  
of the Higher Council for Economic Planning

Alternate: Mr. José Saúl García

Advisers: Mr. Víctor Rheinboldt, Mr. Miguel Cáliz  
Suazo

Jamaica

Representative: Mr. Hugh Bonnick, First Secretary,  
Permanent Mission of Jamaica to the  
United Nations

Mexico

Representative: Mr. Sergio Luis Cano, Under-Secretary for  
Industry and Trade

Alternate: Mr. Julio Paesler

Advisers: Mr. Roberto Gatica Suárez, Mr. Julio Zamora  
Batiz, Mr. Eugenio Anguiano Roch, Mr. Roberto  
Robles Martínez, Captain León Oloarte  
Espinosa, Mr. Oscar Soberón M., Mr. Humberto  
Fernández Flores, Mr. Yturiel Manrique de  
Lara, Mr. Ricardo Samaniego

Netherlands

Representative: Mr. W. Ph. A. Cairo, Minister of Trade and  
Industry, Surinam

Alternates: Mr. R. A. C. Henríquez, Mr. J. F. Boddens  
Hosang, Mr. S. H. Tjoa

/Nicaragua

Nicaragua

Representative: H. E. Mr. Noel Sacasa Sevilla, Ambassador  
to Peru

Alternate: Mr. Harry Boden Shields

Panama

Representative: Mr. Amílcar Villarreal, Economic Adviser,  
Ministry of Finance

Alternate: Mr. Gustavo Villa

Adviser: Mr. Eduardo S. Carrasquilla

Paraguay

Representative: Mr. Epifanio Salcedo, Chief Programming  
Officer, Technical Planning Secretariat,  
Office of the President

Peru

Representative: General Edgardo Mercado Jarrín, Minister  
for Foreign Affairs

Alternates: Colonel Guillermo Marcó del Pont, Mr. Carlos  
García Bedoya, Major-General Luis Barandiarán,  
Pagador, Colonel César Augusto Freitas,  
Mr. Andrés Bravo Bressani, Mr. Víctor Merino  
Ugarte, Mr. Luis Barúa Castañeda, Mr. Numa  
León de Vivero, Mr. Manuel Velásquez,  
Mr. Hernando Labarthe, Mr. Juan Rietner,  
Mr. Ramón Remolina, Mr. Juan Bazo, Mr. Horacio  
Castro, Mr. Luis Paz, Mr. Eddie Morris  
Landa, Mr. José Carlos Mariátegui, Mr. Juan  
Garland Combe, Mr. Harry Watson, Mr. Leonardo  
Pérez Saco, Mr. Frank Durand Woolcott,  
Mr. Carlos Delgado, Mr. Oscar Espinosa Bedoya,  
Mr. Luis Giulfo, Mr. Eduardo Morán,  
Mr. Marco Pajuelo, Mr. Alejandro Vera Vasallo,  
Mr. Leonardo Maestre, Mr. Adolfo Toledo

/Advisers

Advisers: Mr. Enrique Moncloa, Mr. Ulises Robles Freire, Mr. César Traverso, Mr. Luis Gamarra Otero, Mr. Carlos Raffo, Mr. Octavio Tudela, Mr. Alvaro Villalobos, Mr. Manuel Martínez Alvarado, Mr. Juan Munar, Mr. Julio Vega Eráuzquin, Mr. José Manuel Pacheco Núñez, Mr. José Romero Cevallos, Mr. Fernando González Vigil, Miss Carmen María Pinilla

Trinidad and Tobago

Representative: Mr. Solomon Lutchman, Minister Counsellor, Embassy of Trinidad and Tobago, Washington

Alternates: Mr. Overand Padmore, Miss Joyce Angela Alcántara

United Kingdom of Great Britain and Northern Ireland

Representative: Mr. M. E. Allen, United Kingdom representative to the Economic and Social Council of the United Nations

Alternate: Mr. J. C. D. Lawrance

Advisers: Mr. P. M. Newton, Mr. John B. Noss

United States of America

Representative: Mr. Robert E. Culbertson, Deputy Assistant Secretary of State for Inter-American Affairs

Alternate: Mr. Milton Barall

Advisers: Mr. Bernard Cahill, Mr. Paxton T. Dunn, Mr. Samuel D. Eaton, Mr. Leighton Van Nort, Mr. Robert S. Watson, Mr. John E. Williams

Uruguay

Representative: H. E. Mr. Gilberto Pratt de María, Ambassador to Peru

Alternate: Mr. Rafael Fernández

/Venezuela

Venezuela

Representative: Miss Haydée Castillo, Minister of Development  
Alternate: Mr. Leopoldo Díaz Bruzual  
Advisers: Mr. Antonio Sotillo Luna, Mr. Guillermo Muñoz,  
Mr. Hermann Luis Soriano, Mr. Freddy Christians,  
Miss Raiza Bortone

ASSOCIATE MEMBERS OF THE COMMISSION

British Honduras (Belize)

Representative: Mr. Alexander A. Hunter, Minister of Natural  
Resources and Trade  
Alternate: Mr. R. A. Fonseca

West Indies Associated States

Representative: Mr. Derek Knight, Chairman, Council of  
Ministers, Eastern Caribbean Common  
Market

STATES MEMBERS OF THE UNITED NATIONS NOT MEMBERS  
OF THE COMMISSION, PARTICIPATING IN A  
CONSULTATIVE CAPACITY

Belgium

Representative: Mr. Edgar Verhille, Acting Chargé d'Affaires,  
Belgian Embassy in Peru

Bulgaria

Representative: Mr. Luben Abramov, Chargé d'Affaires,  
Bulgarian Embassy in Chile

Czechoslovakia

Representative: H. E. Mr. Stanislav Svoboda, Ambassador to Chile

Alternate

Alternate: Mr. Oto Hlaváček

Finland

Representative: H. E. Mr. Torsten Tikanvaara, Ambassador  
to Peru

Alternate: Mr. Esko Rajakoski

Hungary

Representative: H. E. Mr. Ferenc Dragon, Ambassador to  
Argentina

Alternate: Mr. Dénes Viczenik

Japan

Representative: Mr. Toru Ishii, Counsellor, Japanese Embassy  
in Peru

Alternate: Mr. Michisuke Tateyama

Poland

Representative: H. E. Mr. Witold Jurasz, Ambassador to  
Venezuela

Alternate: Mr. Marian Lesniewski

Romania

Representative: H. E. Mr. Octavian Barbulescu, Ambassador  
to Venezuela

Alternate: Mr. Gheorghe Rugescu

Union of Soviet Socialist Republics

Representative: Mr. Lev N. Astafiev, Counsellor, Ministry  
of Foreign Affairs

Alternate: Mr. Yuri Yelyutin

Advisers: Mr. Vadim Cherkmasov, Mr. Eugeni Roubtsov

/Yugoslavia

Yugoslavia

Representative: Mr. Moncilo Vuceković, Minister  
Plenipotentiary in Peru

STATES NOT MEMBERS OF THE UNITED NATIONS,  
PARTICIPATING IN A CONSULTATIVE  
CAPACITY

Federal Republic of Germany

Representative: H. E. Mr. Christian Feit, Ambassador,  
Ministry of Foreign Affairs

Alternate: Mr. Hans-Georg Fischer

Adviser: Mrs. Elisabeth Ronay

Switzerland

Representative: H. E. Mr. Hansjörg Hess, Ambassador to Peru

Alternate: Mr. Philippe Jeanguenin

SPECIALIZED AGENCIES

International Labour Organisation (ILO): Mr. Xavier  
Caballero-Tamayo, Mr. Jean Reynaud, Mr. Eduardo Troncoso

Food and Agriculture Organization of the United Nations (FAO):  
Mr. Juan Felipe Yriart, Mr. Antonio J. Posada,  
Mr. Lucas A. Tortorelli, Mr. Clyde Mitchell

United Nations Educational, Scientific and Cultural Organization  
(UNESCO): Miss Luz Vieira, Mr. Julio Garrido

World Health Organization (WHO): Mr. Henrique Maia Penido\*,  
Mr. Juan José Barrenechea\*

International Bank for Reconstruction and Development (IBRD):  
Mr. Hubert F. Havlik

\* Also representing the Pan American Health Organization (PAHO)

/International Monetary

International Monetary Fund (IMF): Mr. Paul J. Brand

World Meteorological Organization (WMO): Mr. Alberto R. Martínez

International Telecommunication Union (ITU): Mr. Juan A. Autelli

OTHER UNITED NATIONS BODIES

United Nations Children's Fund (UNICEF): Mr. Roberto Esguerra-Barry  
Mr Victor Raúl Montesinos

United Nations Conference on Trade and Development (UNCTAD):  
Mr. Diego Cordovés

United Nations Development Programme (UNDP): Mr. Sergije Makiedo,  
Mr. Carlos Vegega, Mr. Anthony Balinski

United Nations Industrial Development Organization (UNIDO):  
Mr. Wilfredo Pflücker

United Nations Centre for Development Planning, Policy and  
Projections: Mr. Osvaldo Dávila

Latin American Institute for Economic and Social Planning (ILPES):  
Mr. Raúl Prebisch, Mr. Cristóbal Lara B., Mr. Enrique  
Iglesias, Mr. Oscar Julián Bardeci, Mr. Francisco Giner  
de los Ríos, Mr. Norberto González

Latin American Demographic Centre (CELADE): Miss Carmen Miró

INTER-GOVERNMENTAL ORGANIZATIONS

Central American Research Institute for Industry (ICAITI):  
Mr. Alfonso Gutiérrez

European Economic Community (EEC):

Council of Ministers

H. E. Mr. Gabriel Lisette (France)

Adviser

Mr. Edgar Verhille (Belgium)

Commission

Mr. Wolfgang Renner, Mr. Albert Maes, Mr. Giuseppe Lupardini

/General Agreement



General Agreement on Tariffs and Trade (GATT): Mr. H.W.Dittmann

Inter-American Development Bank (IDB): Mr. Pedro Irañeta,  
Mr. Julio Solsona Flores

Inter-Governmental Committee for European Migration (ICEM):  
Mr. P. Cannock

Latin American Free Trade Association (LAFTA):  
H. E. Mr. Mario Espinosa de los Reyes

Organization of American States (OAS): Mr. René Monserrat,  
Mr. Germán Collazos A.

Permanent Secretariat of the General Treaty on Central American  
Economic Integration (SIECA): Mr. Carlos Manuel Castillo,  
Mr. Gert Rosenthal

#### NON-GOVERNMENTAL ORGANIZATIONS

International Confederation of Free Trade Unions (ICFTU):  
Mr. Julio Cruzado, Mr. Gonzalo Briceño

International Co-operative Alliance: Mr. Ramón Díaz Chávez

International Council of Women: Miss María González

International Federation of Women Lawyers: Miss Susana Solano

International Organization of Employers: Mr. Alejandro Desmanson

World Confederation of Labour: Mr. Félix Rivera

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. The text suggests that organizations should implement robust systems to track and document every aspect of their operations.

2. The second part of the document addresses the challenges associated with data management and security. It highlights the need for strong cybersecurity measures to protect sensitive information from unauthorized access and breaches. The author argues that organizations must invest in advanced security technologies and protocols to ensure the integrity and confidentiality of their data.

3. The third part of the document focuses on the role of technology in improving operational efficiency. It discusses how digital tools and automation can streamline processes, reduce errors, and enhance productivity. The text encourages organizations to embrace innovation and adopt new technologies that can optimize their workflow and resource allocation.

4. The fourth part of the document explores the importance of continuous learning and professional development. It stresses that in a rapidly changing environment, individuals and organizations must stay updated with the latest industry trends and skills. The author advocates for regular training programs and workshops to foster a culture of lifelong learning and growth.

5. The fifth part of the document discusses the significance of effective communication and collaboration. It notes that clear communication channels and teamwork are crucial for the successful implementation of any project or strategy. The text suggests that organizations should establish open lines of communication and encourage cross-departmental collaboration to achieve common goals.

6. The sixth part of the document touches upon the importance of ethical considerations in business operations. It emphasizes that organizations have a responsibility to act ethically and transparently, adhering to legal standards and moral principles. The author calls for a strong ethical framework to guide decision-making and ensure the long-term sustainability of the organization.

7. The seventh part of the document discusses the impact of external factors on organizational performance. It mentions that economic conditions, market trends, and regulatory changes can significantly influence an organization's success. The text advises organizations to conduct thorough market research and stay agile in response to external challenges.

8. The eighth part of the document concludes by summarizing the key points discussed throughout the document. It reiterates the importance of record-keeping, data security, technological adoption, continuous learning, effective communication, ethical practices, and adaptability to external factors. The author expresses confidence that these principles will guide organizations towards greater success and resilience.

Annex II

LIST OF THE PRINCIPAL DOCUMENTS ISSUED SINCE THE TWELFTH  
SESSION OF THE COMMITTEE OF THE WHOLE OF THE  
ECONOMIC COMMISSION FOR LATIN AMERICA

<u>Symbol</u>	<u>Title</u>	<u>Languages</u> <sup>a/</sup>
E/4499 E/CN.12/AC.61/14/Rev.1	Annual report of the Economic Commission for Latin America to the Economic and Social Council (14 May 1967 - 25 April 1968) ( <u>Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No 4</u> )	E F S
E/CN.12/AC.61/SR.1-5	Committee of the Whole, Summary Records of the Twelfth session, Santiago, Chile, 23-25 April 1969	E S
E/CN.12/800	<u>Education, human resources and development in Latin America</u> (United Nations publication, Sales No: E.68.II.G.7)	E S
E/CN.12/802	<u>Income distribution in Argentina</u> (United Nations publication, Sales No: E.68.II.G.6)	E S
E/CN.12/808/Rev.1	<u>Economic Survey of Latin America, 1967</u> (United Nations publication, Sales No: E.69.II.G.1)	E S
E/CN.12/809/Rev.1	Possibilities of economic co-operation between British Honduras (Belize) and Central America	E S

<sup>a/</sup> The letters E, F and S indicate English, French and Spanish.

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>	
E/CN.12/810	Report of the Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America (Santiago, Chile, 20-31 May 1968)	E	S
E/CN.12/811	<u>Administrative aspects of planning</u> (United Nations publication, Sales No: E.69.II.G.2) (in the press)	E	S
E/CN.12/812	Los fletes marítimos en el comercio exterior de América Latina		S
E/CN.12/815	<u>The Latin American economy in 1968 (excerpts from ECLA Survey)</u> (United Nations publication, Sales No: E.69.II.G.3)	E	S
E/CN.12/816	Trade policy objectives in Latin America's economic development strategy	E	S
E/CN.12/825	Economic Survey of Latin America, 1968 (preliminary version)	E	S
E/CN.12/826	Social change and social development policy in Latin America	E	S
E/CN.12/827	Mobilización de recursos internos		S
E/CN.12/828	La energía en América Latina		S
E/CN.12/829	Agricultural development in Latin America	E	S
E/CN.12/830	Industrial development in Latin America	E	S

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
E/CN.12/831	The trade and domestic savings gaps and structural unemployment in Latin America	E . S
E/CN.12/832	Los transportes en la década de 1970	S
E/CN.12/833	Hechos recientes en el proceso de integración latinoamericana	S
E/CN.12/836	Basic aspects of Latin American development strategy	E S
	<u>Economic Bulletin for Latin America, vol. XIII, Nº 1, June 1968 (United Nations publication, Sales Nº E.68.II.G.9)</u>	E S
	<u>Economic Bulletin for Latin America, vol. XIII, Nº 2, November 1968 (in the press)</u>	E S
	<u>Economic Bulletin for Latin America, vol. XIV, Nº 1, first half of 1969 (in the press)</u>	E S
	<u>Statistical Bulletin for Latin America, vol. V, Nº 1, March 1968 (United Nations publication, Sales Nº: E.68.II.G.8)</u>	E/S
	<u>Statistical Bulletin for Latin America, vol. V, Nº 2, September 1968 (United Nations publication, Sales Nº: E.68.II.G.10)</u>	

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>		
E/CN.12/837	El estado de la Minería en América Latina			S
E/CN.12/838	Informe del Director del Consejo Directivo del Instituto de Planificación Económica y Social al décimo-tercer período de sesiones de la Comisión			S
E/CN.12/839	Statement by the Executive Secretary at the thirteenth session of the Commission	E	F	S
E/CN.12/840	Opening statements at the thirteenth session of the Commission	E	F	S

#### CENTRAL AMERICAN ECONOMIC CO-OPERATION COMMITTEE

E/CN.12/CCE/356 TAO/LAT/86	Situación y tendencias demográficas recientes en Centroamérica			S
E/CN.12/CCE/357	Distribución espacial de la población en el Istmo Centroamericano			S
E/CN.12/CCE/SC.2/105	Programa coordinado para los censos de 1970 en el Istmo Centroamericano (Nota de la secretaría)			S
E/CN.12/CCE/ SC.2/107/Rev.1	Informe de la Segunda Reunión Extraordinaria del Subcomité de Coordinación Estadística			S

/E/CN.12/CCE/SC.3/24

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
E/CN.12/CCE/SC.3/24 (CCE/SC.3/GTTM/II/9)	Informe de la Segunda Reunión del Grupo de Trabajo sobre Transporte Marítimo y Desarrollo Portuario	S
E/CN.12/CCE/SC.3/25 TAO/LAT/95	Evaluación de Proyectos Viales. Métodos, ejemplos y problemas, vols. I and II	S
CEPAL/MEX/68/14	Aspectos de las inter- relaciones entre las tendencias del desarrollo económico y los recursos humanos en México, Centro- américa y Panamá	S
CEPAL/MEX/68/16	El desarrollo de la economía de Nicaragua y la posición comparativa del país en el mercado común centro- americano	S
E/CN.12/CCE/SC.3/26	Apuntes sobre problemas de carreteras en México y Centroamérica	S
CCE/SC.5/GTAE/CRNE/ II/1; TAO/LAT/84	Programa de Normalización de Equipos y Materiales Eléctricos en el Istmo Centroamericano (Contains other documents on the same subject)	S
E/CN.12/CCE/SC.5/61	Informe de la Segunda Reunión del Comité Regional de Normas Eléctricas (CRNE)	S

/CCE/SC.5/GTAE/GRIE

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
CCE/SC.5/GTAE/GRIE/ I/2; TAO/LAT/83	Las políticas tarifarias eléctricas en el Istmo Centroamericano. Estudio comparativo y propuestas para su armonización	S
CCE/SC.5/GTAE/GRIE/ I/4; TAO/LAT/85	La interconexión eléctrica en el Istmo Centroamericano. Análisis preliminar de aspectos technicoeconómicos	S
E/CN.12/CCE/SC.5/62	Informe de la Primera Reunión del Grupo Regional sobre Tarifas Eléctricas (GRTE)	S
E/CN.12/CCE/SC.5/63	Informe de la Primera Reunión del Grupo Regional sobre Interconexión Eléctrica (GRIE)	S
CCE/SC.5/GTAE/CRNE/ II/2	Estado actual del programa regional de normas eléctricas	S
CCE/SC.5/CRNE/III/2	Avances logrados en el programa regional de normas eléctricas	S
CCE/SC.5/CRNE/III/3	Proyectos de normas (2, 3, 4)	S
CCE/SC.5/CRNE/III/4	Proyecto de normas (5)	S
CCE/SC5/CRNE/III/5	Bases para un sistema de codificación	S

/E/CN.12/CCE/SC.5/64



<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
E/CN.12/CCE/SC.5/64 CCE/SC.5/CRNE/III/6	Informe de la Tercera Reunión del Comité Regional de Normas Eléctricas (contains other documents on the same subject)	S
E/CN.12/CCE/SC.5/65 TAO/LAT/97	Estudio comparativo de costos de la energía eléctrica en Centroamérica y Panamá, 1966	S
E/CN.12/CCE/SC.5/66	Estadísticas de Energía Eléctrica en Centroamérica y Panamá, 1967	S
CCE/SC.3/GTTM/II/2 TAO/LAT/92	Actividades portuarias realizadas en Centroamérica en 1967	S
CCE/SC.3/GTTM/II/3 TAO/LAT/89	Bases para la formulación de una Comisión Centroamericana de Autoridades Portuarias	S
CCE/SC.3/GTTM/II/4 TAO/LAT/88	Fundamentos para constituir una Asociación Centroamericana de Armadores	S
CCE/SC.3/GTTM/II/5 TAO/LAT/93	Lineamientos para la constitución de una Asociación Centroamericana de Usuarios de Transporte Marítimo	S
CCE/SC.3/GTTM/II/6 TAO/LAT/94	Orientaciones para establecer autoridades portuarias de alcance nacional en los países centroamericanos	S
CCE/SC.3/GTTM/II/7 TAO/LAT/90	Elementos básicos de un sistema uniforme y simplificado de la documentación exigida en las terminales portuarias centroamericanas	
CCE/SC.3/GTTM/II/8 TAO/LAT/91	Principios generales de un Código Uniforme de Cuentas y Estadísticas para las Terminales Portuarias Centroamericanas	S

/SEMINAR ON

SEMINAR ON THE ORGANIZATION AND CONDUCT OF POPULATION  
AND HOUSING CENSUSES FOR LATIN AMERICA

(Santiago, Chile, 20-31 May 1968)

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>	
ST/ECLA/Conf.32/L.1	Planning of a population and housing census	E	S
ST/ECLA/Conf.32/L.2	Co-ordination between housing censuses and population censuses and of these censuses with other statistical inquiries and compilations	E	S
ST/ECLA/Conf.32/L.3	Census tests	E	S
ST/ECLA/Conf.32/L.4	Cartography for census purposes	E	S
ST/ECLA/Conf.32/L.5	General consideration relating to the selection of topics, tabulation and publication of data in the censuses of population and housing	E	S
ST/ECLA/Conf.32/L.6 and Add. 1	Preparation of the census questionnaire and instructions for enumeration	E	S
ST/ECLA/Conf.32/L.7	The enumeration	E	S
ST/ECLA/Conf.32/L.8	Checking, editing and coding of census questionnaires	E	S
ST/ECLA/Conf.32/L.9	Electronic processing of census data. Part I. Machine processing of census data	E	S
ST/ECLA/Conf.32/L.9/ Add.1	Electronic processing of census data. Part II. Some principles of computer processing of census data	E	S

//ST/ECLA/Conf.32/L.10

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>	
ST/ECLA/Conf.32/L.10	Design and execution of a census publication programme	E	S
ST/ECLA/Conf.32/L.11	Methods of evaluating the reliability of population and housing census data	E	S
ST/ECLA/Conf.32/L.12	Use of sampling in population and housing censuses	E	S
ST/ECLA/Conf.32/L.13	The preparation and use of census control lists	E	S
ST/ECLA/Conf.32/L.14	Censo de prueba de la comuna de Valdivia, Chile, April 1967		S
ST/ECLA/Conf.32/L.15	Censo experimental de Costa Rica. Informe preliminar		S
ST/ECLA/Conf.32/L.16 and Add.1	El censo experimental de población y habitación del distrito municipal Sabana Grande de Palenque, 17-18 julio 1963, planificación y organización		S
ST/ECLA/Conf.32/L.17	Electronic data processing in censuses of population and housing in the United States of America	E	S
ST/ECLA/Conf.32/L.18	Métodos de evaluación en los censos de población: Algunas aplicaciones hechas por CELADE		S
ST/ECLA/Conf.32/L.19	Some applications of sampling to population and housing censuses	E	S
ST/ECLA/Conf.32/L.20 and Add.1	Sampling applications in censuses of population and housing	E	S

/ST/ECLA/Conf.32/L.21

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>	
ST/ECLA/Conf.32/L.21	Co-ordination of censuses and inter-censal sample inquiries on population and housing data	E	S
ST/ECLA/Conf.32/L.22	The role of sampling in population censuses. Its effect on timeliness and accuracy	E	S
ST/ECLA/Conf.32/L.23	Una aplicación del muestreo de los censos de población: El Programa Onusce de CELADE		S

/SEMINAR ON

SEMINAR ON STATISTICS, ACCOUNTING AND COSTS OF  
RAILWAY ENTERPRISES

(Santiago, Chile, 25-30 November 1968)

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
ST/ECLA/Conf.33/L.1	Estudio sobre unificación de estadísticas, contabilidades y cálculo de costos, en los ferrocarriles latinoamericanos	S
ST/ECLA/Conf.33/L.2	Proyecto de manual de estadística para uso de los ferrocarriles latinoamericanos	S
ST/ECLA/Conf.33/L.3 and Add.1	Recolección, transmisión y procesamiento de la información	S
ST/ECLA/Conf.33/L.4	Objetivos y esquemas de los sistemas contables	S
ST/ECLA/Conf.33/L.5	Desarrollo del plan de cuentas en la Empresa Nacional de Ferrocarriles de Bolivia	S
ST/ECLA/Conf.33/L.6	Sistema uniforme de cuentas para empresas de ferrocarril de utilidad pública	S
ST/ECLA/Conf.33/L.7	Plan contable	S
ST/ECLA/Conf.33/L.8	Orientación sobre estadística ferroviaria	S
ST/ECLA/Conf.33/L.9	Cálculos de costos ferroviarios	S
ST/ECLA/Conf.33/L.10	Inversión, renovación, depreciación y mantenimiento	S
ST/ECLA/Conf.33/L.11	Documentos recibidos de los organismos participantes	S

/ST/ECLA/Conf.33/L.12

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
ST/ECLA/Conf.33/L.12	Principios básicos para la clasificación de los gastos de explotación de las empresas ferroviarias	S
ST/ECLA/Conf.33/L.13	Los costos en las empresas ferroviarias	S
ST/ECLA/Conf.33/L.14	Resolución y conclusiones aprobadas por el Seminario sobre estadísticas, contabilidad y costos de empresas ferroviarias	S

Annex III

REPORT OF THE WORKING GROUP ON AGENDA ITEM 6:  
LATIN AMERICAN TRADE POLICY

At its eighth plenary meeting, the Conference agreed to establish a working group on agenda item 6: Latin American trade policy. The Group elected Mr. Juan Somavía, of the Chilean delegation, to be its discussion leader.

At the first working meeting, the representative of the secretariat briefly introduced the document entitled "Latin America's foreign trade policy" (E/CN.12/816). After outlining the main points of the document, he particularly stressed that the idea was not to diminish the importance of exports of primary commodities but to point out that in many instances prospective world demand for such commodities was not nearly large enough to maintain a rate of expansion of exports commensurate with the requirements of economic and social development, even assuming that progress was made in implementing the various recommendations adopted at the international level on the expansion of the trade of the developing countries. For this reason - and for other reasons connected with the process of industrialization, with enabling these countries to share in technological progress and, in general, with the need to find much larger markets for this domestic production than those afforded by the countries themselves - it was essential for the Latin American countries to speed up the

/expansive of

expansion of their exports of manufactures and semi-manufactures. In the view of the secretariat, the problems besetting international trade in primary commodities were sufficiently well known, and the means of solving them were already envisaged in a whole host of recommendations and declarations. In addition, decisive action was now needed if the other commitments accepted by developed countries were actually to be discharged.

On the other hand, there was not, as yet, sufficient awareness, at least in most developing countries, of the many complex implications of a policy to develop exports of manufactures and semi-manufactures, particularly as it affected industrialization policy, investment policy, import policy, etc., or of the numerous measures which should be adopted on an over-all and systematic basis in these and other spheres, such as export promotion for the developing countries to become successful competitors on world markets.

The representative of the secretariat also stressed that, although there were certainly better prospects of a rapid increase in exports of manufactures in countries which had already reached a fairly high level of industrialization, other countries which were only in the initial stages of industrialization and import substitution should be able to profit by the experience of those that were more advanced.

In this connexion, he stressed the need for rapid implementation of the agreement reached at the second session of UNCTAD on the establishment of a generalized non-reciprocal, non-discriminatory system of preferences in favour of the exports of manufactures of the developing countries. He also stressed that, in such a generalized scheme of preferences, special attention should be paid to circumstances in which escape or safety clauses could be invoked, since the use of

/such clauses



such clauses could undermine the very objectives of the system, if as a result, countries could not count on the continuing access to markets which they needed for their new export flows. Nevertheless, these and other measures of international economic co-operation which had been proposed would be ineffective if the Latin American countries, on their part, did not take concerted and decisive action at the national level for the implementation of a comprehensive and systematic programme to rationalize the structure of production, promote the establishment or expansion of export-oriented industries, evolve a sufficiently dynamic and flexible long-term trade policy (including an exchange policy) and provide suitable machinery for its implementation.

Several delegations congratulated the secretariat on the documents prepared for the agenda item and highlighted various aspects to, which they attached the most importance, while noting that some of the general statements might not be strictly applicable to one particular country.

In this connexion, some Latin American delegations expressed the view that in certain cases, the secretariat document did not accurately depict the situation and the trade policy problems of some of the Latin American countries. They felt that, at any event in some countries over the last decade, trade policy could not be described as a passive agent, inasmuch as there had been radical changes in foreign trade laws. They also pointed out that the slow growth in the developing countries' exports was partly due to protectionist measures such as the agricultural policy of the European Economic Community (EEC) and restrictions on imports of textiles into some countries, for instance the United States. Commenting on the importance attached in the secretariat

document to exports of manufactures and semi-manufactures from the Latin American countries, these delegations said that trends in 10 per cent of Latin America's exports (the percentage accounted for by exports of manufactures) could not reasonably be expected to transform Latin American foreign trade into a dynamic force for growth in the region during the second Development Decade.

The delegations of some Latin American countries called for greater efforts to secure proper and speedy fulfilment of existing commitments and recommendations regarding the developing countries' trade in primary commodities and manufactures.

The Latin American countries laid particular stress on the fact that, in their view, the developed countries had an obligation to maintain the stand-still, to **reduce** and eliminate customs tariffs and non-tariff restrictions affecting the access to markets of and trade in primary commodities, negotiate international commodity agreements and strictly comply with them (certain violations were mentioned in this connexion), to dispose of surpluses and use **stocks** in a suitable manner, to **modify** their policy of **promoting uneconomic production of products which** competed successfully with Latin American commodities and particularly their policies of protecting agriculture, which even went to far as the prevision of export subsidies and seriously distorted international trade. Another point which was underlined was the need for a special round of negotiations within GATT on primary commodities, which had not been covered properly in the Kennedy round, with the aim of improving their access to and competitiveness on world markets.

/The representatives

The representatives of the Latin American countries all pointed out that the early establishment of the generalized non-reciprocal, non-discriminatory system of preferences for the manufactures of the developing countries would help to improve the prospects for expanding the developing countries' exports. In this connexion, it was stated that, if the generalized system of preferences was really to have positive effect on the developing countries' exports, it would have to offer a sufficiently wide margin of preference over existing tariffs; however, it was also recognized that it was equally important for there to be reasonable guarantees that the benefits of the system would be lasting, since they could be nullified, wholly or in part, through the unilateral use of escape clauses. In this respect, it was observed that not all of the OECD countries had yet given effect to the intention they had expressed of submitting lists of proposed tariff concessions, since neither the United States nor Canada had yet done so.

One representative was asked whether the delay was due to administrative problems or to a basic change of front. The representatives concerned replied that his country was perfectly willing to fulfil the commitment adopted at the second session of UNCTAD regarding the establishment of a generalized system of preferences. Another indicated that his country's list, which was very extensive, had already been completed and that his Government was very much in favour of the generalized system of preferences.

In the discussion on external financing, the representatives of the Latin American countries strongly emphasised the problems of tied loans. They said that not only had the proportion of tied loans increased in recent years, but the terms were becoming

/more and

more and more unfavourable, to such an extent that they now seemed to be designed more to promote the exports of the creditor countries than to provide assistance for economic development programmes. Some Latin American representatives mentioned specific cases in which their countries' experience with tied loans had been most unfortunate, since their exporters had lost business to competitors who had been able to offer such loans. All the Latin American representatives agreed that not only did tied loans appreciably raise the cost of the imports for which they were granted - which had an inflationary effect - but countries were forced to allow these imports in duty-free, which disrupted trade flows, and in particular adversely affected prospects for expanding trade between the Latin American countries, and made it difficult to take advantage of the preferences negotiated within LAFTA.

Again with respect to external financing, most of the Latin American delegations indicated that they needed to be granted easier access to the public and private capital markets of the developed countries, and that the establishment of machinery thanks to which the present high interest rates on loans could be reduced was an urgent necessity. These delegations also stressed the need to respect the principle that it was for the recipient country to establish its own priorities for the allocation of external loan funds. In this connexion, it was pointed out that private foreign investment could help to stimulate development, especially as a means of introducing or transferring modern technological know-how. It was maintained, however, that private foreign investment should be considered as quite separate from the policy of international co-operation in the development of Latin America. One Latin American representative said that his country was opposed to all foreign private investment.

/Lastly, the

Lastly, the Latin American countries emphasized the importance of removing the obstacles to greater international liquidity through the immediate implementation of the system of special drawing rights, using it, as appropriate, to increase the amount of external financing available to the developing countries.

The Latin American representatives referred to the problems of shipping, emphasizing particularly the adverse impact of the freight rate increases imposed unilaterally by the shipping conferences with lines serving Latin American ports, and the fact that their countries were in no way responsible for the factors which, according to the shipping conferences, justified such increases. It was considered especially important to revise the entire structure of international freight rates, and the urgent necessity of promoting the expansion of Latin American merchant fleets, and of reserving a fair share of the trade flows of the different countries for national or regional merchant shipping was reaffirmed.

The representative of one Latin American country brought up the question of the dependence of the developing countries on the developed countries for technological know-how, linking it with to the question of foreign investment; he said that his country would like ECLA to undertake a study of this question.

The representative of another Latin American country considered that it was essential for the countries of the region to take action while the developed countries were still at the discussion stage regarding the concessions they might offer Latin America. In this connexion, he indicated his country's desire that ECLA should make an analysis of the possible impact on Latin American exports of the proposals for the restructuring of EEC's agricultural policy submitted by the Commission of the European Community to the EEC members States.

/The representative

The representative of one developed country stated that his Government was very interested in increasing its trade with the Latin American countries and was taking various measures for this purpose including institutional reorganization and the intensification of contact through trade missions and representatives. He announced that his Government was conducting an extensive survey of its domestic market for Latin American goods, which it would make available to the countries of the region.

The representative of another developed country stated that his Government did not share some of the views on preferences expressed in document E/CN.12/816. While recognizing the importance, both in fact and theory, of the early implementation of a generalized system of preferences, he pointed out that the existence of systems of special preferences had furnished precedent that had helped to win acceptance for a generalized system of preferences. He also drew attention to the fact that the document showed that the stabilization of commodity prices was just as important as access to ensuring markets, or even more so, and that his country had advocated the organization of commodity markets on an international basis. In addition, he stated that the agricultural problems of the developed countries were very complex and must be tackled on the basis of criteria that took the questions of price stabilization and market access into account. He pointed out how much the agricultural production of the developed countries had helped to alleviate food shortages in some developing countries.

/In referring

In referring to the document entitled "Recent developments in the Latin American integration process" (E/CN.12/833 - English summary: Information document No 11), most representatives referred to the valuable assistance accorded by ECLA to the LAFTA secretariat; a number of representatives indicated, however, that they did not agree with some of the views and interpretations in the document.

There was general agreement that ECLA should continue and expand its research on Latin American integration and continue to co-operate closely with the regional and subregional integration bodies.

1. *Journal of the American Medical Association*, 1997; 277: 1033-1037.



PART III

RESOLUTIONS ADOPTED BY THE COMMISSION  
AT ITS THIRTEENTH SESSION

475. At its thirteenth session the Commission adopted the following resolutions:

- 284 (XIII) Amendments to the rules of procedure of the Commission
- 285 (XIII) Co-operation with the Special Committee on Latin American Co-ordination
- 286 (XIII) Latin American Institute for Economic and Social Planning
- 287 (XIII) Meetings of the Governing Council of the Latin American Institute for Economic and Social Planning
- 288 (XIII) ECLA Office for the Caribbean
- 289 (XIII) The second United Nations Development Decade
- 290 (XIII) The development of Latin America in the second Development Decade
- 291 (XIII) Trade policy in relation to development strategy
- 292 (XIII) External financial co-operation
- 293 (XIII) Technical advice for the Latin American Free Trade Association
- 294 (XIII) Date and place of the next session
- 295 (XIII) Programme of work and priorities, 1969-71

476. The following are the texts of the resolutions:

284 (XIII) AMENDMENTS TO THE RULES OF PROCEDURE  
OF THE COMMISSION

The Economic Commission for Latin America,

Bearing in mind Economic and Social Council resolution 1379 (XLV) which recommends that the subsidiary organs of the Council, which include the regional economic commissions, should dispense with summary records of their meetings in order to reduce the volume of documentation,

Recalling Economic and Social Council resolution 1376 (XLV), which recommends to the Commission that it should insert in its rules of procedure a new chapter on consultation with other organizations on proposals for new activities to be undertaken, in order to achieve better co-ordination,

Considering secretariat note E/CN.12/814 and Add.1 on these questions,

1. Decides to delete rules 46, 47 and 48, relating to the summary records of the Commission's meetings from the rules of procedure and to replace them by a new rule reading as follows:

"Summary records of the meetings of the Commission shall not normally be kept. However, the Commission reserves the right to request summary records for any discussion which may require special treatment. Any delegation may always, at its request, have its views recorded in the Rapporteur's report."

2. Further decides to insert in the Commission's rules of procedure a new chapter XI entitled "Consultation with the specialized agencies and the International Atomic Energy Agency", and to renumber the chapters which follow accordingly;

3. Decides finally that the new chapter XI shall contain a rule reading as follows:

- "(a) Where an item proposed for the provisional agenda of a session of the Commission contains a proposal for new activities to be undertaken by the United Nations relating to matters which are of direct concern to one or more specialized agencies or the International Atomic Energy Agency, the Executive Secretary shall enter into consultation with the agency or agencies concerned and report to the Commission on the means of co-ordinating the use of the resources of the respective agencies.
- "(b) Where a proposal for new activities to be undertaken by the United Nations relates to matters of direct concern to one or more specialized agencies or the International Atomic Energy Agency, the Executive Secretary shall, after such consultation as may be possible with the representatives of the other agency or agencies concerned, draw the attention of the meeting to these implications of the proposal.
- "(c) Before deciding on the proposals referred to above, the Commission shall satisfy itself that adequate consultations have taken place with the agencies concerned."

122nd meeting  
15 April 1969

285 (XIII) CO-OPERATION WITH THE SPECIAL COMMITTEE  
ON LATIN AMERICAN CO-ORDINATION

The Economic Commission for Latin America,

Considering the valuable and effective co-operation and advice provided by the ECLA secretariat to the Special Committee on Latin American Co-ordination (CECLA) in accordance with the provisions of resolution 262 (AC.58) of the Committee of the Whole:

Bearing in mind that CECLA decided in resolutions 15/68M, adopted at its Fourth Meeting at the Ministerial Level, to request ECLA to study the possibility of strengthening its technical staff with a view to providing regular advisory services to CECLA and thus co-operating with national liaison bodies and with the other organizations advising CECLA, such as the Centre for Latin American Monetary Studies (CEMLA), the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) and the Latin American Free Trade Association (LAFTA), which help to prepare and organize the various meetings; and

Noting that the Latin American countries members of CECLA have expressed the desire that the ECLA secretariat should continue to provide co-operation and advice on a regular and permanent basis;

1. Welcomes the request made by the Governments of the Latin American countries members of CECLA in the above-mentioned resolution; and accordingly

2. Recommends that the ECLA secretariat should continue to provide co-operation and advice to CECLA on a regular basis by preparing such studies as CECLA may request and by participating in its meetings in an advisory capacity.

128th meeting  
18 April 1969

286 (XIII) LATIN AMERICAN INSTITUTE FOR ECONOMIC  
AND SOCIAL PLANNING

The Economic Commission for Latin America,

Considering that the Latin American Institute for Economic and Social Planning was established by resolution 220 (AC.52) as a project of the United Nations Special Fund with the support of the Inter-American Development Bank, which ensured its financing for an initial five-year period,

Bearing in mind that in resolution 260 (AC.58) the Commission expressed its support for the activities of the Institute, considered that the functions of the Institute filled a permanent need in Latin America, and adopted recommendations to continue and intensify the activities of the Institute in future,

Considering that the second phase of the Institute's activities began on July 1, 1967, in accordance with the Plan of Operations of the United Nations Development Programme endorsed by the Latin American Governments, for a further period of four years as from that date,

Emphasizing that the tasks entrusted to the Institute are particularly important for the progress of planning in Latin America, and are closely associated with the activities planned by the United Nations Secretariat and the member Governments in the second Development Decade,

Realizing that these tasks have greatly assisted planning agencies in many Latin American countries in their work of organization, strategy formulation, execution of studies and training of personnel,

Aware that there is a growing demand for the services of the Institute on the part of Governments and that these services fulfil long-term needs, and that the Institute should therefore become a permanent body when its second phase of activity comes to an end,

1. Expresses its deep appreciation to the Administrator of the United Nations Development Programme and the President of the Inter-American Development Bank for the support they are giving to the Institute;

2. Urges that the Secretary-General and the United Nations Development Programme should provide the necessary support in order to convert the Latin American Institute for Economic and Social Planning into a permanent body and to ensure its financing over the long term, and also requests the Governments to continue to support it.

3. Requests the ECLA secretariat and the Director-General of the Institute, in collaboration with Governing Council of the Institute, to take the necessary measures to implement this resolution, and to enter into consultations with the Inter-American Development Bank with a view to ensuring that the close collaboration between the two institutions will continue after June 1971.

130th meeting  
19 April 1969

287 (XIII) MEETINGS OF THE GOVERNING COUNCIL  
OF THE LATIN AMERICAN INSTITUTE  
FOR ECONOMIC AND SOCIAL PLANNING

The Economic Commission for Latin America,

Recalling that by resolution 220 (AC.52) it established the Latin American Institute for Economic and Social Planning under its auspices, and that operative paragraph 3 (c) of the said resolution provides that the Governing Council of the Institute shall hold meetings at least twice a year,

Bearing in mind General Assembly resolution 2361 (XXIII) and Economic and Social Council resolution 1264 (XLI), which request all subsidiary organs and bodies of the United Nations to consider reducing the number of their meetings,

Noting the recommendation of the Governing Council of the Institute at its twelfth session that the Council should hold one meeting a year instead of the two prescribed in resolution 220 (AC.52),

Considering that it is advisable to reduce the frequency of meetings, provided that this does not affect substantive work,

Decides to amend operative paragraph 3 (c) of resolution 220 (AC.52) to read as follows:

"The Governing Council shall elect a chairman from among the eight members mentioned in sub-paragraph (b) above and shall adopt rules of procedure for its meetings, which shall be held once a year."

130th Meeting  
19 April 1969

288 (XIII) ECLA OFFICE FOR THE CARIBBEAN

The Economic Commission for Latin America,

Considering the importance for the process of Latin American development of the work of the subregional offices of ECLA,

Considering that a subregional Office for the Caribbean was established in December 1966 with limited resources,

Recognizing the valuable work which has been done by that Office,

Considering, nevertheless, the backlog of work to be done and the number of urgent reports requested by member Governments, which are of vital importance to the development of the subregion,

Requests the Secretary-General of the United Nations to allocate high priority to the strengthening of the ECLA Office for the Caribbean so that adequate resources will be available for the urgent studies that are necessary for the development of the subregion and for more effective co-operation with other Latin American countries.

130th Meeting  
19 April 1969



291 (XIII) TRADE POLICY IN RELATION TO  
DEVELOPMENT STRATEGY

The Economic Commission for Latin America,

Considering the need to activate the export trade of the Latin American countries as an essential prerequisite for attaining the development targets established by those countries for the next decade,

Bearing in mind, that to that end the following conditions, inter alia, must be met:

- (a) Concerted international action to ensure that the developed countries effectively fulfil the commitments they have assumed in connexion with the reduction and elimination of barriers to the import of goods which the developing countries want to export; restrictions in force are not to be tightened or new restrictions imposed, and the conditions of trade for the developing countries are to be improved.
- (b) The rapid increase and diversification of Latin American exports and the accelerated development of exports of manufactures and semi-manufactures. To this end, international action should be supplemented by internal measures to rationalize production and promote export industries.
- (c) Consideration of the question of food aid.
- (d) The rational disposal of food surpluses and reserves.
- (e) The diversification of markets.
- (f) The improvement of maritime trade conditions and of the structure and level of freight rates.

- (g) The formulation and implementation of national trade policies in a dynamic and flexible way so that they can be adjusted to the changing conditions of world trade.
- (h) An intensive, integrated and systematic programme for the promotion and financing of Latin American exports at the national and international levels.

Emphasizing that external financing should be made available and increased under terms and conditions that will ensure that it effectively contributes to the economic and social development of the Latin American countries and, in particular, to increasing their capacity to export.

1. Recommends that the ECLA secretariat should pay particular attention in its programme of work to the following activities:

- (a) Studying methods and machinery likely to bring about the effective fulfilment of the various commitments that have been or may be undertaken by the developed countries relating to their trade with the developing countries, with reference to the work being done by UNCTAD, GATT and other international organizations;
- (b) Examining the components and instruments of Latin American trade policy that may help to give impetus to and diversify exports, and, in particular, exports of manufactures and semi-manufactures;
- (c) Examining the ways and means by which food aid is made available;
- (d) Modifying the present system and improving the systems of consultation with a view to a more rational disposal of food surpluses and reserves;
- (e) Determining the effects of the agricultural policies of the developed countries, particularly the EEC, on

Latin American exports, including an analysis of the processes whereby production can be re-structured;

(f) Examining how the Latin American countries are organized for purposes of formulating and implementing trade policy, and providing specific advisory services on trade policy to countries at their request;

(g) Analysing the problems of shipping and land transport in the region or in individual countries that affect or influence the external trade of the Latin American countries or the development or participation of their merchant fleets in that trade, and the infrastructure and systems of shipping, and of land and inland water ways transport, and measures to modernize it;

(h) Studying the characteristics and trends of trade with the developed countries, with special attention to identifying restrictions that apply to goods of interest to the Latin American countries;

(i) Studying specific ways and means of expanding trade with other developing countries and with the socialist countries;

(j) Intensifying its work in the field of export promotion, with special reference to the problems of supply, marketing and financing, including credit insurance;

(k) Continuing its regular training courses in trade policy for Latin American specialists;

(l) Continuing its work in the field of external financing, with special emphasis on the volume, terms and conditions of such financing, and preparing a study on the flow of financing into and out of Latin America;

(m) Analysing the various aspects of the technological dependence of the developing countries on the developed countries.

2. Requests the developed countries and the countries of the EEC, so far as possible, to make available to the secretariat full data to be used in the studies referred to in paragraph 1 (e) of this resolution;

3. Suggests that, to assist it in undertaking the above-mentioned activities, the ECLA secretariat may call upon consultants and, in agreement with Governments, set up working groups and convene meetings of government experts from the Latin American countries interested in the topics or areas under study;

4. Recommends that the secretariat should co-ordinate its work with the specialized agencies and seek their assistance if it deems it necessary.

132nd meeting  
21 April 1969

292 (XIII) EXTERNAL FINANCIAL CO-OPERATION

The Economic Commission for Latin America,

Considering that underdevelopment is a structural problem of long standing which can only be overcome by proper economic and social planning, and creates responsibilities in the community of nations because it affects peace, justice and international security,

Bearing in mind that development consolidates the political and economic independence of States,

Believing that the nations of the region are responsible for economic and social development and that the achievement of national and regional objectives depends essentially on the efforts of each country, but that those efforts should be complemented by international co-operation, which is an important prerequisite for the mobilization and utilization of domestic resources,

Considering that, in order for that co-operation to be an effective instrument in achieving economic and social development, it should be based on a number of principles defining its nature, orientation and purposes,

Considering that external co-operation can be a positive factor in promoting development provided that it is adapted to economic and social conditions in the region with due regard for the approach and strategy adopted by each country, thereby ensuring that it will not become an instrument for increasing their external dependence,

Believing that the purpose of external co-operation is perverted when it is given on condition that the recipient country alter its basic economic policies,

Considering that, in the last decade, international co-operation for the development of Latin America fell far short of satisfying the needs of the Latin American countries in volume, and, indeed, deteriorated in terms and procedures,

Bearing in mind the trend towards a tightening of external credit in respect of repayment periods and interest rates,

Considering that economic and social criteria are not always a paramount consideration in decisions relating to external financial co-operation,

Considering that the decisions of international financing agencies may not be compatible with the multilateral nature of those agencies, whereas external financial co-operation on a bilateral basis is becoming increasingly difficult in inter-American affairs,

Declares:

I. That the Latin American countries seek to create the necessary conditions for full economic and social development, with the assistance of international financial co-operation that takes into account the following principles:

1. International economic relations based on respect for the equality of States and the principle of non-intervention in matters within the domestic jurisdiction of other sovereign States. The very existence of legislation which runs counter to those principles jeopardizes their inviolability;

2. Economic co-operation constitutes a commitment and should be substantial in volume, appropriate and continuing so that it can effectively help to promote economic and social development in the Latin American countries and does not serve exclusively as a means of promoting the interests of the donor countries;

3. Financial co-operation should respect the independence of the recipient countries, and should therefore not be subject to any proviso that might distort its real purpose of furthering development;

4. The duties and obligations assumed by each country to achieve and uphold justice in international relations should constitute the foundation of the co-operation provided to Latin America, to stimulate its economic and social development;

5. External financial co-operation should, in addition, be guided by an international spirit of solidarity and not be used to bring pressure to bear on the sovereign will of recipient States.

II. The Latin American countries believe that it is essential that the external financial co-operation defined in the foregoing principles should fulfil the following basic requirements:

1. External financing should be granted in accordance with national development plans and policies, since it should guarantee an adequate and steady flow of funds and the right of the recipient country to fix its own priorities, thereby improving the effectiveness of external financial co-operation in serious situations that require an over-all strategy;

2. The donor countries and international financing agencies should give consideration, in granting aid, to economic and social criteria which take due account of the manner in which the recipient country envisages its own development;

3. It is essential that external financial co-operation should not be subject to conditions which limit the recipient country's ability to make decisions as regards its basic economic policies;

4. Regulations or criteria tying the granting of loans to the purchase of goods and services from specific supplier countries or particular sources should be eliminated;

5. It is imperative to strengthen genuinely multilateral external financial co-operation. International financing agencies, since they are multilateral should not allow their decisions to affect possible bilateral problems among countries;

6. Effective machinery should be set up for liberalizing external credit by, inter alia, reducing interest rates and extending repayment periods. The initial funds required for such machinery would be provided out of contributions from international financing agencies and the developed countries.

133rd meeting  
22 April 1969



293 (XIII) TECHNICAL ADVICE FOR THE LATIN AMERICAN  
FREE TRADE ASSOCIATION

The Economic Commission for Latin America,

Considering that, in accordance with article 44 of the Treaty of Montevideo and the provisions of Protocol No 3 on the collaboration and technical advice to be extended to LAFTA by ECLA, an Office has been established at Montevideo on a permanent basis to deal with the requirements of the Contracting Parties and of the LAFTA Secretariat in relation to the joint work programmes which are periodically agreed upon at the secretariat level,

Persuaded that, if the joint work programmes are to be carried out more effectively, it is necessary to strengthen the Montevideo Office,

Recommends that, in establishing priorities for the work programmes of the Commission and the deployment of the resources available, the ECLA secretariat should strengthen the operational capacity of the Montevideo Office, and

Requests that the joint activities and the permanent advisory services provided should be intensified in the next few years in accordance with the priorities agreed upon with the organs of LAFTA and the requirements of the Contracting Parties to the Treaty.

133rd meeting  
22 April 1969

294 (XIII) DATE AND PLACE OF THE FOURTEENTH SESSION

The Economic Commission for Latin America,

Bearing in mind paragraph 15 of its terms and reference and rules 1 and 2 of its rules of procedure,

Considering the invitation from the Government of Guatemala to hold the fourteenth session of the Commission at Guatemala City,

1. Expresses its gratitude to the Government of Guatemala for its generous invitation;

2. Decides to hold its fourteenth session at Guatemala City in April 1971 or in the following month if this should prove necessary as a result of the consultations to be held by the Executive Secretary of the Commission with the Secretary-General of the United Nations and the Government of Guatemala.

133rd meeting  
22 April 1969