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ECONOMIC COMMISSION FOR LATIN AMERICA

Annual report to the Economic and Social Council, covering the period
30 March 1960 to 15 May 1961

Introduction

1. This annual report of the Economic Commission for Latin America (ECLA) covers the period from 30 March 1960 to 15 May 1961.¹ The Commission submits this report to the Economic and Social Council for its 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".

¹ The previous activities of the Commission and its subsidiary bodies have been reported to the Economic and Social Council in the following documents: *Official Records of the Economic and Social Council: Seventh Session, Supplement No. 13* (E/840/Rev.1); *ibid., Eighth Session, Supplement No. 4* (E/1099); *ibid., Ninth Session, Supplement No. 14* (E/1330/Rev.1); *ibid., Eleventh Session, Supplement No. 9* (E/1717); *ibid., Thirteenth Session, Supplement No. 8* (E/2021); *ibid., Fourteenth Session, Supplement No. 2* (E/2185); *ibid., Sixteenth Session, Supplement No. 3* (E/2405); *ibid., Seventeenth Session, Supplement No. 2* (E/2536); *ibid., Twentieth Session, Supplements No. 10* (E/2756) and *No. 10A* (E/2796/Rev.1); *ibid., Twenty-Second Session, Supplement No. 10* (E/2883/Rev.1); *ibid., Twenty-Fourth Session, Supplement No. 8* (E/2998); *ibid., Twenty-Sixth Session, Supplement No. 4* (E/3091); *ibid., Twenty-Eighth Session, Supplement No. 4* (E/3246/Rev.2); and *ibid., Thirtieth Session, Supplement No. 4* (E/3333).

PART I

WORK OF THE COMMISSION SINCE THE SEVENTH SESSION OF THE COMMITTEE OF THE WHOLE

2. Before entering into details of the Commission's work during the past year, reference should be made to the third extraordinary session of the Committee of the Whole of ECLA, held in New York from 28 to 30 June 1960.² This session was convened by the Executive Secretary, after consultation with member countries, to consider possible means of international co-operation in the Chilean reconstruction programme, rendered necessary by the series of earthquakes and tidal waves which devastated the southern region of Chile from 21 to 23 May 1960. The Committee adopted resolution (180 (AC.46)) inviting Governments members of ECLA to continue lending their co-operation both for the purpose of relief and fort that of reconstruction and economic development; and recommending to the Economic and Social Council and its Technical Assistance Committee that it give favourable consideration to the Chilean emergency programme involving a total amount of 2.2 million dollars. The resolution also requested (a) the Secretary-General to consider the possibility of promoting a concerted plan of international action designed to increase the financial and technical resources needed for the execution of the reconstruction programme; and (b) the Economic and Social Council to ask the Executive Chairman of the Technical Assistance Board to devote the greatest possible share of the resources available under the Expanded Programme of Technical Assistance and under their ordinary programmes to the needs of the Chilean emergency programme. This resolution and its proposals were subsequently endorsed in general terms by the Council in resolution 766 (XXX).

3. Among the immediate results was the decision to provide an ECLA/BTAO Advisory Group for Chile, to which ECLA staff were detailed on an *ad hoc* basis until the formal constitution of the Group at the beginning of 1961. Moreover, as will be seen from the report on technical assistance activities in the ECLA region (E/CN.12/553), every effort was made to comply with the spirit of the resolutions mentioned above and to render the emergency assistance needed to help the Government of Chile in its reconstruction programme.

4. Over the past year, the work of the Commission has, in general terms, followed the pattern forecast in the programme appraisal for 1959-64.³ With the entry into force of the Montevideo Treaty⁴ and the movement towards accelerated integration in Central America, growing importance has been attached to the solu-

tion of the problems besetting Governments in the implementation of the respective treaties. This has required research not only into such questions as tariffs and tariff policy, but also in relation to fiscal policy and industrial, agricultural and transport problems, as well as complementary studies on economic development.

5. Equally important during the period under review has been the work of the advisory groups set up jointly by the Commission and the Bureau of Technical Assistance Operations (BTAO), with the collaboration of the Food and Agriculture Organization of the United Nations (FAO) and the participation of other specialized agencies. Such groups were operating in three countries during the course of 1960 and a fourth was added at the beginning of 1961. As in the past, their work was supplemented by intensive training courses under the ECLA/BTAO Economic Development Training Programme, which were held in three other countries as well.

6. During the early months of 1960 the bases were laid for the competition to select a design for the United Nations building in Santiago. The actual competition was held from mid-July to September inclusive. A preliminary selection of a group of projects from among some forty entries was made by an international jury and a final selection was made in New York by the Secretary-General with the advice of two architects of international renown. A description of the work done and of the winning project may be found in document E/CN.12/574.

7. During the month of November, the Executive Secretary conferred with the Secretary General of the Organization of American States (OAS) and the President of the Inter-American Development Bank (IDB), to discuss the possibility of establishing joint work programmes to be carried out by the three organizations. They set up a special Committee which met again early in March 1961. A report on these negotiations has been prepared (E/CN.12/575).

8. The review of the Commission's work which follows is divided into three main sections: A. Activities of subsidiary bodies; Other activities and C. Relations with specialized agencies and other organizations.

A. Activities of subsidiary bodies

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

² For the report of this session, see *Official Records of the Economic and Social Council, Thirtieth Session, Supplement No. 4A* (E/3402).

³ See *Official Records of the Economic and Social Council, Twenty-Eighth Session, Supplement No. 4* (E/3246/Rev.2), annex VII.

⁴ *Ibid.*, *Thirtieth Session, Supplement No. 4* (E/3333), annex II.

TRADE COMMITTEE

10. The Trade Committee held its third session in conjunction with the Commission's ninth session and submitted a report on its work (E/CN.12/C.1/19). During the course of the year, the secretariat prepared a number of studies requested by the Provisional Committee of the Latin American Free-Trade Association, established in Montevideo, and carried out other work relating to the gradual establishment of a common market. Although the Trade Policy Division has been mainly responsible for the work on trade, several of ECLA's other substantive divisions have participated in the preparation of different studies, notably the Industrial Development Division, which has focused its attention on studies having a bearing on the common market and the Free-Trade Area.

11. The only subsidiary body of the Trade Committee to meet in 1960 was the Working Group on Customs Questions; however, the seminar on industrial statistics, which is covered in a special report (E/CN.12/561), was of particular importance for the common market studies. Moreover, a further consultative meeting on trade policy among the Greater-Colombia countries took place at Quito in December.

Working Group on Customs Questions

First meeting 1-12 August 1960

Chairman: Mr. Romeo Maeso Sueiro (Uruguay);

Rapporteur: Mr. Mario Espinosa de los Reyes (Mexico).

12. The first session of the Working Group on Customs Questions, convened in compliance with resolution 7 (II) of the ECLA Trade Committee, was held at Montevideo from 1 to 12 August 1960.⁵

13. The Working Group discussed the issues relating to the definition and identification of charges having an effect equivalent to customs duties, and to what may be considered as duties in force at a certain date. The primary purpose of this discussion was to clarify the subject and to provide the experts with a working hypothesis. Certain conclusions were also reached and these were expressed in the form of a series of recommendations. These include the adoption by the Latin American countries of the Brussels Tariff Nomenclature, of the Brussels definition of customs values, and of uniform definitions of basic customs terms and operations. It was also recommended that the ECLA secretariat should carry out studies conducive to the simplification and standardization of customs procedures and documentation in Latin America. The question of schools for training customs officials, both at the national and the regional level, was discussed, and it was recommended that the Latin American countries should, wherever possible, establish such schools, and that the secretariat, in collaboration with the Technical Assistance Board, should assist countries which so requested in setting up such schools.

⁵ See E/CN.12/568 for the report of this session.

14. Finally, the problem of defining and determining the origin of merchandise within a free-trade area was reviewed and it was suggested that the ECLA secretariat should prepare a draft concerning the means of certifying origin.

Consultative meetings on trade policy among the Greater-Colombia countries

Third meeting 7-10 December 1960.

Chairman: Mr. José Ceballos Carrión (Ecuador).

15. The third consultative meeting on trade policy among the countries of Greater-Colombia — which was the fifth in this series of special meetings⁶ — was held at Quito from 7 to 10 December 1960 (see E/CN.12/555). It was attended by representatives from Colombia, Ecuador and Venezuela and by observers from Argentina and Mexico. It differed from previous meetings, which had been attended by experts in their personal capacity, since this time it was at a governmental level; the authorities of the three countries considered that the work already done and the new circumstances arising out of the present Latin American movement towards multilateral collaboration made it opportune to hold discussions at an official level. The meeting dealt with recent trends in bilateral agreements between Colombia, Ecuador and Venezuela and with the characteristics and machinery of a possible multilateral treaty; in particular, it referred to the effects of the bilateral treaties on the possibility of these countries participating in a multilateral treaty. Guiding principles for future trade policy relating to the Latin American movement for multilateral economic co-operation were also discussed; the representatives of Colombia, Ecuador and Venezuela placed a joint statement on record at the end of the session in which they recognized that the Montevideo Treaty, which established the Latin American Free-Trade Association, was an adequate instrument for ensuring greater and more balanced economic development in Latin America. Moreover, the Governments of Colombia and Ecuador would take the necessary steps to formalize as soon as possible their entry into the Latin American Free-Trade Association established under the Montevideo Treaty. The Government of Venezuela, while in full agreement with the general principles set forth, said that it would reserve for a future occasion any statement on its possible accession to the Latin American Free-Trade Association.

16. The three Governments agreed to take immediate joint action designed to ensure, in respect of Ecuador, the special treatment provided for in the Montevideo Treaty for members at a relatively less advanced stage of economic development—a requisite which Ecuador considered essential for its accession to the Treaty. In view of the special economic conditions prevailing in Venezuela, it was decided that similar joint action would be taken with a view to obtaining for that country

⁶ Of the four previous special meetings, two were held at Santiago (August 1958 and April 1959) and were attended by experts from Argentina, Brazil, Chile and Uruguay. The remaining two were held at Bogotá (November 1958) and Caracas (May 1959) respectively and were attended by experts from Colombia, Ecuador and Venezuela.

special treatment to compensate for the disadvantages it would suffer if it acceded to the Treaty without the peculiarities of its present economic structure being taken into account.

17. The Governments also undertook to study ways and means of adapting their bilateral agreements to the characteristics and mechanism of the Montevideo Treaty to ensure that accession to the Treaty would not have an unfavourable effect on their respective economies.

18. Finally, the three Governments urged the ECLA secretariat to examine, in consultation with them, the problems arising out of the participation of each in the Montevideo Treaty and to suggest possible solutions.

Work undertaken in relation to the Provisional Committee of the Latin American Free-Trade Association

19. The Provisional Committee of the Latin American Free-Trade Association was set up at the Inter-Governmental Conference held at Montevideo from 4 to 18 February 1960, at which the Montevideo Treaty establishing a Latin American Free-Trade Association was signed. The Treaty has since been ratified by Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay. It will be remembered that the Treaty includes a request by the signatory States for the technical advice of the secretariat of the Commission (see article 44 and Protocol No. 3). In accordance with this request, the secretariat has collaborated on a permanent basis with the Provisional Committee, with particular reference to the establishment and technical organization of the Committee's statistical services, consultations with the Committee or its members on specific topics, and the organization of, or rendering of assistance to, meetings of experts on different subjects.

20. Studies on tariff problems and procedures have been undertaken⁷ with a view to compiling and presenting systematically the information concerning import régimes in Latin American countries and to determining tariff treatment and other restrictions applied to imports in general and to specific commodities. At the same time, the average level of incidence of such charges is being ascertained for the purpose of analysing those régimes and the impact of these charges on imports. This work was undertaken originally in order to provide the necessary information on some points of the proposal for the common market presented by the Trade Committee's Working Group on the Latin American Common Market at its session in Mexico (16-27 February 1959).⁸ Since then, the work has been expanded to permit its more immediate use for the purposes of the Latin American Free-Trade Area and to facilitate negotiations.

21. The secretariat assisted in the organization of the session of a Group of Experts on Foreign Trade Statistics, convened by the Montevideo Provisional

Committee and held from 23 to 30 January 1961. The work of the Group related principally to the statistical problems of the members of the Latin American Free-Trade Association in connexion with the provisions of the Montevideo Treaty, and to ways and means of facilitating negotiations leading to its implementation.

Joint ECLA/OAS study on foreign private investments in the Latin American Free-Trade Area

22. The origins of this study were described in paragraphs 26 to 29 of ECLA's last annual report (E/3333). The consultant group organized by the ECLA secretariat and the OAS completed its research work by the middle of 1960 and subsequent revisions to the draft report were made at the suggestion of the two organizations. The final report, entitled *Foreign private investments in the Latin American Free-Trade Area*, was submitted to the Commission at its ninth session as a joint ECLA/OAS study.⁹ Document E/CN.12/605, together with a note by the secretariat, was also distributed.

23. The report of the group concentrated largely on the industrial sector, with particular reference to manufacturing industries. This enabled attention to be focused on the principal adjustments that would have to be made as a result of the Montevideo Treaty constituting the Latin American Free-Trade Association. Likewise, special consideration was given to private direct foreign investments, either alone or with the participation of domestic capital. Foreign loans and credits were also covered, although primarily in relation to proposed solutions connected with the modernization and expansion of existing industry, the establishment of new domestic industries and the financing of intra-area capital equipment movements. The members of the group drew a number of conclusions from their findings and stressed that they sought, above all, to provide practical suggestions for meeting the adjustments incidental to the establishment of a great regional market in Latin America.

CENTRAL AMERICAN ECONOMIC CO-OPERATION
COMMITTEE

Second special session 26-29 April 1960

Chairman: Mr. Jorge Borbón Castro (Costa Rica);
Rapporteur: Mr. Juan José Lugo Marengo (Nicaragua).

24. The second special session of the Committee was held at San José from 26 to 29 April 1960¹⁰ with a view to: (a) studying the inter-relationship between the Treaty of Economic Association signed by Guatemala, Honduras and El Salvador in February of that year and the treaties and agreements relating to the Integration Programme signed by all the Governments members of the Committee in earlier years; and (b) clarifying the procedure whereby the five member countries could consolidate and accelerate the economic integration of Central America.

25. After a detailed review of the matter, the Com-

⁷ See, in particular, E/CN.12/554 and its annexes on Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

⁸ See Trade Committee resolution 6(II), operative paragraph 3(c).

⁹ United Nations publication, Sales No.: 60.II.G.5.

¹⁰ The report of this session is contained in E/CN.12/CCE/210 and E/CN.12/542.

mittee recommended the formulation of a new draft Treaty for the accelerated economic integration of the five countries. To that end, it adopted resolution 101 (CCE) requesting the secretariat to prepare a draft in close consultation with the Central American Governments and in accordance with the bases approved by the representatives of the Governments of Guatemala, El Salvador, Honduras and Nicaragua. The new draft was to be ready for consideration at the Committee's seventh session.

26. In accordance with the aforementioned bases, the draft treaty was to include :

(a) An immediate free-trade system between the contracting Parties, covering all their natural products and all the goods manufactured in their territories ;

(b) An interim régime under which those products which, because of special circumstances, could not be included, would be considered as exceptions to the said multilateral free-trade system ;

(c) The provisions required for the early application of the Régime for Central American Economic Integration ;

(d) An undertaking to sign a protocol on the equalization of customs tariffs, based on the Central American Agreement on the Equalization of Import Duties and Charges ;

(e) A further undertaking to sign two other protocols, aimed at the establishment of a Central American régime of incentives to industrial development and the equalization of social security payments.

27. The draft was also to consider the founding of a Central American development financing institution, to be established with contributions from member States, and governed by a special protocol to be signed before 1 January 1961.

28. The countries concerned also decided unanimously that the draft agreement should contain provisions allowing any country in the area that had not signed it originally to do so at any time without any restrictions whatsoever.

29. The Committee further recommended at this meeting that the agreement between the Central American Institute for Research and Technology (ICAITI) and the Special Fund should be signed immediately and this was done on the same occasion. Under the terms of this agreement, ICAITI was to receive a contribution of 900,000 dollars which would enable it to strengthen its financial position and expand its activities in the industrial development of Central America.

Seventh session 9-13 December 1960

Chairman : Mr. Juan José Lugo Marengo (Nicaragua) ;

Rapporteur : Mr. Julio Prado García Salas (Guatemala).

30. The seventh session of the Central American Economic Co-operation Committee was held at Managua from 9 to 13 December 1960. The Committee studied the following instruments : the General Treaty on Central American Economic Integration, the Proto-

col to the Central American Agreement on the Equalization of Import Duties and Charges and the Agreement Constituting the Central American Bank for Economic Integration. The three instruments were signed by Guatemala, El Salvador, Honduras and Nicaragua on 13 December. Costa Rica stated that it was not prepared for the time being to enter into such commitments.

31. The General Treaty on Central American Economic Integration aims at setting out in a single instrument the bases and undertakings of the Governments on this subject. It establishes immediate free trade for all natural or manufactured goods originating in the territories of the member countries, except those for which free trade presents problems difficult to solve at the present time. These articles were the object of bilateral negotiations, agreed upon multilaterally by the four countries, in which the temporary régime that will govern them until they are incorporated into free trade was determined. As a general rule, the transition period is five years, but in very exceptional cases this régime can be prolonged further. The Treaty includes an undertaking to adopt within the same period a uniform Central American tariff consistent with the terms of the agreement. The Treaty incorporates the Agreement on the Régime for Central American Integration Industries, which will become effective for the four signatories to the General Treaty when the latter comes into force. There is a clear undertaking to create a Central American Bank for Economic Integration and to sign at the same time the agreement constituting the said Bank. The Treaty further calls for adequate co-ordination in the application of industrial development laws and for their equalization.

32. The General Treaty establishes a Central American Economic Council, composed of the Ministers of Economic Affairs of the contracting countries, an Executive Council consisting of a representative from each member country, and a Permanent Secretariat, which will provide the machinery needed to give effect to the provisions of the Treaty, and to solve any difficulties which may arise in its application. The Economic Council will be the organ responsible for facilitating implementation of the resolutions of the Economic Co-operation Committee.

33. The Protocol to the Central American Agreement on the Equalization of Import Duties and Charges succeeded in bringing about uniformity in over half the items of the Standard Central American Customs Nomenclature (NAUCA). The Committee recommended that the Trade Sub-Committee should continue the negotiations so that the unification of the duties might be completed as soon as possible.

34. The Central American Bank for Economic Integration will have its headquarters at Tegucigalpa and will be established with a subscribed capital of 16 million dollars. The Committee requested the secretariat to provide the necessary co-operation in order that the Bank might begin its activities without delay under the most favourable conditions in so far as its organization and operations were concerned.

35. The report of the seventh session of the Committee (E/CN.12/552)¹¹ covers its activities from 2 September 1959 to 13 December 1960. In it may be found information on the programmes which are under way or are about to be started in compliance with the resolutions of the Economic Co-operation Committee. The following points should be noted:

(a) The preparation of documents required for the eleventh, twelfth and thirteenth sessions of the Trade Sub-Committee at which negotiations will be concluded for establishing a uniform import tariff and adopting a common customs code. At that time draft instructions will also be issued concerning the application of the integration treaties as well as draft regulations for determining the origin of goods;

(b) The signing of the first protocols by States members of the Committee as soon as the Régime on Integration Industries enters into force, with a view to giving more scope to free trade and accelerating the economic development of the region. For this purpose a meeting of an *Ad Hoc* Working Group on Industrial Development will be convened;

(c) The unification of laws on fiscal incentives for industrial development, as well as co-ordination in the administration of such laws. For this purpose a working group will also have to be convened to consider and discuss the documents prepared by the secretariat;

(d) The continuation of studies relating to the formulation of a Central American highways plan and the adoption of uniform transport regulations, as well as a common maritime code and, if possible, uniform harbour regulations. The second session of the Transport Sub-Committee will be convened for this purpose;

(e) The holding of the second session of the Electric Power Development Sub-Committee, which will review the studies on the interconnexion of national electric power systems as well as the work aimed at unifying the accounting systems of the electric power companies in the different countries and determining price differences between countries, together with other projects agreed upon at the first session of this Committee;

(f) Initiation of activities by the Agricultural Economic Development Sub-Committee, for which purpose a general study on problems and prospects of agricultural production in Central America is being prepared, together with a study on possibilities for agricultural specialization and a regional supply of grains and dairy products. FAO is co-operating in this work;

(g) The study, in co-operation with the United Nations Bureau of Social Affairs, of the principal socio-economic problems affecting the integration programmes: housing, land, tenure, population movements, etc.

Central American Trade Sub-Committee

36. The following meetings were held during the period covered by this report:

Seventh session First working meeting
28 May-12 June 1960

Chairman: Mr. Alberto Fuentes Mohr (Guatemala);

¹¹ United Nations publication, Sales No.: 60.II.G.7.

Rapporteur: Mr. Oscar Veroy (Honduras).

Second working meeting 10-25 July 1960

Chairman: Mr. Jaime Quesada (El Salvador);

Rapporteur: Mr. Porfirio Morera Batres (Costa Rica).

Eighth session 7-14 November 1960

Chairman: Mr. Alberto Fuentes Mohr (Guatemala);

Rapporteur: Mr. Jaime Quesada (El Salvador).

Ninth session 5-9 December 1960

Chairman: Mr. Luis A. Cantarero (Nicaragua);

Rapporteur: Mr. Alberto Fuentes Mohr (Guatemala).

Tenth Session 6 February-2 March 1961

Chairman: Mr. Oscar Veroy (Honduras);

Rapporteur: Mr. Gustavo Guerrero (Nicaragua).

37. The seventh session of the Central American Trade Sub-Committee was divided into two working meetings, at which the negotiations requested by the Committee in its resolution 83 (CCE), with a view to achieving uniform tariffs for imports of goods from outside the area, were started. The two working meetings resulted in a preliminary agreement on uniform duties and charges which were subsequently included in the Protocol to the Agreement on the Equalization of Import Duties and Charges signed at Managua (E/CN.12/552, annexes).¹¹

38. At its eighth session, the Sub-Committee studied the draft of the General Treaty which had been prepared by the secretariat in close consultation with Governments and in accordance with the bases laid down in resolution 101 (CCE). Preferential treatment between pairs of countries was negotiated for those items in the tariff that were excluded from the immediate free trade stipulated in the Treaty, and new negotiations were carried out in respect of those items which, notwithstanding the agreement reached at the first working meeting of the seventh session, were the subject of observations by Governments.

39. At the ninth session some tariffs were re-negotiated which had already been agreed upon during the second working meeting of the seventh session and which had also been the subject of observations by Governments. At this level the draft General Treaty and the draft Protocol to the Agreement on the Equalization of Import Duties and Charges were discussed and adopted, as were the schedules for preferential treatment and the uniform tariffs mentioned above. The drafts were submitted for consideration by the Economic Co-operation Committee at its seventh session.

40. During February 1961 the tenth session of the Sub-Committee was held with a view to completing the equalization negotiations in order to draft a new Protocol to the Equalization Agreement which will complete the work of achieving a uniform tariff for Central America.

B. Other activities

41. Activities of the secretariat not directly connected with the work of the subsidiary bodies mentioned in section A are dealt with below.

CURRENT ECONOMIC ANALYSIS DIVISION

Annual Economic Survey

42. The *Economic Survey of Latin America 1960* (E/CN.12/565 and ADD.1) begins with an analysis of the nature and origins of short-term fluctuations in the economies of the Latin American countries during the post-war period. From this analysis, the inference is drawn that the course of economic growth throughout this period is linked to the expansion in the volume of exports and their purchasing power abroad. However, the external sector also shows an immediate relationship with the short-term instability of the gross product. A comparative examination of the degree of instability and of the period during which this instability prevailed, as regards both the gross product and the exports of eighteen Latin American countries, shows that the correlation between the two variables is not very close in many cases. At the same time, this comparison reveals that, given the degree of instability of the purchasing power of exports, the variations in the product are not quite so marked. This leads to one immediate conclusion: that additional factors have come into play which have superimposed their influence on that of exports to determine the behaviour of the product. These additional factors—identified with the various components of internal demand and with the inherent rigidities of some of the principal production sectors in these economies—are examined for a number of countries specifically chosen for this purpose. Generally speaking, when there is a weak correlation between the movements of exports and those of the product an adequate explanation may be found in those additional factors.

43. The compensatory role of these additional variables is, however, related to disruptions in other directions. The volume of internal savings and investment in Latin American countries depends to a large degree on the volume and price of exports and on the level of imports. Thus, wherever a high degree of stability in the gross product coincides with sharp fluctuations in the purchasing power of exports, the process of adjustment produces large-scale disequilibria in the balance of payments or in the level and structure of internal prices, or simultaneously in both. The recurrence of these economic difficulties has prompted the Latin American authorities to take measures which frequently conflict with long-term aims.

Economic development in 1960

44. Following the stagnation of the Latin American economy as a whole in 1959, the gross product, income and the supply of goods and services, all expressed in *per caput* terms, showed an upward movement which, in the case of goods and services, was of the order of magnitude of 4.6 per cent.

45. In other aspects as well, the trends followed by economic development in 1960 differed very appreciably from those in 1959. For instance, the external sector took a rather more favourable turn: on the one hand, there was an improvement in the external purchasing power of exports and, on the other, a rise in the hitherto depressed level of imports. Both variables pro-

vided incentives to the growth of current economic activity. The enhanced purchasing power stimulated this activity and the increase in imports led to a more ample supply of raw materials and capital goods. Another notable difference in 1960 which is worthy of mention is the change in the trend pursued by the inflationary process where it already existed. In that year, the rapid climb of internal prices, which was particularly marked in 1959, slowed down. But disequilibrium in the balance of payments reappeared in 1960 in many countries. The sharp contraction of imports in 1959, by means of which many countries hoped to ease the strain on their balance of payments, had depleted stocks of a great many raw materials and, in some cases, had impeded the normal development of current economic activity. Thus, this trend in 1960 should be regarded as the outcome of the inescapable need to raise the low level of imports that had prevailed in 1959.

46. The aforementioned recovery of the gross product did not have an equally favourable impact on all sectors of production. If the share of each sector in the total gross product is considered, it is evident that those of agriculture, construction and services decreased, that of petroleum remained the same and that of industry expanded.

47. Another fact which seems to emerge from the provisional data collected on 1959 and 1960 relates to the coefficients of internal saving and gross investment. For 1959-60 as a whole, there appears to have been a fairly general tendency for these coefficients to be lower than in 1957-58 as a whole. Wherever this was so, it coincided with the introduction or more vigorous pursuit of an economic policy primarily aimed at stabilizing prices, modifying the price structure and preserving balance-of-payments equilibrium.

The external sector

48. The international prices of a large number of Latin American staple exports fell sharply in 1958-1959 and the lower level of recent years persisted in 1960. A glance at external market trends for the chief items shows that, in the last three years, the prices of sugar, cotton, cacao, coffee, wheat, maize, wool, nitrate, lead zinc and linseed oil were lower than in 1950. In the case of other commodities—copper, tin and crude petroleum—prices remained at a slightly higher level than in 1950 but market conditions deteriorated steadily. Despite this decline in prices, the total value of Latin American exports in 1959 continued to be 22 per cent higher than in 1950, owing to the increase in the export quantum.

49. Latin American trade during the last decade reached its highest point in 1957. The drop in the value of exports in 1958 (7 per cent below 1957 figures) took place chiefly in the countries that export coffee, sugar, non-ferrous metals and petroleum and, in every case except that of petroleum, reflected the fall in the price commanded by these commodities on the external market. The total value of exports continued to drop in 1959, although less rapidly than in the previous year.

External prices of coffee, sugar, cacao and cotton moved down again, but some countries—chiefly the big coffee exporters—managed to offset their losses to a certain extent by stepping up their volume of exports. In the case of the major sugar exporters, on the other hand, the decline in prices combined with a contraction in the volume exported lowered the value of exports. The fall in crude petroleum prices reduced the value of Venezuela's exports, whereas the countries that exported non-ferrous metals (except lead) recorded a notable recovery, with the improvement of copper, tin and zinc prices, aided—in Bolivia and Chile—by an increase in the volume of exports.

50. Tentative figures for 1960 point to a gradual recovery, largely attributable to the expansion in the quantum of exports in certain countries: Argentina, Chile, Dominican Republic, Ecuador, Peru and Uruguay. External prices remained at the same low levels as in the preceding year in the case of almost all primary commodities, but that of petroleum sank even further.

51. The contraction of total imports in 1958-59, compared to their 1957 figure, was relatively more intense than that of exports. In 1958, total imports were 9 per cent less than in 1957, a reduction taking place in sixteen out of the twenty Latin American countries. In 1959, the value of imports took a further downward turn in fourteen countries, sinking 7 per cent below its 1958 level.

52. The deficit in total transactions in goods and services in 1958 amounted to about 1,300 million dollars and brought about a drop of slightly over 700 million dollars in the region's international holdings. In 1959, a considerable reduction, amounting to some 500 million dollars, was made in the deficit in the goods and services account. As a result, the international reserves fell by only about 100 million dollars. In both years, part of the deficit on current account was defrayed by means of compensatory credits from the International Monetary Fund and foreign banks.

53. During the first few months of 1960, total Latin American imports showed an expansion which nevertheless exceeded the increase in exports. This expansion in imports reflected, on the one hand, the gradual relaxations of the restrictions imposed in 1958-59 and, on the other, the need to replenish stocks and increase supplies of raw materials and capital equipment. Although the deficit in the trade balance was greater than in 1959, the position in regard to international reserves had not deteriorated by the end of September 1960, largely owing to the substantial foreign credits granted to Argentina.

54. Latin America's balance of payments showed a deficit of slightly over 1,100 million dollars in 1958. Nearly a third of this was incurred by Venezuela and was attributable to the decline in the value of exports in combination with the virtual cessation of net foreign capital inflow. Argentina, Brazil, Cuba and Mexico also had very large deficits. In 1959, the total balance-of-payments deficit was reduced to 480 million dollars. Although in the case of Venezuela it was almost as high as in the previous year, other countries—Argen-

tina, Chile, Colombia, Mexico and Peru—recorded a surplus. Cuba was almost the only country to have a larger deficit than in 1958.

55. During the first nine months of 1960, the balance-of-payments deficit continued to shrink. This was largely the result of the substantial cut in Venezuela's deficit. In fact, if no account is taken of that country, the aggregate deficit for the other countries was higher than in 1959, because of the deterioration in Chile, Colombia and Mexico, among others, and the larger negative balance in Brazil.

Manufacturing industry

56. The year 1959 was characterized not only by a decline in the total gross product of the Latin American economy, but also by a slowing-down in the swift rate of growth of industrial production. In 1960, however, industrial production recovered to the extent that its rate of increase was equivalent to the high level of 1958.

57. With regard to the iron and steel industry, it should be pointed out that, in 1960, the output of pig iron increased by 13.6 per cent, that of steel ingots by 11.6 per cent and that of finished steel by 11.9 per cent. Despite these appreciable advances and those achieved during the preceding year, the gap between production and consumption continued to widen. In 1950, imports of steel ingots for example, amounted to 2.8 million tons while in 1958 the figure for these imports was 3.8 million tons. This means that the very large-scale development of the iron and steel industry in Latin America was smaller than the growth in internal demand.

58. With respect to the pulp and paper industry, the output of pulp for paper and board increased by 20 per cent in 1960; for paper and board the rise was 9.6 per cent and for newsprint almost 13 per cent.

59. Cement production supplies almost all Latin American consumption but is subject to demand depending on the level of private and public construction. In 1960, it increased by 6 per cent as compared with the modest expansion of 2.8 per cent in 1959.

60. In Argentina and Brazil, the plans for the production of motor vehicles have gone ahead with the manufacture in 1960 of some 40,000 units in Argentina and about 130,000 in Brazil. These figures were computed on the basis of vehicles—excluding motorcycles and similar units—in which domestically produced components represented at least one-third of the total weight and which were built by plants whose production plans provided for a gradual increase in the use of domestically produced parts.

61. The production plans for tractors made provision for considerable increases in Argentina in 1960, raising output from 12,000 to 16,000 units. In Brazil, the first units under the new tractor programme were completed towards the end of the year.

62. Among other industries, it should be noted that the heavy chemicals industry and the metal transforming industry in general also showed considerable expansion in 1960, particularly the former.

Agriculture

63. During 1959-1960, agriculture in Latin America continued to grow at the slow rate characteristic of it in recent years. Over the short term, agriculture has been virtually static as a result of a variety of factors influencing it in several ways and to varying degrees in the different countries of the area. In 1959, bad weather, in the form of heavy rains sometimes followed by severe floods, had a marked impact on agricultural output in the southern countries of the area—Argentina, Brazil, Chile, Paraguay and Uruguay—causing serious material damage in some of them, and the effects of this continued to be felt well after the beginning of 1960.

64. Furthermore, it should be pointed out that, in many Latin American countries, agricultural output for internal consumption failed to keep pace with population growth. Such was the case in 1959 when crop output for internal consumption increased by only 2.4 per cent while the demographic increase for the area as a whole was 2.5 per cent. Food shortages have continued to be averted by importing the deficit items as a palliative, with the result that large quantities of foreign currency have been diverted from much more productive uses. As an example of this, it is worth mentioning that exports of foodstuffs from the United States to the twenty republics of Latin America during the fiscal year ending June 1960 were of the order of 495 million dollars, or 8 per cent more than the previous year. In addition, the trend in world prices for the main agricultural exports of the area was somewhat unfavourable during the last two years.

65. The amendment of the United States Sugar Act at the beginning of July 1960 and the elimination of Cuban sugar from the United States market for the rest of the year and during the first quarter of 1961 were the most important events to occur in the agricultural economy of Latin America and in the international sugar market. The cancelled Cuban quota was redistributed among other producing countries, with the result that Peru, the Dominican Republic, Mexico, Nicaragua, Haiti, Panama, Costa Rica, Brazil, Guatemala and El Salvador obtained an addition of 675,811 short tons to the normal quota of 90,440 tons. The immediate effect of these marked structural changes in the sugar market was a boom in sugar exports from Latin America in the last half of 1960. It would seem that in 1961 the Latin American countries listed above would continue to benefit from the higher sugar prices prevailing on the United States market. Cuba, which in 1960 had sold 2.35 million metric tons at world market prices to countries with centrally planned economies, concluded new agreements with those countries under which it will sell them 4 million tons of sugar in 1961 at the price of 4 cents per pound. Cuba also decreed that there would be no limit on the amount of sugar cane which might be planted in 1961, so that production may well reach 6,715,000 tons.

66. Over the long term, the slow rate of development of agriculture in Latin America may be explained by the deficient agricultural structure of the area which is based on unequal distribution of the land factor. The concentration of agricultural holdings among a small

number of owners has led to more extensive farming methods with resulting low productivity, low income and low standards of living for the great mass of the rural population. In this way, agriculture has ceased to be a dynamic factor in the overall economic development of Latin America, as it not only fails to provide the incentive and stimulus necessary to the process of industrialization, but on occasion even retards it considerably. In fact a poor agricultural population cannot be a good market for manufactured goods.

Economic Bulletin for Latin America

67. In addition to the two regular issues of the *Bulletin* for 1960, a special statistical supplement was published. This, however, could not be made available until 1961 and was submitted to the Commission at its ninth session. During 1961—and now as a regular feature—two issues devoted completely to the secretariat's statistical series will be published separately. This procedure was resorted to because the status of the statistical supplement, as a special feature in the regular issues of the *Bulletin*, did not give sufficient scope to the material available and to the interest shown by specialists in this field. It was precisely in order to cater more adequately to the needs of the specialized reader that the decision was taken to publish the statistical supplement of the *Bulletin* separately for the benefit of its reading public and to meet the purpose for which it was intended.

68. Information concerning Volume V, No. 1, of the *Bulletin* was made available to the Commission at the last session of its Committee of the Whole (E/3333, paragraph 63). Volume V, No. 2, published in November 1960, included an article summarizing the main trends of the Latin American economies in 1959 and to some extent served to replace the *Economic Survey of Latin America*, (E/CN.12/541) for that year, which could not be published for various reasons. The same issue contains an article on Central American exports to the United States during the post-war period and a summary of the survey carried out by the Joint ECLA/FAO Agriculture Division on the coffee industry in the State of Sao Paulo (Brazil).¹²

69. The first article in volume VI, No. 1 (March 1961) is written by Mr. Raúl Prebisch and is entitled "Economic development or monetary stability: the false dilemma". It gives the author's personal views on the subject. It is followed by a study on "Relationships between social and economic institutions: a theoretical model applicable to Latin America" by Mr. José Medina Echavarría. Next comes an article on "Economic policy and the price system" by Mr. Thomas Balogh, Fellow of Balliol College, Oxford. The issue ends with the report of the Expert Working Group on Social Aspects of Economic Development (Mexico, December 1960).¹³

¹² Off-prints of this article ("The coffee industry in Sao Paulo") were published, for circulation among interested readers. The secretariat submitted the text to the Commission at its ninth session as E/CN.12/578.

¹³ This report, as well as Mr. Prebisch's above-mentioned article on "Economic development or monetary stability: the false dilemma", was printed for distribution at the Commission's ninth session.

Special Study Group on Inflation and Growth

70. Within the Division a special Study Group was set up in 1959 to analyse problems of inflation and growth. A preliminary version of this study, part of which (E/CN.12/563) was submitted to the Commission at its ninth session, is now nearing completion.

71. The final report will contain a preface dealing with definitions and basic concepts, followed by chapters summarizing the experience of Latin America over the period 1929-1959, the structure of foreign trade and external trends. Work is also in progress on chapters dealing with economic structure and internal trends and with policy experience in different fields, including foreign, economic, fiscal, monetary and wage policies. A final section will offer a general explanation of developments related to inflation in Latin America and suggest the implications that may be drawn for policy purposes.

72. Several draft country studies have also been prepared but, according to present plans, will not be published with the preliminary version of the general study.

73. In connexion with the work on inflation, the Executive Secretary and four members of the Study Group attended a meeting, held in June 1960 at Lake Como, Italy, under the auspices of the Rockefeller Foundation. This meeting was convened to discuss the organization of a conference on the problem of inflation in Latin America and its relation to growth, with special reference to the principles that should guide policy. In addition to the ECLA staff members mentioned above, the meeting was attended by several economists from Latin America and the United States and a representative of the International Monetary Fund. The tentative agenda of the proposed conference was discussed, after a brief survey of the inflation problem based on papers prepared by the ECLA Study Group and by other participants.

ECONOMIC DEVELOPMENT DIVISION

International co-operation and economic development

74. A document dealing with international co-operation as related to economic development (E/CN.12/582) was submitted to the Commission at its ninth session. This document was issued during 1961. Apart from its intrinsic importance and the new points of view it sets forth in the present circumstances of the Latin American economy, it should be mentioned that in this document the secretariat resumed and made further progress with the work which it undertook on this topic some considerable time ago in the publication *International cooperation in a Latin American development policy*.¹⁴

75. After an introduction concerning general development problems in Latin America in the light of the significant changes taking place in international co-operation policies, the report dealt, in various chapters, with subjects which included the redistribution of income and the accumulation of capital, structural

changes in the economy and foreign trade, land problems as related to economic development, human resources, social mobility and technical training, and economic forces as related to development planning. The report ended with an analysis of the technical and economic aspects of the policy of international co-operation.

76. The main conclusion of the report was that a development programme constituted the most satisfactory basis for international co-operation in the economic and technical spheres. In this context it was pointed out that programming was not a purely technical operation but involved highly significant political decisions. For these decisions the Governments alone must be responsible but there could not be the slightest doubt that the technical business of elucidating problems and formulating alternative solutions might decisively affect them. Thus, for example, the national effort to raise the savings coefficient and reach programme targets could be achieved only on the basis of certain internal measures—mainly fiscal—that represented political decisions as serious as those which, in another direction, might be involved in the reform of the land tenure system in several countries with a view to the attainment of agricultural production objectives. In other words, the very dynamics of a programme must necessarily generate these and other problems. The process was logically inevitable. What is more, the measures adopted by Governments to solve them would afford the most important yardstick with which to measure the value and efficacy of the programme, not merely from the domestic angle but also from the point of view of international co-operation. Latin America shows a clear awareness of the need to reform the economic and social structure in order to expedite development and reduce the disparities in income distribution. And, unquestionably, those whose determination to launch such reforms induces them to assume grave political responsibilities will find lively encouragement in the new turn that international co-operation policy is taking.

Advisory Groups for Programming Economic Development

77. During the period under review, the main resources of the Division have been used to staff the Advisory Groups organized jointly by ECLA and the Bureau of Technical Assistance Operations, with the active collaboration of FAO and, since March 1961, of the International Labour Organisation, and the participation of other specialized agencies.

78. In 1960, Advisory Groups were operating in Bolivia, Colombia and Cuba. The Group in Cuba completed its assignment during the course of the year while two staff members were detailed to a new Advisory Group for Chile, urgently requested by the Government as part of its overall work to overcome the effects of the havoc wrought in southern Chile by the earthquakes of May 1960. Preparations are also under way for an Advisory Group for Venezuela while requests have been received from two more countries and efforts are being made to comply with them at least on a minimum basis.

79. The Advisory Groups programme was launched

¹⁴ United Nations publication, Sales No.: 54.II.G.2.

in response to requests made by Governments to the secretariat (resolutions 137 (VII) and 155 (VIII)) to continue concerning itself with growth problems and with finding the best way to make a substantive contribution towards the development process. The main functions of these Groups are to leave in operation, upon their departure, a policy-making machinery at the Government level, and to train personnel with this aim in view. The Groups operate at a purely technical level and under no circumstances do they advise on the actual formulation of policy; they serve rather to set up the mechanism which will enable Governments to take their own decisions. The need to train personnel explains the fact that the intensive training courses are organized, wherever possible, in conjunction with the Advisory Groups, which in turn supplement the courses with on-the-job training for people assigned by the respective Governments to work with them (see paragraphs 83, 90 (d) and 94-100 below).

Colombia

80. The work of the Advisory Group continued during 1960. Towards the end of the year there were considerable staff cuts, since the ECLA staff members and some other experts assigned to it ceased to work on a permanent basis in Colombia. At the Colombian Government's request, the Group will continue its work during 1961.

81. Decisive measures were adopted by the Government during 1960 with a view to consolidating and putting into operation the programming machinery within the country. The most important of these measures were the legislation setting forth the principal bases for the organization of the planning and budgetary offices within the different ministries, the reorganization of the budget office within the Ministry of Financial Affairs and the introduction of programme budgeting. The work of the Group during 1960 included the following fundamental aspects:

(a) *Estimating national accounts and other basic statistics.* The working groups of national and international experts undertook the following technical functions: (i) the work of compiling national accounts at current and at constant prices was organized very methodically and annual estimates were prepared for the period 1950-60; (ii) a demographic study was completed and projections made of the principal future changes in the population; (iii) a detailed statistical analysis was made for public sector accounts; (iv) retrospective detailed analyses and forecasts were prepared for the balance of payments;

(b) *Four-year public investment programme.* With the advice and direct assistance of the Advisory Group, the Colombian planning bodies prepared a four-year public investment programme which the President presented to Congress at the end of the year. This document included: (i) general considerations and evaluation of Colombia's economic problems and prospects; (ii) economic and technical evaluation of public investment in Colombia; (iii) investment and financing plans, both overall and sectoral; (iv) analysis of each administrative unit, with its plans and financing;

(c) *Reorganization of the budget office and the budget mechanism.* During 1960, the Government enacted the following legislative decrees, which are now in force in Colombia: (i) Legislative Decree 1016, which sets forth the procedure for the preparation of the budget by programmes; (ii) Legislative Decree 1124, which reorganizes the National Budget Department, creates the section on programme budgeting and groups controlling the execution of the objectives and programmes established in the budget;

(d) *Introduction of the technique of programme budgeting.* In the 1960 budget, with the direct assistance of the Group, the technique of programme budgeting was introduced in several ministries and, in the 1961 budget sanctioned by Congress, this technique was extended to all ministries and autonomous institutions. Moreover, during 1960, procedures were initiated for controlling the execution of the objectives and programmes established in the budget:

(e) *Administrative organization of programming.* Apart from the reorganization established throughout the budget mechanism, Legislative Decree 550 provided for the creation of planning offices within each ministry, thus supplementing the administrative system of planning in Colombia;

(f) *Evaluation of economic development problems and prospects.* The working groups organized by the Advisory Group have completed reports on the analysis of the economy as a whole and of the principal sectors, including agriculture, industry, energy, the public sector and payments;

(g) *General programme for economic and social development.* The joint working groups set up in the relevant ministries and in the planning bodies have completed the basic sectoral projections needed to formulate development programmes. Specific projects and programmes have been prepared for investment in certain activities, in the agricultural, industrial and energy sectors.

82. These projects and programmes were studied during the early part of 1961 by the planning bodies with a view to drawing up a detailed general economic development programme.

83. The Advisory Group also assisted the planning bodies in the preparation of technical aspects relating to the Government's economic and social platform which was described in a publication issued at the beginning of 1960. This important document outlines the Government's fundamental objectives on matters of economic and social policy. An intensive training course was held, along the lines of the course given in 1959, on the analysis and techniques of programming. The participants were civil servants, including some of high rank, working mainly on economic and social questions.

84. The achievements of the Colombian Advisory Group which have, in their main aspects, been described above, illustrate that the Group has fulfilled its objective of assisting the Government in establishing an analytical and programming mechanism. Moreover, the economic studies and sectoral development programmes are being considered at the present time by the official planning

agencies with a view to drawing up a general development programme which the Colombian Government proposes to publish during the first half of 1961.

Cuba

85. The Advisory Group in Cuba continued its work during most of 1960. Its activities were facilitated by a series of reforms which the Government adopted for the establishment of an institutional mechanism for planning purposes. In March, the Government set up a Central Planning Board to co-ordinate the functions of formulating both short- and long-term plans, preparing budgets, and collecting and processing statistical data.

86. The Government was assisted by the Advisory Group in drawing up a new budget system, based on the premise of integrating short-term plans within the State budget. The new system came into operation on 1 July 1960 and was applied to the entire central administration and also to some municipal Governments.

87. The Government also organized sectoral offices for planning, budgets and statistics, and here again the Advisory Group's services were used, particularly in training the staff needed for these offices.

88. During the course of the year, the Ministry of Public Works applied methods for formulating a public works plan and the National Land Reform Institute (Instituto Nacional de Reforma Agraria) drew up agricultural plans. These and other State organizations were given technical assistance by the Group in this work and in the formulation of long-term plans for their respective sectors. Technical assistance was also provided in relation to problems of skilled manpower requirements, statistical organization, standard classification of activities and administrative organization for planning purposes.

Bolivia

89. The Advisory Group was set up at the Bolivian Government's request with the participation of ECLA, BTAO and FAO. The essential objectives of the programme were drawn up by agreement between the Government and the international agencies mentioned and comprised mainly assistance to the pertinent national institutions in the preparation of a diagnosis of the national economy's principal economic development problems and prospects; the formulation of an investment programme; the preparation of recommendations on planning mechanisms and on the evaluation of the economic policy measures related to programming; and finally, the training of national staff to carry out functions of this kind.

90. The Group began operations in April 1960 and has been working principally through joint groups of national and international experts in the different types of activity. Some of the main aspects covered to date have been the following:

(a) *National planning mechanism.* The experience gained during the existence of the former National Commission for Co-ordination and Planning (Comisión Nacional de Coordinación y Planeamiento) was reviewed, and on this basis the creation of a new National

Planning Board (Junta Nacional de Planeamiento) was suggested and approved, with a clearer definition of functions and internal structure. The establishment of this new body was based on the idea that any real programming process required the gradual consolidation of an entire national mechanism, of which the new Board would represent the central co-ordinating unit and would be responsible for the technical direction and final preparation of plans and programmes; it would at the same time be closely connected with and supported by planning offices or sections to be progressively set up in other administrative units, including the departmental and municipal Governments. With regard to these other units, special attention had been paid to the organization and duties of the budget department of the Ministry of Financial Affairs and its relations with the National Planning Board, with a view to ensuring adequate co-ordination of general medium- and long-term plans within the annual national budget;

(b) *Preparatory research for the formulation of development plans.* A very broad and diversified programme of essential research has been drawn up with national experts. It covers the more important problems and sectors of the national economy and has provided the basis for a preliminary diagnosis. This research programme has been designed to include not only the systematic collection of statistical information and the incentives for new programmes to improve statistics, but also direct investigation of the different problems through missions to the different regions within the country, visits to plants and installations, and round-table meetings with representatives and experts of the public and private sectors who have specialized in the various subjects. This has led to the collection and systematic arrangement of the essential basic material, on the basis of which it is expected that the first general plan for economic and social development will be completed by June 1961. This will include a specific medium-term public investment programme and special programmes for the development of certain parts of the country;

(c) *Reforms in the budget mechanism.* Work on this subject has been directed towards converting the national budget into an effective programming mechanism. With this aim in view, advice was given on a substantial modification of the traditional pattern of the budget including its adjustment to the techniques of programme budgeting. The Budget for the fiscal year 1961 has already been promulgated in this form. In order to consolidate the progress made in budget matters, help has been given in reorganizing the budget department and, in a more general way, in studying the reorganization of the Ministry of Financial Affairs;

(d) *Training of personnel and dissemination of knowledge.* Assistance in training national staff in economic development questions and programming techniques has taken several forms: daily contact in the course of joint work, meetings and special round-table discussions on methodology, the organization of an intensive training course on economic development problems and a special seminar on budget techniques, etc. Efforts have also been made to ensure more wide-

spread knowledge of the essential techniques and concepts, mainly through public lectures and the initiation by the National Planning Board of a quarterly publication, the first issue of which was published in December 1960;

(e) *Collaboration on aspects of immediate interest.* In the course of the work a number of problems of immediate interest to the national authorities have arisen and have necessitated specific action. As some examples of such activities, mention might be made of the assistance given by the Advisory Group in preparing, for presentation to the Special Fund, a project for an aerophotogrammetric survey and mineral prospecting over an extensive area of the national territory; assistance in formulating a national plan for emergency investments, with their respective priorities, designed to facilitate immediate negotiations for foreign financing; and the collaboration given to the mission sent to Bolivia by the Inter-American Development Bank for the purpose of ascertaining what short-term financing operations could be undertaken.

ECLA/BTAO Economic Development Training Programme

91. There has been a long-felt need for a major revision of the scope and activities of the ECLA/BTAO Economic Development Training Programme, but the matter has recently acquired greater urgency because of the personnel problems of the ECLA/BTAO Advisory Groups, both at the national and the international levels. Because of the need to improve and add to the teaching material with a view to such reorganization, the regular programme was suspended during 1960 and will be resumed in July 1961 on a new basis.

92. The principal features of the proposed reorganization consist of the extension and reorientation of the regular Santiago Programme, whereby the average number of students will be increased from fourteen to thirty-five, for an eight months' course. About half of this period will be devoted to instruction in the fundamentals of economic development programming, along the lines of the basic courses taught in the past, to be given to all participants. This will be followed by specialized training in five fields: (a) general programming; (b) budgetary problems and financing; (c) industrial programming; (d) transport programming; and (e) public works programming. It is hoped to add agricultural programming later.

93. During 1960, the work consisted chiefly of the revision and preparation of teaching materials. This has been an important function of the Programme from the beginning but efforts have been intensified this year with a view to bridging the broad gap between unduly specific individual projects and impractical generalizations, with particular reference to industry and transport. The aim is to obtain a wide range of factual information on the characteristics of industries in order to use it as a basis for preinvestment and feasibility studies. This information will then be used both for teaching purposes and for the work of the ECLA/BTAO Advisory Groups. The Industrial Development Division at United Nations Headquarters is playing

an active role in the project on industrial programming materials, which is one of its major projects for 1960/1961. Moreover, with a view to systematizing the experience already gained and clarifying ideas for future work, ECLA staff and BTAO experts assigned to the Advisory Groups participated in a series of round-table meetings, held at Santiago in January 1961, with particular reference to industrial and transport programming (see document E/CN.12/588).

Intensive training courses

94. Intensive courses have been organized since 1959 wherever possible in conjunction with the ECLA/BTAO Advisory Groups. Their main purpose is to train the officials directly concerned with programming activities so that they can continue after the Advisory Groups leave the country in which they work. In 1960, such intensive courses were held in Bolivia and Colombia, while in three more countries—Brazil, Mexico and Uruguay — the training courses were organized with the collaboration of the respective Governments and other national institutions.

95. The basic courses in each case relate to the theory and programming of development, social accounting, project preparation and evaluation, administrative and budget techniques, and the financing of development. Additional basic courses were added to meet special requirements. These included supplementary courses relating to sectoral programming, in Bolivia and Colombia; statistics and economic analysis, in Brazil; linear programming and multi-purpose projects, in Mexico; and agricultural programming, in Uruguay. The basic and supplementary courses were given by ECLA staff or BTAO experts and in each country a special series of lectures on national problems was also delivered by local professors of renown.

96. The National Commission for Co-ordination and Planning sponsored the intensive course in Bolivia, which was held from 4 July to 30 September 1960 with the collaboration of the University of San Andrés. Over 130 persons, drawn from technical and professional ranks, took part. Some attended only the basic courses and lectures; the remainder also attended the supplementary courses. Ninety-seven hours were devoted to the basic and fifty-two to the supplementary courses; eighteen hours were devoted to lectures on various topics. Another six hours were assigned to round-table discussion.

97. The Administrative Department of Planning and Technical Services (Departamento Administrativo de Planeación y Servicios Técnicos) and the Banco de la República helped with the organization of the course in Colombia which was held from 18 August to 18 November 1960, with a special closing ceremony on 15 December. It was attended by eighty participants, thirty-three on a regular or full-time basis, and forty-seven on a special basis. The courses, including seminars, included 211 hours of lectures, of which 152 were assigned to the basic courses and fifty-nine to special courses. In addition, twelve lectures were given.

98. In 1960, the course in Brazil was organized by the ECLA/BNDE Economic Development Centre, set

up in July 1960 at Rio de Janeiro by ECLA and the Banco Nacional do Desenvolvimento Economico. Classes began on 19 September and ended officially on 7 December. Fifty-two participants were selected, forty-six of whom attended on a regular basis and six on a special basis. The basic courses included 136 hours of lectures and thirty-two seminars. In addition, twelve special lectures were given by eminent Brazilian professors, relating specifically to national economic problems. Finally, Mr. Thomas Balogh, Fellow of Balliol College, Oxford, was contracted by the ECLA/BTAO Economic Development Training Programme to give a series of supplementary lectures on monetary policy.

99. The preparatory work for the Mexico course was undertaken by the ECLA Mexico Office and the Ministry of Industry and Trade with the collaboration of the Banco de México. The opening ceremony was held on 5 June 1960 at the Faculty of Engineering of the University of Mexico, and the course ended on 27 August. A committee selected forty-three candidates twenty-seven of whom were accepted on a full-time basis and the remaining sixteen as part-time participants. Basic courses included 196 hours of lectures and sixty-five seminars. Supplementary lectures totalling fifty hours were given.

100. The course in Uruguay was held at the University of the Eastern Republic of Uruguay, which took an active part in organizing it. Seventy-two participants completed the course, twenty-two on a full-time and fifty on a part-time basis. There were 122 hours of lectures in the basic courses, plus thirty-seven seminars. Supplementary courses consisted of lectures given by Uruguayan professors with special reference to the country's economic development problems.

Study on comparative rates of economic growth

101. The work of compiling and analysing basic data for this study has continued, although it was not until the latter part of 1960 that the staff assigned to it could be increased.

102. Although the study is of a general nature, the analyses are being carried out in respect of nine countries for which greater statistical information is available. Countries with different levels of income are included.

103. At this first stage of the work, the aim is essentially one of determining what specific and general factors have fostered development in the group of countries which have developed most, and what the limiting factors have been in the group of countries showing a slower rate of growth. The analysis covers the period from the immediate post-war years until the present time and distinctions are drawn between different stages, depending on the movement of the growth rate.

104. In particular, trends and structural changes are analysed in relation to the whole of the economy as well as by agricultural, industrial, external and government sectors. An analysis has also been made of the trends and structural changes which may have taken place in capital formation through the rise in income within different countries and the fluctuations in the external sector.

Studies on the economic development of the Central American countries and Panama

105. The ECLA Mexico Office, with the assistance of the national working groups formed for the purpose, has concluded the studies of the economic development of Panama, El Salvador and Honduras. At the same time, considerable progress has been made in preparing the basic macro-economic series for the study which has already been started on the economic development of Nicaragua. At the request of the Government of Guatemala, a study on the economy of that country is to be carried out jointly by the ECLA secretariat and a national working party. The first two studies, dealing respectively with Panama and El Salvador, were submitted to the Commission at its eighth session.¹⁵

106. The study on Honduras provides an analysis of the various factors which have conditioned the country's economic growth during the period 1945-58.¹⁶ Two sub-periods can clearly be distinguished, the first being one of outward-directed growth in which bananas and coffee were the main commodities which determined the rate of activity. The steep fall in the capacity to import generated by the decline of banana production in 1953 led to a general drop in the level of activity. This heralded the beginning of the second sub-period, characterized by greater participation of the productive sectors catering to the domestic market. There was a considerable rise in public investment in infrastructural works, the import substitution process was stepped up—especially as regards consumer goods—and a notable advance was made in diversifying exports in terms of commodities and of countries of destination. Increased trade with neighbouring countries has been an important factor in this process. It is clearly apparent from a study of the second subperiod that there has been an important change in the structure of the economy, in spite of the obstacles created by its traditional pattern. On the basis of these conclusions, and considering the foreign market outlook and the favourable results which there is every reason to expect from the approval of the economic integration treaties signed in December 1960, two alternative hypotheses have been advanced for growth over the next ten years. The first assumes a projection of the rate of evolution achieved over the past ten years, while the second is based on an assumption involving, among other things, a considerable effort at capital formation by the public sector and an appreciable expansion in intra-Central American trade, whereby the average standard of living of the population would be increased by one third. This second hypothesis assumes the creation of two large industrial plants: one producing iron and steel on a scale large enough to supply the Central American market, and another—a pulp and paper mill—which

¹⁵ United Nations publications, Sales Nos.: 59.II.G.3 and 60.II.G.2.

¹⁶ A summary of the study *El desarrollo económico de Honduras*, including the conclusions reached, was submitted to the Commission at its ninth session. This study will eventually constitute volume IX of the series *Analyses and projections of economic development*.

would provide a broad margin for exports outside the area.

107. Early in 1960, a working group was set up in Nicaragua which, with advice from ECLA, has been engaged in the preparation of basic economic series for an economic development study on that country. During the year, estimates of the gross domestic product for all economic sectors relating to the period 1945-59 were completed. In view of the need to examine Central America's development prospects and problems from the point of view of the overall economy of the countries participating in the future Central American common market, background data for analytical purposes are being compiled and prepared for the region as a whole on the gross product, domestic investment, the stock of capital and capacity to import, etc. At the same time preliminary projections of these series have been made up to 1966 and 1970.

Joint ECLA/BNDE Economic Development Centre

108. The activities of the Joint ECLA/BNDE Economic Development Centre were initiated formally on 1 July 1960 in Rio de Janeiro. The Centre is staffed jointly by ECLA and by the Banco Nacional do Desenvolvimento Econômico, which also provides the office space and equipment.

109. The Centre is currently engaged on three research projects relating to the Brazilian economy: a study of inter-industrial relationships; an analysis of the characteristics of the public sector and the fiscal system; and an investigation into the import substitution process. An important aspect of the Centre's work is that of training; in 1960 it organized an intensive training course on economic development programming, which was held from 19 September to 7 December 1960 (see paragraph 98 above).

110. In addition to its research activities, the Centre prepared and revised the material on Brazil which formed part of the overall study on the problems of inflation and economic growth. It has also worked in close collaboration with various divisions of the secretariat in collecting data on Brazil for a series of studies relating, for instance, to the chemical industry, the heavy equipment industry and the electric power industry, and has collected statistical data of all kinds for the *Economic Survey* and other projects.

Fiscal policy

111. Over the past few months, preparatory work has been carried out by ECLA, the OAS, the IDB and the Harvard Law School (within the framework of the International Programme in Taxation) on proposals for a long-range programme to strengthen Latin American taxation systems with a view to mobilizing resources for financing Latin American economic and social development.

112. This programme might include such items as: the systematic study of tax administration and structure in the Latin American countries; the dissemination of technical knowledge; discussions and exchange of ideas and experience; the training of personnel and,

in general, any other activities which the sponsoring organizations could undertake within their respective purviews and which would contribute to a better understanding of the importance of tax problems and encourage effective and sustained efforts to solve them.

113. During the early stages of discussion, certain conclusions have already been reached which will enable the programme to be launched at once, through the initiation of some important activities which could be carried out in 1961 and 1962. A special Co-ordinating Committee is being set up, consisting of representatives of ECLA, OAS, IDB and Harvard University, to take charge of the work for the years mentioned. In principle, the present plan of work is as follows:

(a) A meeting of a group of experts to advise the Special Co-ordinating Committee on the general direction which the programme should take in terms of studies and meetings;

(b) A study of fiscal systems in the Latin American countries, divided into two stages: the first relating to tax administration and the second to fiscal policy in general;

(c) The preparation of technical studies and papers on tax problems, to be carried out in the two stages referred to under (b) above;

(d) On the basis of the findings of the above-mentioned studies, two meetings would be convened: the first, on tax administration, to be held probably in one of the Latin American countries in September 1961; and the second, on fiscal policy, to be held in the early part of 1962.

114. Both these meetings would be convened at the technical level under the joint sponsorship of ECLA and OAS. The participants would be selected by the two organizations from persons whose knowledge, experience and position would enable them to formulate specific and useful conclusions on the problems of tax administration and fiscal policy in Latin America. There should be at least one participant from each Latin American country.

115. The activities envisaged under the programme would be financed jointly by the participating organizations, and the Ford Foundation has already offered to make a substantial grant towards the cost of implementation.

Inter-Agency Working Party on Skilled Manpower in Latin America

116. In compliance with ECLA resolution 149 (VIII), representatives of the United Nations, the ILO, UNESCO and the Inter-Governmental Committee for European Migration (ICEM) met twice at Geneva towards the end of 1959. There were subsequent meetings on 17 and 18 May 1960 at ECLA Headquarters in Santiago; these were attended by members of the ECLA secretariat and OAS in addition to the three specialized agencies mentioned above. The main conclusion reached at the first two sessions was that a specific study in response to express requests from Governments would be more important than further general surveys, if the objectives of ECLA resolution

149 (VIII) were to be attained. A study of that kind would call for an integrated approach by the various organizations, through close general collaboration and joint action in specific fields, if the situation in a given country were such as to indicate that this was feasible. In discussing possible inter-agency action, it was stressed at these two meetings that, in the long run, only Government action could effectively deal with the situation.

117. The Inter-Agency Working Party held a third session at Santiago, when it reviewed the reports of the Geneva meetings and recommended that ECLA, as the convening agency, should approach the participating agencies with the following suggestions:

(a) That a permanent inter-agency working party should be set up and meet annually at Santiago, to discuss and exchange information on all matters relating to manpower;

(b) That the agencies concerned should take steps as soon as possible to work out an integrated methodological approach to manpower problems;

(c) That ECLA should invite the agencies—in particular the ILO and UNESCO—to collaborate in the Advisory Groups, along the lines already worked out with FAO. The ICEM should also be invited when the groups operated in countries where it was represented;

(d) That ECLA should also invite the interested agencies to participate in the ECLA/BTAO Economic Development Training Programme, with a view to obtaining regular lecturers on educational and manpower programming.

118. In response to the invitation sent out in connexion with suggestion (c) above, both the ILO and UNESCO have indicated their keen interest in collaborating in the Advisory Groups Programme. The ILO has followed this up by assigning a staff member to the Programme on a permanent basis. Informal discussions have also taken place with regard to suggestion (b). It is hoped to deal further with suggestion (d) when the Training Programme is being reorganized.

Joint UNESCO/ECLA/OAS Mission on the Teaching of Economics in Latin America

119. Soon after the inauguration of the ECLA/BTAO Economic Development Training Programme in 1952, it became increasingly clear that United Nations efforts would never be sufficient by themselves to meet the needs of the different countries for highly trained professional men and women, and that therefore every effort should be made to promote the improved teaching of economics in every Latin American country, on the basis of local resources. A second motive for ECLA's interest was the growing evidence of serious gaps in the knowledge of those economics graduates who applied for admission to the training programme. Since this was also within the field of competence of UNESCO, consultations took place with that organization with a view to forming a joint mission to investigate the teaching of economics in Latin American universities.

120. UNESCO succeeded in finding a team-leader for the mission, which was assembled in July 1960 and

consisted of Professor Howard S. Ellis, Flood Professor of Economics at the University of California (Berkeley), for UNESCO, and Professor Benjamín Cornejo, Vice-Rector of the University of Córdoba (Argentina), for ECLA. They were joined by Professor Luis Escobar Cerda, Dean of the Faculty of Economics of the University of Chile, appointed by the OAS, which had in June indicated its interest in participating. During the next two months, the Mission visited some thirty faculties of economics and other institutions engaged in graduate or post-graduate studies in ten Latin American countries. A number of negative characteristics were encountered, many of which affected the universities as a whole and not just the faculties of economics. They included unduly large student bodies; wholesale admission of students, mainly on a part-time basis; part-time professors; outmoded methods of teaching and promotion of students; no clear distinctions between the professional training courses of the economist, the business administrator and the accountant; insufficient research work, both on the part of the professorate and as a medium for the training of students and study programmes which failed to assign enough importance to a knowledge of the country's actual economic situation and of related problems.

121. The Mission's report entitled "The Teaching of economics in Latin America" (E/CN.12/546/Rev. 1) points out that, in the long run, improvement in the quality of the professional economists must—like most of the other aspects of economic development—come from within these nations. Some suggestions for improvements are made, including those relating to possible international action. Among these are: the granting of fellowships for study abroad, sometimes in Latin American institutions; the subsidizing of a limited number of professorships in economics; the establishment of a Latin American centre or school of higher studies in economics, always provided it is organized in conformity with certain basic principles and operates in co-ordination with existing university centres; the preparation of translations into Spanish and Portuguese of important foreign works on economics and, if possible, assistance in financing the publication of books whose content has a bearing on the Latin American economies; the provision of library funds; the financing of a small committee of experts to draw up priority lists of books, journals and articles for translation; and, finally, recommendations on books which ought to be written.

122. The report was completed in time to be submitted to the meeting of Latin American Faculties of Economics, held at Rosario (Argentina) in October 1960. The recommendations for international action were endorsed and a committee was formed to find ways and means of ensuring their implementation.

INDUSTRIAL DEVELOPMENT DIVISION

123. The work of this Division during the period under review has been concentrated mainly on industrial studies designed to provide the necessary background material for studying the prospects for industrial integration under a common market programme, as well

as for the negotiations deriving from the Latin American Free-Trade Association.

Chemical industry

124. A brief description of the study currently being undertaken on the chemical industry was given in a document submitted to the Commission at its eighth session (E/CN.12/525). The study will present and analyse a broad range of data on imports, production and consumption of about 150 chemical products, by countries and for Latin America as a whole. Projections of demand are based on this factual information, showing the probable future scale of operations for each product or group of products. The use of production costs in different areas throughout Latin America will facilitate consideration of the possible impact of a free-trade area or common market upon the future growth of this industry and show the advantages to be derived from an enlargement of markets and a broad division of labour among the several Latin American countries in the development of new activities relating to chemical production.

125. The first part of this study, entitled "El mercado latinoamericano de productos químicos" (E/CN.12/591), was presented at the Commission's ninth session. It includes mainly the factual data on imports of chemical products and the present market for these products. The rest of the study will be ready during the third quarter of 1961, when the final revision of the report will be completed.

126. Another study on the chemical industry is also being prepared, referring specifically to Chile. This second study, which is being carried out with the active collaboration of the Chilean Development Corporation (CORFO), is much more detailed than that relating to Latin America as a whole and lays special emphasis on determining degrees of tariff protection, both for existing production and for some possible new lines of production.

Industrial inventory

127. This is a continuing project, the first results of which (see E/CN.12/524 and Add. 1-3) were presented at the Commission's eighth session (see E/3246/Rev.2, paragraphs 72 and 73). It being carried out with the collaboration of industrial associations in the different Latin American countries. The study submitted at the ninth session entitled "Inventario de la industria latinoamericana. Informe preliminar sobre las industrias metalúrgicas, mecánicas y electromecánicas" (E/CN.12/590), concentrated on these three industries and is designed to provide a general view of the distribution of these production activities throughout Latin America, with a precise indication of the degree of potential complementarity—as well as possible overlapping—that exists throughout the region in the manufacture of each product or group of products. It is anticipated that this study will provide a basis for the discussion and negotiation of regional trade in the products concerned. The description of existing production activities is completed by a table of goods im-

ported from outside Latin America by each of the members of the Free-Trade Association, dealing separately with each of the eighty-five sectors. Such statistical tables represent a considerable effort on the part of the secretariat to present the official statistical data from various countries on a comparable basis.

128. The results now submitted to the ninth session refer only to four countries—Argentina, Brazil, Chile and Peru—as regards the description of production activities, but cover the seven members of the Latin American Free-Trade Association as well as Bolivia, in so far as the analysis of imports is concerned. There is a considerable gap in the statistics included in the report, since it proved impossible to include Mexico in the series; this country will be added at a later stage, when the relevant material becomes available. Only then will it be possible to proceed with a comprehensive analysis of the results, from the standpoint of possible lines of regional complementarity and trade. Current plans are to follow this with a much broader analysis of manufactured products, although in less detail than in the case of the metal transforming sectors.

Railway equipment

129. The secretariat has now prepared a study entitled "Railway equipment requirements and import regulations in selected Latin American countries" (E/CN.12/547); this brings up to date the report on the railway equipment industry presented at the eighth session (E/CN.12/508). The study covers Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela. The sections dealing with Argentina, Brazil and Uruguay are less detailed than the others, since the industry in these countries was covered in the earlier report, in respect of railway networks, re-equipment needs and prospects for producing railway equipment. Railway equipment requirements in the countries mentioned are investigated and, in addition, the obstacles to trade are examined. An annex is also included giving the import tariffs applicable to railway equipment in nine of the eleven countries covered. A number of conclusions were reached in the course of the work and are summed up at the beginning of the study.

130. Closely linked to the question of railway equipment is another study which is being undertaken in co-operation with FAO on requirements, production and trade in respect of sleepers in Latin America. Data have already been collected for six countries, and it is hoped eventually to deal with all the Latin American republics.

Basic industrial equipment

131. In connexion with the industrial studies relating to the common market and in compliance with ECLA resolutions 161 (VIII) and 162 (VIII), the secretariat has started a study on basic industrial equipment. Such equipment is understood to be that used in making pulp and paper and cement, in the petrochemical industries—including petroleum extraction and refining—and by iron foundries and steel mills. It comprises generally all industrial plant manufactured

or built "to order" in accordance with specifications laid down in each case and on the basis of an engineering project. Because of its nature, such equipment can be manufactured through widespread subcontracting, on the basis of existing facilities in the different branches of the heavy metal transforming industry.

132. Initially, the study will deal with the manufacture of such equipment in Argentina, Brazil and Chile. Field work has already been completed for Brazil covering five principal sectors (steel-making, petroleum refining, electric power, pulp and paper and cement). Work is also proceeding in Argentina and Chile. In this connexion, the secretariat has received considerable assistance, in terms of staff and financial resources to undertake the field work, from the Brazilian Association for the Development of Basic Industries (Associação Brasileira para o Desenvolvimento das Industrias de Base) and from the Argentine Federal Investment Council (Consejo de Inversiones).

Textile industry

133. The textile industry is one of particular interest to the countries belonging to the Latin American Free-Trade Association and in view of this and of the general mandate given to the secretariat in ECLA resolution 11 (IV), new work on it has recently been undertaken. The Chilean association of textile manufacturers is collaborating with the Industrial Development Division in a brief study designed to ascertain the present status and operating conditions of the industry in Chile, with particular reference to its competitive position within the Latin American Free-Trade Association.

134. Similarly, the textile manufacturers in Sao Paulo (Brazil) are assigning substantial resources to a study of the equipment situation in the textile industry in that State. The Industrial Development Division has collaborated in preparing an outline for this study and in drawing up the necessary questionnaires. In addition, it has held a series of meetings with two engineers sent to Santiago for that purpose by the Sao Paulo textile association. Assistance will also be given by the secretariat in drafting the final report.

Technological research

135. In view of the urgent need to investigate technological research facilities in Latin America, the secretariat has given priority to the studies requested under ECLA resolutions 13 (IV) and 53 (V), which have so far been virtually shelved for want of funds. On the basis of a detailed memorandum outlining the principal technological research problems in Latin America and setting forth the objectives and methods for the study, work began in November 1960 on a pilot project for Argentina, Brazil and Chile. The aim is to obtain an overall picture of the present situation of technological research facilities in these countries and, on this basis, to assist Governments in drawing up specific projects for consideration by the Special Fund or other international financing institutions.

136. These specific projects should open up new possibilities for productive investment, with particular

reference to the transforming industries. For the time being, such sectors as energy, agriculture and transport are excluded. The problems involved include the following:

(a) Difficulties encountered in applying traditional processes because the country concerned may lack suitable raw materials or these may have certain unusual characteristics;

(b) The desirability of developing new processes with a view to reducing the optimum economic size of a factory;

(c) The need to develop processes which will save raw materials in short supply or replace them by others which may have less satisfactory properties;

(d) The possibility of finding economic applications for certain raw materials or cheap by-products which have no other use at present.

137. Once these problems have been defined more exactly, the aim is to explore the possibility of regional collaboration in technological research facilities and to carry the study to a second stage at which other industrial countries will be included and the collection of data will be completed by small fact-finding missions.

138. Since the OAS has a special interest in technological research, with particular reference to productivity, close contact is being maintained with its Secretariat to avoid any possible duplication of effort. UNESCO is also keenly interested in this problem and the secretariat has been in constant touch with this specialized agency in connexion with several aspects of the work.

Timber production trends

139. In accordance with the request contained in ECLA resolution 159 (VIII), the secretariat engaged a senior consultant to work on this joint ECLA/FAO study, which was started in July 1960. Since it is a co-operative study which is part of a series already undertaken by FAO with the collaboration of other regional economic commissions—the Economic Commission for Europe (ECE) and the Economic Commission for Asia and the Far East (ECAFE)—there has been continuous collaboration from the outset between the two secretariats. Most of ECLA's effort so far has gone into the collecting and checking of data on output of forest products in the Latin American countries and on consumption of these products in their major end uses. This work has been virtually completed for six countries and is well advanced for four others. Some information is available for the remaining countries but much ground remains to be covered.

140. Work has begun on estimates of timber consumption in respect of various end uses in 1975 and 1985. Considerable thought has been given to the kind of useful projections which can be made with the consumption data available and to the most suitable techniques for formulating them. Data on international trade in forest products are being compiled and some preliminary analyses have been made.

141. FAO personnel in Santiago, Rome and Geneva have helped to collect and compile data on production, consumption and trade. FAO Headquarters is also collecting data on forest resources and wood-using industries, and has started analytical work on these aspects of the study.

142. A preliminary report has been prepared by the Office of the Regional Statistician in connexion with this study with particular reference to timber requirements for housing purposes in order to determine housing needs for the Latin American countries during 1950-60, with projections for 1975. More details relating to this study are given later in the present report (see paragraphs 221 and 222 below).

ECLA/FAO/BTAO Pulp and Paper Advisory Group

143. During 1960 the members of the Pulp and Paper Advisory Group visited Cuba to collect material for the report requested by that country; the preliminary text of this is almost finished. Advantage was taken of this mission to stop in several countries to collect up-to-date material for the integrated regional study of the pulp and paper industry. The Group also gathered data needed for the timber production trends study, particularly in Brazil, Mexico, Peru and Venezuela.

144. The country studies for Mexico and Venezuela, distributed to the countries concerned early in 1960, have been warmly welcomed and are being given wide distribution by the authorities in those countries.

145. The integrated study on pulp and paper supply, demand and trade in Latin America (E/CN.12/570) has been completed. It examines import, production and demand data for the whole region in respect of various types of pulp and paper products, with a view to analysing the prospects for increasing trade in such products within the Latin American Free-Trade Area.

JOINT ECLA/FAO AGRICULTURE DIVISION

146. The Joint ECLA/FAO Agriculture Division is responsible for preparing the chapter dealing with agriculture in the annual ECLA *Economic Survey* and co-operates closely with FAO Headquarters staff in preparing material on Latin America for the series *The State of Food and Agriculture*. In connexion with these functions of the Division, the permanent reference and information services, on which periodic studies of conditions and economic problems affecting Latin American agriculture are based, have had to be improved.

147. During the period under review, several basic studies were completed on Latin America's main agricultural activities, relating chiefly to coffee and livestock. Continuation of this type of work is envisaged, the method of direct investigation of economic magnitudes and problems through sample surveys being applied whenever possible, as was done in the case of coffee. However, in view of the urgent need to solve certain agricultural problems and meet requests from Governments, a gradual shift of direction could usefully take place towards more direct assistance to countries with specific economic problems. For instance, in Colombia

a project has been initiated for the diversification and overall improvement of agriculture in the coffee-producing zones.

148. Other activities include studies of the institutional problems affecting the farmer, mainly land reform, and of the role of agriculture in the agreements relating to a common market or the already established Free-Trade Area. On the question of land reform, the ECLA secretariat has been asked to co-operate in an overall study now being undertaken by the United Nations in compliance with General Assembly resolution 1526 (XV) and tentative plans are being made to include at least two Latin American country studies.¹⁷ As regards the common market, the work is principally of two types involving: (a) commodity studies, including production and marketing aspects which may be helpful in negotiating an increase in the volume of trade; and (b) studies or practical measures aimed at preparing Latin American agriculture for economic integration.

149. Another proposed field of activity is the programming of technical assistance to agriculture in accordance with economic development needs. The Joint Division helps in the establishment and servicing of the Advisory Groups and supplies the agricultural staff attached to the Groups with the economic background data which they require.

FAO/OAS Regional Conference

150. The sixth session of the FAO Regional Conference for Latin America was combined with the Fifth Regional Conference on Agriculture of the OAS and was held in Mexico City from 8 to 19 August 1960. At the Conference, the Joint Division provided the secretary for the Committee on Economic Problems.

151. Two staff members attended the Conference, for which two papers had been prepared by the Joint Division: (a) a progress report on its work between May 1959 and May 1960; and (b) a review of the role of agriculture in Latin American common market and Free-Trade Area arrangements; this is outlined below.

Role of agriculture in Latin American common market and Free-Trade Area arrangements

152. The document on this subject (E/CN.12/551) was also presented at the ninth session and is based in part on the findings of a series of commodity studies submitted to ECLA at its eighth session.¹⁸ It indicates that, in contrast with the situation in Europe, where manufactured products constitute the bulk of the trade between the signatories of the Rome Treaty, intra-

¹⁷ The FAO Regional Office for Latin America has a number of land reform experts with whom the Joint Division collaborates closely.

¹⁸ See, in particular, *The role of agricultural commodities in a Latin American regional market* (E/CN.12/499) and the "Special study on trade in agricultural commodities in Latin America" in the *Economic Survey of Latin America, 1957*, United Nations publication, Sales No.: 58.II.G.1.

regional trade in Latin America consists mainly of agricultural and other primary commodities.

153. Emphasis is laid on the general recognition that agriculture does not lend itself particularly well to regional integration programmes on account of productivity differences among countries, sheltered production and marketing conditions, autarchic policy traditions and other considerations. Hence, it is most essential that countries participating in common market or Free-Trade Area arrangements in Latin America should carefully examine the volume and pattern of present agricultural transactions, the implications of the proposed agreements for production and supply, and the need for comparison of the individual countries, agricultural policies at the international level in order gradually to adapt agriculture to the requirements of economic integration.

154. The document describes the scope and status of current arrangements and programmes and the volume and pattern of present intra-regional transactions. It also indicates the possible repercussions of economic integration on agriculture. Finally, the need for formulating agricultural policy in the light of integration is discussed.

Livestock studies

155. Field work was completed for Brazil, Colombia, Cuba, Mexico, Uruguay and Venezuela, and several of these country reports were presented at the ninth session.¹⁹ In the case of Colombia, the findings of the study were being used by the Government as basic material for its livestock programme and the study would not therefore be distributed until the Government had published its economic development programme.

156. These studies analyse problems affecting livestock production in the Latin American countries concerned, from the point of view of the production, distribution and consumption of foods of animal origin, in particular meat and dairy products.

157. Some of the conclusions emerging from the different country studies are of particular interest. In the case of Venezuela, for instance, output of beef and dairy products has increased considerably in recent years. This is probably the result of the development programmes undertaken by the Government in respect of credit, imports of dairy and beef cattle and intensive campaigns to combat the commoner cattle diseases.

158. In Colombia, livestock production has shown a notable upward trend since 1956, particularly in the case of beef cattle. Special interest has also been displayed in the development of sheep farming and improved breeding stock has been imported.

159. Livestock production has been increasing faster in Mexico than anywhere else in Latin America. However, productivity levels and consumption of meat and milk are still very low. The Government has initiated a six-year programme to develop livestock production

in order to increase supplies for domestic consumption and for export.

Coffee survey

160. The second part of the series *Coffee in Latin America* was completed. The first part dealt with the problems of coffee growers in Colombia and El Salvador.²⁰ The second part contained the results of the joint study carried out in Brazil by ECLA/FAO, the Brazilian Coffee Institute (Instituto Brasileiro do Cafe) and the Department of Agriculture of the State of Sao Paulo (Secretaria da Agricultura do Estado de Sao Paulo). The various reports were summarized in an article in the *Economic Bulletin for Latin America*, which provides a synthesis of the main findings of the survey and which was submitted to the Commission at its ninth session.²¹ The published volumes contain a detailed report on the state and prospects of coffee production in Sao Paulo, a report on a case study of thirty-three coffee farms and a statistical analysis of the factors affecting coffee yields.²²

161. The purpose of this study was to supply information on a variety of characteristics of coffee growing in the State of Sao Paulo, knowledge of which was hitherto inadequate. Original data had to be collected in the field by means of a large-scale and statistically representative sample of all coffee farms in the State. Quantitative estimates—for example, numbers of trees, area, production, etc.—were based on a careful on-the-spot investigation of about 2,000 coffee farms. Economic information, such as the number of man-days employed in coffee growing, the use of capital, etc., was based on an even more detailed study of 500 of the 2,000 farms already mentioned.

162. The information collected was meticulously examined and sifted by technicians fully acquainted with coffee-growing methods in the State of Sao Paulo. In addition, the findings of the survey were checked with those obtained on thirty-three farms which independently kept daily records of activities during the survey period.

163. Although farm data obtained for the first time in a field survey cannot be expected to yield mathematically accurate results, the information presented in these reports may be regarded as reasonably reliable and as adequately reflecting the average conditions under which coffee is produced in Sao Paulo.

164. On the basis of the coffee surveys carried out in the countries and areas mentioned, a short report—entitled "The coffee industry in the producer areas of Latin America" (E/CN.12/595)—was prepared. This contained some tentative conclusions drawn from the

¹⁹ *Coffee in Latin America. Productivity problems and future prospects. I. Colombia and El Salvador* (United Nations publication, Sales No.: 58.II.G.4).

²¹ See *The coffee industry in Sao Paulo* (offprint from the *Economic Bulletin for Latin America*, Vol. V, No. 2) (E/CN.12/578).

²² See *Coffee in Latin America. II. Brazil. State of Sao Paulo*, Vol. 1: *The state and prospects of production*; and Vol. 2: *A. Case study of 33 coffee farms*; B. *Analysis of the functions of production* (United Nations publication, Sales No.: 60.II.G.6, Parts I and II).

¹⁹ See the studies on Mexico (E/CN.12/557), Venezuela (E/CN.12/558), Brazil (E/CN.12/559) and Uruguay (E/CN.12/594).

work already done in this connexion and stressed the urgent need for diversifying agricultural production in coffee-growing areas and of improving growing methods as a means of making fuller use of resources.

165. Lastly, a separate document (E/CN.12/596) informed the Commission about the future activities of the Joint Division with regard to coffee.

An agricultural policy to expedite the economic development of Latin America

166. At the ninth session the Joint Division presented a paper entitled "An agricultural policy to expedite the economic development of Latin America" (E/CN.12/592). In many over-populated areas of the region, the full use of rural manpower might produce serious short-term imbalances in the supply/demand ratio and result in over-production of traditional staple foodstuffs. In other cases, where production levels are highly dependent on fortuitous factors such as shortage or over-abundance of water, full employment in agriculture might even be impossible without the establishment of an adequate infrastructure. Accelerated development of the farm sector in Latin America will therefore require a very intensive programme of public works having the following main purposes: (a) to provide employment for those who cannot readily find work in agricultural production; (b) to reduce seasonal unemployment to a minimum; (c) to build up an adequate infrastructure for more efficient agriculture (irrigation and drainage works, roads, storage facilities, housing, etc.).

167. The interest recently displayed by countries of the region in this type of action programme as a means of easing social tensions through the more rapid development of agriculture (and of the economy as a whole), and in the possibility of further international co-operation in this field, indicates that the countries should outline an agricultural policy for Latin America mainly in relation to the more important institutional changes.

Rates of agricultural growth

168. The Joint Division has been co-operating with the Economic Development Division in the study on comparative rates of economic growth (see paragraphs 101 to 104 above) and is drafting a paper outlining the principal findings relating to agriculture. It would appear that, while the rate of increase of agricultural production in Latin America has slightly exceeded the population growth rate, it has nevertheless lagged far behind that of other sectors of the economy and has failed even to meet all the demand generated by higher incomes and expanding urbanization. The pattern of agricultural growth has been uneven from one country to another and from one period to another. In countries where agricultural commodities for export are an important part of overall agricultural output, the rate of growth has been more rapid in view of the recent dynamic tendency of external demand. Production for domestic consumption has also increased faster in countries where the agricultural frontier is still expanding and where at the same time the income of the urban population has risen.

169. The main work of the Division during this year was centred around preparations for the meeting of the Expert Working Group on Social Aspects of Economic Development in Latin America and for the Inter-American Conference on Education and Economic and Social Development, both of which are described below. Demographic studies occupied an increasingly important place in the Division's activities, particularly in view of the close collaboration established with the Regional Centre for Demographic Training and Research in Latin America. The Director of the Division and the Social Affairs Adviser of the Mexico Office were detailed to the United Nations Operations in the Congo as from August 1960; a replacement was obtained for the latter.

Expert Working Group on Social Aspects of Economic Development

170. This Working Group met in Mexico from 12 to 21 December 1960, in implementation of ECLA resolution 82 (VI), under the joint auspices of ECLA, UNESCO, BTAO and the Bureau of Social Affairs. Seventeen international experts, including eight Latin Americans, presented papers and attended the meeting, under the chairmanship of Mr. Daniel Cosío Villegas of Mexico. In addition to these experts and the representatives of the sponsoring agencies, the meeting was attended by representatives of the ILO, FAO, WHO and the OAS. Two of the papers were prepared by ECLA staff who participated in their capacity as experts.

171. After reviewing the economic, social, political, educational and administrative situation in Latin America with the object of exploring some aspects of social development, the experts drew up a series of recommendations based on the findings of the papers and on the discussions. These papers considered the social aspects of economic development and the problems involved from the standpoint of the economist, the sociologist and the political scientist. A series of research requirements was also examined and a long list of the findings was drawn up. This list and the recommendations mentioned were incorporated in a summary report of the meeting which was approved by the experts.²³ A more extensive report is being prepared by the three Rapporteurs appointed for this purpose and will be published by UNESCO shortly, together with the studies submitted.

Conference on Education and Economic and Social Development

172. Plans are being made to hold, in December 1961, a Conference on Education and Economic and Social Development in Latin America, under the joint sponsorship of UNESCO, ECLA and the United Nations Bureau of Social Affairs. The OAS has also indicated its interest in sponsoring this meeting and plans are now being discussed.

²³ The summary report was published in the *Economic Bulletin for Latin America*, vol. VI, No. 1. Offprints were distributed at the Commission's ninth session.

173. The origins of ECLA's interest in this conference may be found in resolution 150 (VIII). The Commission also supported UNESCO's initiative in convening the conference in resolution 176 (AC.45), whereby it decided to co-sponsor the conference and requested the secretariat to co-operate fully in the necessary preparations.

174. All States members of ECLA will be invited to appoint experts to attend this conference, preferably senior government officials responsible for educational, economic and social planning. The objective is to examine the various aspects of the relationship between education, on the one hand, and economic and social development, on the other, in order to shed light on the role of education in such development and on ways in which educational planning can be integrated with general development planning in the Latin American countries. The Conference will be of a technical nature and should reach conclusions which might serve as guiding principles for the formulation of policy and the preparation and execution of plans for education in connexion with economic and social development in Latin America.

Demographic research

175. Since early in 1960, the research carried out at the Regional Centre for Demographic Research and Training in Latin America (set up jointly by the United Nations, the Government of Chile and the Population Council Inc.) has been closely co-ordinated with that of ECLA. A medium-range programme is being progressively developed through frequent joint staff meetings. The topics of research are those of interest to Governments, those that are connected with the requirements of ECLA and those which afford suitable research experience to those trainees at the Centre holding United Nations fellowships. Pending the receipt of new census data, part of the research is dedicated to improvements in methodology with a view to enhancing the efficiency of research based on the new data from 1962 onwards.

176. The programme included the preparation of population projections for individual countries, such as those for Bolivia, Colombia and Cuba made for ECLA purposes during 1960; in these the information was classified by sex and age groups and by urban and rural population, as a background for an assessment of needs in respect of employment, consumption, education, housing, etc., and in order to provide data in frequent demand for economists and national authorities.

177. At the same time, a demographic model of the urbanization process under typical Latin American conditions is being prepared and a technical manual on the evaluation and utilization of census data is in process of being drafted.

178. The Seminar on the Evaluation and Utilization of Population Census Data in Latin America was held from 30 November to 18 December 1959 at Santiago under the joint auspices of the United Nations, ECLA, the Regional Centre for Demographic Research and Training and the Inter-American Statistical Institute

(IASI).²⁴ As a follow-up, plans are being made for national seminars in several countries, with a view to initiating national demographic studies and, in some instances, forming permanent national teams engaged in demographic analysis for purposes of economic and social programming. These plans involve participation by ECLA, the Centre and technical assistance experts. One such study has recently been started in Colombia, and is conceived as a "case study" which, apart from providing information directly useful to the Colombian Government, may be valuable as an experience for the purpose of future studies.

179. The secretariat was represented at the UNESCO Regional Seminar on the International Standardization of Educational Statistics held at Tucumán, Argentina, from 18 to 28 October 1960.

180. The secretariat is also engaged in a continuous survey of the salient features of Latin America's demographic situation. Estimates of population trends and structure are included in the Statistical Supplement of the *Economic Bulletin for Latin America*, published in November 1960;²⁵ these will be revised, extended and improved from year to year as new data and the results of new research, conducted especially at ECLA and the Centre, become available. The programme being carried out jointly by ECLA and the Centre aims at progressive coverage of Latin America by means of country studies.

181. A provisional summary — entitled "Population Trends in Latin America in relation to economic and social policy" (E/CN.12/583) — covering some of Latin America's salient demographic features was prepared for presentation at the ninth session. As new census data become available and research findings accumulate, more detailed reports on the demographic situation, as it affects particular aspects of economic and social policy, may be prepared.

Social services

182. Assistance was given to the Regional Centre for Demographic Training and Research in Latin America in finding professional social service workers and students to help in conducting a survey for the purpose of analysing the major variables affecting fertility in Santiago. This report is in course of preparation.

183. At the request of the United Nations Bureau of Social Affairs, the Division sent a staff member to Bolivia to assess the project for establishing a school for rural social work at Pillapi.

184. Following the decision taken in March 1959 by the Executive Board of the United Nations Children's Fund (UNICEF) to extend that agency's activities to include social services for families and children, substantive discussions relating to the possibility of undertaking specific projects in this field were held between members of the Division and UNICEF officials in Chile and Colombia.

²⁴ For the report of the Seminar see ST/TAO/SER.C/46.

²⁵ This Supplement was submitted to the Commission at the ninth session.

185. The Division also participated, in an advisory capacity, in the work of a commission appointed by the Director-General of the Chilean National Health Service to study the possibility of converting one of the Chilean social service schools into a post-graduate institute.

186. At the request of the Bureau of Social Affairs, the Division sent a staff member to participate in the OAS Seminar for strengthening the family institution, held at Caracas from 11 to 18 June 1960. This staff member prepared a short paper for the Seminar relating to the activities of the United Nations in this connexion.

187. At the request of the Bureau of Social Affairs, a report was prepared on the administration of social services in Chile and presented at a meeting of experts held at United Nations Headquarters in January 1961.

188. In addition, information was collected on the training of family and child welfare personnel in the countries of South America, for presentation at the next meeting of the UNICEF Executive Board.

ENERGY AND WATER RESOURCES PROGRAMME

Energy

189. During 1960 and 1961 the efforts of the Programme staff have been concentrated mainly on preparations for the Latin American Electric Power Seminar. This meeting, originally scheduled for January 1961, had to be postponed until the second half of the year, because many of the papers offered by experts had not been received or could not be prepared in time. The Seminar is being organized under the joint auspices of ECLA, BTAO, the Resources and Transport Branch and the Government of Mexico; it will be held in Mexico from 31 July to 12 August and will be attended by leading Latin American and international experts.

190. The purpose of this Seminar is to discuss some of the principal economic, financial, technico-economic and institutional problems which influence the development of electric power. The secretariat has completed a number of working papers relating to the following: recent trends and present conditions of electric power development in Latin America (thus bringing up to date an earlier ECLA publication entitled *Energy in Latin America*; ²⁶ hydroelectric resources in the region, with particular reference to their measurement and utilization; methodology for projecting demand for electricity; and the evaluation of that demand, together with investment requirements and means of financing them.

191. There will also be a number of important papers by Latin American and other experts. Electric power companies and manufacturers of electrical and mechanical equipment have been invited to deal with the economic aspects of selecting plant and equipment in the conditions prevailing in Latin America.

192. The Economic Commission for Europe, the International Bank for Reconstruction and Development, the Organization of American States and the Inter-American Development Bank will be sending represen-

tatives to this Seminar, while several leading United States and European electric power companies will be contributing papers.

Water Resources Survey Group

193. The Water Resources Survey programme is financed in part by BTAO. The World Meteorological Organization (WMO) contributes a hydrometeorological expert. The nucleus of the Group consists of three experts: a water economist, a multi-purpose expert and a hydrometeorologist. Other experts are appointed as and when needed, for such specialties as hydro-electricity, legal aspects and irrigation.

194. During 1960, the Group sent a mission to Venezuela, for which ECLA contributed one staff member on a full-time basis. A summary of the report of this mission was submitted at the Commission's ninth session (see E/CN.12/562) and the complete report was presented to the Government of Venezuela early in 1961. Several of the individual technical reports by the experts have already been sent to the Venezuelan authorities and to BTAO for comment and criticism.

195. Requests for the services of the Group have been received from the Governments of Bolivia and Colombia and the mission to Bolivia began work in mid-March 1961. The mission to Colombia will be sent during the year. In addition, a tentative request has been received from Argentina.

TRANSPORT PROGRAMME

196. The slender resources of the Transport Programme were concentrated in 1960 on the transport problems relating to the work of the ECLA/BTAO Advisory Groups; with particular emphasis on Colombia and Bolivia. Moreover, a considerable amount of work was undertaken at the request of the Transport Sub-Committee of the Central American Economic Co-operation Committee (see paragraph 35 (ff) above).

197. In addition, close attention has been paid to current developments affecting transport problems bearing on the establishment of the Latin American common market. The secretariat also took an active part in the meeting of transport experts, convened by the Provisional Committee of the Latin American Free-Trade Association in August 1960 at Montevideo. Studies have also been started on problems relating to customs formalities in international overland, inland waterway and maritime transport and traffic.

198. ECLA was represented by an observer at two meetings convened by the airlines of several countries in the area to discuss the possible establishment of a regional airline.

199. There has been collaboration with the Industrial Development Division with regard to the study on the development of production and intra-regional trade in railway equipment in general and the special joint ECLA/FAO project on railway sleepers (see paragraphs 129 and 130 above).

200. In 1960, the Chief of the ECLA Transport Programme took part in a mission of the International Bank

²⁶ United Nations publication, Sales No.: 57.II.G.2.

for Reconstruction and Development to Argentina for the programming of an overall transport survey in that country in connexion with a project to be financed by the Special Fund.

201. The staff of the Programme has participated actively in the preparation of material for the transport programming speciality to be introduced in the ECLA/BTAO Economic Development Programme, and in the round-table meetings on this subject as well as on the transport problems affecting the ECLA/BTAO Advisory Groups. These meetings were held at ECLA Headquarters in January 1961.

202. An important continuing activity of the Programme is the collection, tabulation and indexing, for the purpose of studies and analyses, of data and information on the transport situation and current developments in Latin America. Work has been started on a systematic collection of data but is proceeding somewhat slowly owing to the other urgent commitments of the small staff attached to the Programme. This shortage of staff is in fact the main factor limiting the work which should be undertaken in Latin America on transport problems. The principal requirements were outlined in a special document entitled *Transport problems in Latin America. Possible studies bearing on the common market* (E/CN.12/C.1/14). This document relates to these and other possible studies bearing on the common market and was presented at the second session of the ECLA Trade Committee.

STATISTICS

203. The year 1960 was one of considerable effort not only on the part of the Statistical Section, but also on the part of the newly established Office of the Regional Statistician. The Statistical Section is taking a more active part in the actual execution of studies instead of simply providing the statistical services needed, as will be seen from the paragraphs which follow. It has already begun to participate in special missions of an economic nature and it is anticipated that this work will be expanded, particularly in connexion with the Advisory Groups Programme. In addition, it is publishing more series on a continuing basis and has enlarged the supplements to the *Economic Bulletin for Latin America* as described earlier (see paragraph 67 above).

204. The Office of the Regional Statistician is concerned more with the development of basic statistics within the countries themselves and, with this aim in view, it is planned to organize a series of working meetings in the near future.

Statistical Section

205. ECLA statistical series are divided into two classes: (a) those maintained on a continuing basis, irrespective of the immediate demands of economists; and (b) *ad hoc* tables compiled to meet special needs at particular times.

Tabulation

206. While basic tabulations were originally confined

to a few selected series, such as the cost-of-living and terms-of-trade series, they now cover all principal aspects of trade, agriculture, industry, energy and national income. Fields where series have not yet been compiled on a firm continuing basis are: transport, manpower, wages, prices, retail sales, distribution and, to a certain extent, investment, health, demographic and vital statistics. The more interesting series were normally published in the *Economic Bulletin for Latin America* and will henceforth appear in separate special issues which began in November 1960 (see paragraph 67 above). Nevertheless, additional data are available in unpublished form in the Statistical Section files.

207. Work done by the Santiago office relates in general to the ten countries of South America, the major part of the tabulations for the remaining ten Latin American countries being carried out by the Statistical Section of the Mexico Office. Combined series are presented in the *Bulletin*, the annual *Economic Survey* and other ECLA documents. The responsibility for co-ordination between the two offices rests with the Santiago unit, though for practical reasons some tables published in the Statistical Supplement of the *Bulletin* are prepared in Mexico in final form.

Methodology

208. The methods adopted by the Statistical Section are, in general, identical with those laid down by the United Nations Statistical Commission. It is to be observed that in many fields, e.g. in the compilation of trade indexes, no international standards have ever been established by the Statistical Commission and each international office chooses the system or the methodology which suits its purposes best. In some cases, the standards or systems instituted by the Statistical Commission are for adoption by national statistical offices in the compilation of basic data and are not applicable in the subsequent use of those data as for example, methods of compiling industrial production statistics, wholesale price indexes, etc.

209. As a rule, the methodology used by the various international offices differs in details rather than in principle. A base-weighted formula is, for instance, almost always used for quantum indices; the "system of national accounts and supporting tables" is followed for national income data; balance of accounts data are arranged in accordance with the recommendations of the International Monetary Fund. However, for ECLA—and other offices—the end-use of the material has necessarily determined the precise form of presentation, the choice of weights, the year selected as the time-base, etc.

210. On the other hand, the Statistical Section relies on national statistical offices as its main source and prefers data published in annual yearbooks to those in monthly bulletins, although the latter are preferable to data in unofficial magazines, newspapers or secondary sources of information. ECLA also uses statistical correspondents for most recent data, pending publication of the definitive series in national bulletins, yearbooks, et cetera.

Study of comparative price levels

211. For the past year, the Statistical Section has been collecting basic material for the purpose of measuring comparative price levels and calculating the purchasing power equivalents of currencies in Latin America. The study is designed to provide an indication of parity exchange rates which are required for a number of purposes such as: regional aggregates of national income; the summation of data relating to industrial, agricultural and mining production; comparisons of cost factors such as wages in different countries; computation of average regional index series; etc.

212. As a basis for the work, over 500 types of consumer goods, services and capital goods were selected so as to cover all important aspects of consumer expenditure and investment as well as governmental services. Prices were collected by direct enumeration in Buenos Aires, Montevideo, Asunción, Rio de Janeiro, Sao Paulo, Mexico, Bogotá, Quito, Guayaquil, Lima and Santiago. Similar data were already available for Panama City. Information has also been gathered on expenditure patterns so as to attribute the appropriate relative importance to each item.

213. First results have been calculated and are now incorporated in a document, entitled *Comparative prices and the purchasing power of currencies in selected Latin American countries* (E/CN.12/589), which the Commission had before it at its ninth session. The results relate to ten countries and provide an indication of the relative price levels and the purchasing power equivalents for main groups of expenditure or investment. Preliminary figures are also given for each country as a whole. Work is at the same time proceeding on the collection of data for other countries of Latin America so that all the republics can, it is hoped, be covered during the rest of 1961 or the early part of 1962.

Office of the Regional Statistician

214. Following the addition of a regional statistician to the ECLA staff in April 1960, work was started on a study of the minimum list of statistical series needed by Latin American countries for the formulation of economic development programmes, as called for by the Commission in resolution 154 (VIII).

215. With the co-operation of the United Nations Statistical Office and the Inter-American Statistical Institute (IASI), the first steps were taken towards developing a pattern of selective consultation among States members of ECLA with respect to the provision of facilities for mutual discussion of statistical advances which were under study by more than one country but had only limited interest for all countries of Latin America. These included the development of uniform and comprehensive commodity lists for use in industrial inquiries by countries with complex manufacturing economies. This work will be followed by the adaptation of such standards for other Latin American countries through the established channels for regional consultation on statistical matters.

Seminar on industrial statistics

216. This seminar was organized by the Office of the Regional Statistician in collaboration with the United Nations Statistical Office, BTAO and IASI; as sponsor, the Government of Chile provided other services. The seminar was held at ECLA Headquarters from 10 to 28 October 1960 and was attended by forty-four experts from nineteen Latin American countries, the United States and two associate members of the Commission (British Guiana and the Federation of the West Indies). The agenda included items on the planning and programming of industrial inquiries; the purpose, field of coverage and concepts of the various inquiries in a system of industrial statistics; classification systems and tables for publishing basic industrial statistics; the processing and compilation of industrial inquiries; the designing of questionnaires for industrial inquiries; the sources and collection of industrial statistics; methods of locating and enumerating industrial units; the industrial directory; the compilation of index numbers of industrial production and other indicators.²⁷

217. The purpose of the seminar was to provide an opportunity for the exchange of views on objectives, methods and programmes in the field of industrial statistics, both for periodic censuses and for more frequent current inquiries, and in the preparation of indexes of industrial production. It constituted an important step towards achieving uniformity in Latin American industrial statistics.

Committee on Improvement of National Statistics

218. The Regional Statistician attended the seventh session of the Committee on the improvement of National Statistics, which was sponsored by IASI in co-operation with the United Nations Statistical Office and ECLA and was held in Mexico from 28 November to 10 December 1960 for the purpose of reaching agreement on minimum standards for the economic censuses to be taken in Latin America in 1963.

Seminar on foreign trade statistics

219. Plans are currently being made for this Seminar which is to be sponsored jointly by the United Nations Statistical Office, BTAO, ECLA and IASI. The Seminar is tentatively scheduled for October 1961 and preliminary work has started with discussions of the related needs of the countries members of the Latin American Free-Trade Association.

Study of national income-product accounts

220. The Office of the Regional Statistician and the ECLA Statistical Section are working on a joint study of the national income-product accounts of selected countries; the object of this study is to appraise the adequacy of underlying economic series and to test them in the light of the consistency they show when they are put together in the framework of the national

²⁷ For a summary of the proceedings and conclusions of the seminar see E/CN.12/561.

accounts. This work will have demonstrative value for other countries, particularly through the illustrative examples, and should contribute towards a better understanding of the dependence of the national accounts on fundamental statistical series.

Study of housing needs

221. The expert on social statistics who was attached to the Office of the Regional Statistician in November 1960 has completed a preliminary report on estimates of housing needs for the Latin American countries during 1950-60, with projections for 1975. Although these estimates are based on rough and sometimes incomplete statistics and on working hypotheses, the results indicate that during 1950-60 the minimum number of dwellings needed to keep pace with population growth and for replacement purposes was in the neighbourhood of 960,000 new units per year. The annual number required by 1975 would be between 1.8 million and 2.6 million depending on the estimates involved. On the basis of information from various countries, it is apparent that the volume of house construction is much below the minimum needs estimated, and that this activity would have to increase in some countries by as much as 90 per cent in order to keep pace with population growth and replacement needs alone. No provision is included for absorbing the existing housing deficit, estimated by the OAS to be about 19 million units for 1951. According to all the experts, this deficit must have increased considerably by 1960.

222. One of the immediate aims of the study is to provide estimates of timber requirements for housing, as a contribution to the joint ECLA/FAO study on timber trends (see paragraph 142 above).

TECHNICAL ASSISTANCE

223. References to the joint projects undertaken with BTAO have been made throughout this report. The Commission was, furthermore, given full details of the technical assistance furnished to the Latin American countries in 1960 (see E/CN.12/553). Therefore no details need be added here concerning these activities or the joint projects. It is, however, important to note that these joint projects and, in particular, the Central American Economic Integration Programme, the Advisory Groups and ECLA/BTAO Economic Development Training Programme have continued to absorb a considerable proportion of the secretariat's resources. The two other regional programmes — the ECLA/BTAO/WMO Water Resources Survey Group and the ECLA/FAO/BTAO Pulp and Paper Advisory Group—were also carried out on a joint basis, although the resources assigned to them by the secretariat were far smaller than those allocated to the first three projects mentioned.

224. In some cases, notably Bolivia and Colombia, the ECLA staff assigned to the Advisory Groups assisted the Resident Representatives of the Technical Assistance Board in the preparation of the technical assistance programme for these countries. This also occurred in Chile and Mexico.

225. Collaboration with the Commissioner for Tech-

nical Assistance and BTAO continued to be exceedingly close and fruitful. Several problems relating to the administrative aspects of joint projects were solved through greater decentralization; provided there is decentralization of staff as well as of responsibility, the secretariat will be in a position to increase the efficiency of regional technical assistance projects.

226. The secretariat was invited to comment on a number of reports by technical assistance experts and, to the extent that the reports were within its province and staff was available, comments were prepared on them.

SPECIAL FUND

227. During 1960, the secretariat was asked to comment on an increasing number of Special Fund projects relating to Latin American countries. This was done wherever possible. In certain cases Governments requested assistance from the secretariat in preparing applications for such projects.

228. In Bolivia, the ECLA/BTAO Advisory Group assisted in preparing two projects; one related to aerophotogrammetric reconnaissance and the other to mineral surveys.

C. Relations with specialized agencies and other organizations

229. Close relations were maintained with the United Nations specialized agencies and other organizations wherever the nature of the work was such that liaison appeared to serve a useful purpose. The various projects carried out in collaboration with these specialized agencies and organizations have been described elsewhere and are therefore mentioned only briefly below.

SPECIALIZED AGENCIES

230. The specialized agencies associated with the Central American Economic Integration Programme continued to provide active support. Experts from the ILO, FAO, UNESCO, ICAO and PASB/WHO dealt with different aspects of the programme during the period under review. The ILO and FAO sent representatives to the seventh session of the Central American Economic Co-operation Committee held at Managua from 10 to 13 December 1960.

231. The ILO, UNESCO, the Inter-Governmental Committee for European Migration (ICEM) and the OAS all participated in the third Inter-Agency Working Party on Problems of Skilled Manpower in Latin America, convened by the secretariat in May 1960.

232. Following that meeting, the Director-General of the ILO informed the secretariat that he would provide staff on a permanent basis for the purpose of collaborating in the Advisory Groups Programme. UNESCO also indicated its interest in collaborating with the Groups, and facilities for that purpose were in some instances arranged on an *ad hoc* basis.

233. FAO is participating actively in the work of the Advisory Groups and, in Bolivia, channelled a large proportion of its technical assistance programme towards

meeting the needs of the Group, providing five experts for that purpose. It also shared in the work of the Advisory Groups in Chile and Colombia.

234. ECLA is reviewing the possibilities of strengthening its contribution to the staff of the Joint ECLA/FAO Agriculture Division with a view to setting up a section within the ECLA Mexico Office. As already stated, the Division prepared two papers for the regional FAO/OAS conference held in Mexico in August 1960.

235. The joint study on trends in timber production and consumption ushered in a new ECLA/FAO project. The activities of the ECLA/FAO/BTAO Pulp and Paper Advisory Group were continued, and an integrated study of pulp and paper supply, demand and trade throughout the Latin American region was completed.

236. UNESCO worked with the secretariat on several joint projects. The projects included: the UNESCO/ECLA/OAS mission on the teaching of economics in Latin America, undertaken in the second half of 1960; the meeting of the Expert Working Group on Social Aspects of Economic Development, sponsored jointly by ECLA, UNESCO, the Bureau of Social Affairs and BTAO; and preparatory work for the conference on education and economic and social development, tentatively scheduled for December 1961 under the joint sponsorship of UNESCO, ECLA, the Bureau of Social Affairs and, possibly, the OAS.

237. The International Bank for Reconstruction and Development requested the assistance of the Chief of ECLA's Transport Section on a short-term basis in connexion with the Special Fund project relating to transport in Argentina for which the Bank is the executing agency. The Bank is also preparing papers for the forthcoming Latin American Electric Power Seminar, organized under the joint auspices of ECLA and BTAO with the Government of Mexico acting as host.

238. The secretariat provided a lecturer on two occasions for courses organized by the Pan American Sanitary Bureau (PASB) and the World Health Organization (WHO) relating to the administration and financing of urban water supplies (Mexico, November 1960, and Brazil, April 1961).

239. The World Meteorological Organization (WMO) has continued to collaborate with the Water Resources Survey Group by supplying the services of an expert in hydrometeorology and hydrology.

INTERNATIONAL ATOMIC ENERGY AGENCY

240. The Director-General of the IAEA visited ECLA Headquarters in November 1960 to discuss matters of mutual interest. The Agency is co-operating in the preparation of papers for the Latin American Electric Power Seminar.

ORGANIZATION OF AMERICAN STATES

241. The OAS collaborated in the execution of two joint projects during the period under review: the ECLA/OAS study on foreign private investments in the Latin American Free-Trade Area and the

UNESCO/ECLA/OAS mission on the teaching of economics in Latin America. In addition, the OAS prepared papers and sent an expert to the meeting of the Expert Working Group on Social Aspects of Economic Development, held in Mexico in December 1960.

242. The secretariat, through the Joint ECLA/FAO Agriculture Division, prepared two papers for the Fifth Regional Conference on Agriculture of the OAS, held in August 1960 in Mexico in conjunction with the Sixth Latin American Regional Conference of FAO.

243. The Executive Secretary of ECLA represented the Secretary-General of the United Nations at the plenary meeting of the OAS Special Committee to Study the Formulation of New Measures for Economic Co-operation ("Committee of the 21"), held at Bogotá in September 1960.

244. During November 1960 and March 1961 meetings were held between the Executive Secretary of ECLA, the Secretary General of the OAS and the President of the Inter-American Development Bank to discuss ways and means of ensuring concerted action by the three organizations in certain fields. A report on the discussions was submitted to the ninth session of the Commission (E/CN.12/575).

245. The Inter-American Statistical Institute continued to lend valuable assistance to the Statistical Co-ordination Sub-Committee of the Central American Economic Co-operation Committee. The Institute also joined with ECLA, the United Nations Statistical Office and BTAO in sponsoring the Seminar on Industrial Statistics, held at ECLA Headquarters in October 1960 and is co-operating actively in the preparation of a Seminar on Foreign Trade statistics, to be held under the same joint auspices in October 1961.

246. The secretariat was represented at the seventh session of the Committee on Improvement of National Statistics, sponsored by the IASI, which met for the purpose of agreeing on minimum standards for the economic censuses of 1963.

INTER-GOVERNMENTAL ORGANIZATIONS

247. During the year, the secretariat held several consultations with the Inter-American Development Bank (IDB) and was represented at the first session of the Board of Governors of the Bank, which took place at Rio de Janeiro in April 1961.

248. At the meeting between the Executive Secretary of ECLA, the Secretary General of OAS and the President of IDB the discussion turned on methods of securing concerted action by the Bank and the secretariat in various fields (see paragraph 244 and document E/CN.12/575).

249. The secretariat is also working with IDB and OAS, in co-operation with Harvard University, on a long-term programme to strengthen Latin American tax systems (see paragraphs 111-115 above).

250. It is believed that the close working relations established with the IDB will lead to profitable results in fields of common interest.

251. In 1960 the Customs Co-operation Council lent an expert to the secretariat for three months to assist in preparing the documentation for the meeting of the Working Group on Customs Questions and to advise on certain problems relating to the Brussels Tariff Nomenclature.

252. The ICEM participated in the third session of the Inter-Agency Working Party on Skilled Manpower in Latin America, held at ECLA Headquarters in May 1960.

253. The Organization of Central American States (OCAS) continued to collaborate with the ECLA secretariat in the work relating to the Central American Economic Integration Programme.

254. The secretariat continued to work closely with the Provisional Committee of the Latin American Free-Trade Association (LAFTA).

255. The secretariat was represented at the last

session of GATT and has continued to maintain close contact with that organization.

NON-GOVERNMENTAL AND OTHER ORGANIZATIONS

256. The secretariat has maintained its customary relations with the non-governmental organizations recognized as having consultative status with the United Nations. Particular mention should be made of the working relationship maintained with the Inter-American Council of Commerce and Production (IACCP).

257. Several non-governmental organizations were represented at the ninth session of the Commission.

258. In connexion with monetary questions and credit and payments problems, the secretariat received the valuable co-operation of the Latin American Centre for Monetary Studies (CEMLA), with which it held frequent consultations. CEMLA will also collaborate in the inflation studies being carried out by the secretariat. Members of the ECLA secretariat and of CEMLA have attended the meetings of each organization.

PART II

NINTH SESSION OF THE COMMISSION

A. Attendance and organization of the work

CHANGE OF SITE

259. In accordance with resolution 169 (VIII) approved at the Commission's eighth session, the ninth session was to have been held at Caracas (Venezuela) and was to convene there on 2 May 1961. On 24 April the Venezuelan Minister for Foreign Affairs sent the following telegram to the Executive Secretary:

"In view of difficult inter-American political situation resulting from recent events in Caribbean, Venezuela regrets inform you considers moment unsuitable to hold ECLA ninth session at Caracas. Despite the efforts made and work already done, we are compelled to forgo the honour conferred upon Venezuela for the reasons set out above."

260. In view of the situation referred to in the telegram, the secretariat at once entered into negotiations with the Government of Chile to arrange for the ninth session to be held at Santiago, where ECLA has its headquarters. In a matter of hours, the Chilean Government, once again demonstrating its constant desire to support the Commission, agreed to the proposed change and, as a result, the ninth session was held at Santiago from 4 to 15 May 1961.

OPENING AND CLOSING MEETINGS

261. At the opening meeting, held at the Hotel Carrera, addresses were delivered by His Excellency Jorge Alessandri Rodríguez, President of the Republic

of Chile,²⁸ and Mr. Philippe de Seynes, United Nations Under-Secretary for Economic and Social Affairs.²⁹ A speech was also made by Mr. Julio Philippi, Minister of Economic Affairs of Chile, upon his election as Chairman of the ninth session. Mr. Enrique Tejera París, head of the delegation of Venezuela, spoke on behalf of the delegations present.

262. At the first plenary meeting, on 5 May, statements were made by Mr. Raúl Prebisch, Executive Secretary of ECLA,³⁰ and Mr. Roberto Heurtematte, Commissioner for Technical Assistance, the latter reading the text of a statement by Mr. Paul G. Hoffman, Managing Director of the Special Fund.

263. The closing meeting was held on 15 May 1961 and speeches were made by: Mr. Virgilio Fernández, of the delegation of Venezuela; Mr. I. T. M. Pink, head of the delegation of the United Kingdom; Mr. Germán Monroy Block, head of the delegation of Bolivia; Mr. Julio Philippi, head of the delegation of Chile and Chairman of the Commission at its ninth session; and Mr. Raúl Prebisch, Executive Secretary of the Commission. The Commission decided unanimously to express a vote of thanks to the Government of Chile for the hospitality it had extended to the delegations attending the ninth session.

264. The Commission unanimously adopted its annual report to the Economic and Social Council, which included the programme of work and priorities.

²⁸ For the text of this speech see document E/CN.12/614.

²⁹ For the text of this speech see document E/CN.12/616.

³⁰ For the text of this speech see document E/CN.12/617.

MEMBERSHIP AND ATTENDANCE

265. The session was attended by delegations from the following States members of the Commission: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, France, Guatemala, Haiti, Honduras, the Netherlands, Mexico, Nicaragua, Panama, Paraguay, Peru, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela. A list of representatives is given in annex I.

266. By virtue of its status as an associate member of the Commission, British Guiana sent a delegation to the ninth session. British Honduras took part in the deliberations after being admitted as an associate member at the fourth plenary meeting, on 6 May 1961.

267. In accordance with paragraph 6 of the Commission's terms of reference, representatives from the following States Members of the United Nations but not members of the Commission attended the ninth session in a consultative capacity: Austria, Belgium, Canada, Czechoslovakia, Hungary, India, Israel, Italy, Japan, Jordan, Poland, Romania, Spain, Sweden, Union of Soviet Socialist Republics United Arab Republic and Yugoslavia (see annex I). The Federal Republic of Germany sent an observer under the terms of Economic and Social Council resolution 632 (XXII).

CREDENTIALS

268. The Chairman and Vice-Chairmen, pursuant to rule 15 of the Commission's rules of procedure, informed the Commission at its plenary meeting on 13 May that it had examined the credentials of the delegations to the ninth session, as submitted to the Executive Secretary, and had found them in order.

ORGANIZATION OF WORK

Election of officers

269. At the inaugural meeting, on 4 May 1961, the following officers were elected:

Chairman: Mr. Julio Philippi (Chile)

First Vice-Chairman: Mr. Plácido García Reynoso (Mexico)

Second Vice-Chairman: Mr. Joao Batista Pinheiro (Brazil)

Rapporteur: Mr. Manuel Seoane (Peru)

Committees

270. At the conclusion of the plenary meetings on 6 May the Commission decided to establish three committees. The agenda items and working papers (see paragraph 275 below) assigned to each committee, as well as the officers elected by the Commission for each committee, were as follows:

COMMITTEE I (Economic and social development)

Chairman: Mr. Enrique Tejera París (Venezuela)

Vice-Chairman: Mr. Miguel Alvaro Ozorio de Almeida (Brazil)

Rapporteur: Mr. Germánico Salgado (Ecuador)

Agenda items discussed: 6, 8, 9, 10 and 11

COMMITTEE II (Agriculture)

Chairman: Mr. Francisco Aquino (El Salvador)

Vice-Chairman: Mr. Carlos S. Vailati (Argentina)

Rapporteur: Mr. Germán Monroy Block (Bolivia)

Agenda item discussed: 12

COMMITTEE III (General questions)

Chairman: Mr. C. D. Kroon (Kingdom of the Netherlands)

Rapporteur: Mr. Gustavo A. Guerrero (Nicaragua)

Agenda items discussed: 4 (a), 13, 14 and 15

271. The ECLA Trade Committee held its third session simultaneously with the ninth session of the Commission.³¹ The resolutions approved by the Trade Committee are set forth in annex II of this report.

272. At its fourth plenary meeting, on 6 May 1961, in connexion with the discussion of agenda item 5 (Application by British Honduras for admission to the Commission as associate member), the Commission appointed an *ad hoc* working group to study a draft resolution on the subject. The group was made up of the representatives of Brazil, Chile, El Salvador and Venezuela.

273. On 9 May 1961, Committee II (Agriculture) held a meeting jointly with the ECLA Trade Committee, which was holding its third session, in order to consider agricultural problems in relation to the Latin American common market project.

274. On 11 May 1961 Committees I (Economic and Social Development) and III (General Questions) also held a joint meeting to consider technical assistance problems and administrative decentralization.

B. Agenda

275. At the end of the opening meeting, on 4 May 1961, 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
 - (a) Proposal by the Government of the United States of America concerning a new rule in the rules of procedure of the Commission
 - (b) Suggestions by the secretariat designed to ensure uniformity in the English, French and Spanish texts of the rules of procedure of the Commission

Documents:

Inclusion of a new rule in the rules of procedure of the Commission (Note from the Government of the United States of America) with a Note by the secretariat (E/CN.12/577)

Corrections to the rules of procedure suggested by the secretariat for the purpose of ensuring uniformity in the English, French and Spanish texts (E/CN.12/576)

5. Application by British Honduras for admission to the Commission as associate member

Document:

Application from British Honduras for admission to associate membership of the Commission. Item proposed by the United Kingdom, with a covering Note by the secretariat (E/CN.12/581)

³¹ See report of the Trade Committee (E/CN.12/C.1/19).

6. Current economic trends and prospects
- Documents:*
Economic Survey of Latin America, 1960 (E/CN.12/565 and Add.1)
Economic Bulletin for Latin America, vol. VI, No. 1
 "Economic development or monetary stability: the false dilemma", by Raúl Prebisch (offprint from the *Economic Bulletin for Latin America*, vol. VI, No. 1)
 Inflation and growth: A summary of experience in Latin America (E/CN.12/563)
 Comparative prices and the purchasing power of currencies in selected Latin American countries (E/CN.12/589)
Economic Bulletin for Latin America, Statistical Supplement, Special Issue, November 1960
7. Latin American economic integration: discussion and adoption of the report of the third session of the Trade Committee
- Document:*
 Report of the third session of the Trade Committee (E/CN.12/C.1/19)
8. Economic and social development
- (a) Economic policy and the growth rate
 (b) Social aspects of development
 (c) Development of information media (item proposed by UNESCO)
- Documents:*
 Economic development, planning and international co-operation (E/CN.12/582)
 Population trends in Latin America in relation to economic and social policy (E/CN.12/583)
 Preliminary study of the demographic situation in Latin America (E/CN.12/604)
 The experience of the Advisory Groups and the practical problems of programming economic development (E/CN.12/584)
 El desarrollo económico de Honduras: Resumen y Conclusiones (E/CN.12/585)
 "Social aspects of economic development in Latin America": report of the Expert Working Group, Mexico City, December 1960 (offprint from the *Economic Bulletin for Latin America*, vol. VI, No. 1)
 "Relationships between social and economic institutions: a theoretical model applicable to Latin America", by José Medina Echavarría (offprint from the *Economic Bulletin for Latin America*, vol. VI, No. 1)
 "Resumen del informe de la reunión de expertos sobre el desarrollo de los medios de información organizada por la UNESCO en Santiago de Chile" (document sent by UNESCO)
- Reference document:*
 "Economic developments in Venezuela in the 1950's" (article reproduced from the *Economic Bulletin for Latin America*, vol. V, No. 1)
9. Economic development and integration of Central America
- Documents:*
 Report of the Central American Economic Co-operation Committee (3 September 1959 to 13 December 1960) (E/CN.12/552; E/CN.12/CCE/224), (United Nations publication, Sales No.: 60.II.G.7)
 Central American economic integration and development (E/CN.12/586)
 Los recursos humanos de Centroamérica, Panamá y México 1950-1980 (E/CN.12/548; TAO/LAT/22), (United Nations publication, Sales No.: 60.XIII.D)
10. Activities relating to technical assistance and the preparation of investments in Latin America:
- (a) Technical assistance activities
 (b) Assistance from the Special Fund in the preparation of possible investments
- Documents:*
 Information paper on technical assistance provided in 1960 to countries and territories of the ECLA region under the Expanded and Regular Programmes, prepared by the secretariat of the Technical Assistance Board (E/CN.12/553)
 Report on the Joint ECLA/BTAO Economic Development Training Programme (E/CN.12/588)
 The teaching of economics in Latin America: report of the Joint UNESCO/ECLA/OAS Mission, with a Note by the secretariat (E/CN.12/546/Rev.1)
11. Development of industry, energy and water resources
- Documents:*
Economic Survey of Latin America, 1960 (E/CN.12/565/Add.1); chapters on industry
 Some characteristics of Latin American development in the period 1950-60 (E/CN.12/602)
 Pulp and paper in Latin America: present situation and future trends of demand, production and trade (E/CN.12/570; FAO/ETAP/346; IAO/LAT/30)
 Inventario de la industria latinoamericana: informe preliminar sobre las industrias metalúrgicas, mecánicas y electromecánicas (E/CN.12/590)
 The Latin American market for chemical products (E/CN.12/591)
 Railway equipment requirements and import régimes in selected Latin American countries (E/CN.12/547)
 Seminar on industrial statistics: summary of proceedings and conclusions, with a Note by the secretariat (E/CN.12/561)
 The electric power industry in Latin America: present status and recent developments (E/CN.12/560)
 The expansion of the electricity sector in Latin America, with a Note by the secretariat (E/CN.12/603)
 Water resources in Venezuela (abridged version) (E/CN.12/562)
- Reference documents:*
 Los recursos hidráulicos y su aprovechamiento en América Latina.
 I. Chile (E/CN.12/501/Add1) (United Nations publication, Sales No.: 60.II.G.4)
 Los recursos hidráulicos y su aprovechamiento en América Latina.
 II. Venezuela (E/CN.12/593)
12. Economic problems of agriculture (in co-operation with FAO)
- (a) Present situation and prospects
 (b) Agricultural development problems and policy
 (c) The livestock industry
- Documents:*
Economic Survey of Latin America, 1960 (E/CN.12/565/Add.1), chapter on agriculture
 An agricultural policy to expedite the economic development of Latin America (E/CN.12/592)
 The role of agriculture in Latin American common market and free-trade area arrangements (E/CN.12/551)

The coffee industry in the producer areas of Latin America (E/CN.12/595)

"The coffee industry in Sao Paulo" (offprint from the *Economic Bulletin for Latin America*, vol. V, No. 2) with a Note by the secretariat (E/CN.12/578)

Future trends in the coffee activities of the Joint ECLA/FAO Agriculture Division (E/CN.12/596)

Stock farming in Mexico: its status and prospects (E/CN.12/557)

Stock farming in Venezuela: its status and prospects (E/CN.12/558)

Stock farming in Brazil: its status and prospects. Preliminary report (E/CN.12/559)

Stock farming in Uruguay: its status and prospects (E/CN.12/594)

Reference documents:

Coffee in Latin America. II. Brazil, State of Sao Paulo (United Nations publication, Sales No.: 60.II.G.6: Parts I and II)

13. Co-ordination with the Organization of American States
Documents:

Record of proceedings of the first working session of the *Ad Hoc* Co-operation Committee of the Organization of American States (OAS), the Inter-American Development Bank (IDB) and the Economic Commission for Latin America (ECLA), with a Note by the secretariat (E/CN.12/601)

Joint report on co-ordination and co-operation between the secretariat of the Economic Commission for Latin America and the General Secretariat of the Organization of American States (E/CN.12/575)

14. United Nations building in Santiago, Chile

Document:

Report by the secretariat on the United Nations building in Santiago, Chile (E/CN.12/574)

15. Programme of work and priorities:

(a) Programme of work and priorities 1961-62

(b) Resolutions of the General Assembly and of the Economic and Social Council of concern to the Commission

(c) Decentralization of the United Nations economic and social activities and strengthening of the regional economic commissions

(d) Control and limitation of documentation

Documents:

Draft programme of work and priorities 1961-62 (E/CN.12/598 and Add.1)

A forecast of the programme of work for the period 1960-64, with a Note by the secretariat (E/CN.12/579)

Note by the secretariat on resolutions of the General Assembly and of the Economic and Social Council of concern to the Commission (E/CN.12/566)²²

Decentralization of the United Nations economic and social activities and strengthening of the regional economic commissions; Note by the Secretary-General (E/CN.12/564) and Note by the Executive Secretary of ECLA (E/CN.12/599)

Statement by Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs, during the discussion of the draft resolution concerning decentralization of the United Nations economic and social activities and

strengthening of the regional economic commissions (E/CN.12/572)

Control and limitation of documentation. Note by the secretariat (E/CN.12/600)

16. Consideration and adoption of the Commission's annual report to the Economic and Social Council
17. Date and place of the tenth session.

C. Account of proceedings

INTRODUCTION

276. The slackening of the tempo of activity and, in some instances, the stagnation in the process of growth, already noted at the preceding session of the Commission, had continued to characterize the behaviour of the Latin American economies during the past two years. In contrast, the economic needs of the countries concerned had increased without interruption and the social pressures necessitating the attainment of higher levels of development had been intensified. The anxiety of the Latin American countries to remedy that situation and achieve economic development at a more rapid rate was apparent in all the discussions of the Commission.

277. Despite the inadequate rate of growth and the consequent aggravation of the region's problems, existing conditions would in some instances favour efforts to solve them. In the first place, there was increasing awareness of the nature of the difficulties and of the action required in order to combat them successfully. Secondly, the Latin American Governments had for years been intensifying action to promote economic development. Moreover, the achievements of 1959 and 1960 with regard to regional integration had opened up new possibilities for the expansion of the Latin American economies. At the level of international action, the co-operation agreements recently concluded between ECLA, the OAS and the IDB held out prospects of expanded and more effective services in the field of technical advice to Governments, by virtue of the advantages deriving from the co-ordination and combination of available resources.

278. A noteworthy feature of the work of the Commission was a more marked emphasis than formerly on the need for specific programmes and practical measures which would enable Latin America to speed up its economic development. But the most important aspect of this change of emphasis was the repeatedly expressed recognition of the Latin American countries' own possibilities for grappling with and solving their economic and social development problems, by making fundamental changes in the structure of their economies. Special consideration was therefore given, during the Commission's discussions, to the urgent need not only to combat the structural causes of inflation, but also to reform the tax systems thoroughly and to stimulate the process of land reform.

279. The problem of inflation and its disastrous effects on a number of the Latin American economies underlay many of their difficulties. Development combined with stability should be a corner-stone of eco-

²² See information document No. 1.

conomic policy; but in the light of the experience acquired during recent decades, it was equally safe to assert that a stabilization policy did not suffice to raise the level of living. An anti-inflationary policy could not be focused solely on curbing price increases and stabilizing the balance of payments, by the use of methods and procedures which by their very nature could not strike at the real and most deeply-rooted causes of instability. A thoroughgoing onslaught on those causes was necessary and this would inevitably give rise to radical structural changes.

280. At previous sessions, the interest of the member States in planning and in the possibilities it afforded for attaining high rates of economic development had already been brought out. By the ninth session that interest had become a conviction, reflected in an approach to planning which went even further than pure theory and was advancing boldly into the domain of economic policy. There were few countries in which real development plans had been formulated and put into operation and in which the administrative instruments and agencies required for their implementation had been established; but in almost all of them it was recognized that the solution of problems like those of external vulnerability, economic stability and the expansion of regional trade was closely linked to what was or was not yet achieved in the field of development planning.

281. The Commission recognized the shortage of technical resources and properly trained planning personnel in the various countries and the need to develop them within the shortest space of time possible.

282. To this end the Commission unanimously recommended the establishment of an autonomous economic development planning institute, operating under the guidance and auspices of ECLA and with the help of the Special Fund, which would assume responsibility for the work of advising Governments, training specialists and conducting basic research. This was undoubtedly one of the most important of the decisions taken. With sufficient resources and proper guidance, the possibilities of programming and planning co-ordinated at the general regional level would be substantially increased and there would be a marked improvement in the administrative efficiency with which such plans were put into effect.

283. The economic and social aspects constituted an inseparable whole, interrelated at many points in such a way as in practice to influence the effectiveness of development policy at both the national and the regional level. Programmes of economic and social policy were therefore inseparable and should constitute an integral part of development planning. Thus, for example, with respect to land reform, the expansion of economic activity—which was severely restricted by the slow rate of growth of agriculture—was generally contingent upon a radical reform of the land tenure systems.

284. The increasing vigour of the multilateral movement towards economic integration in combination with the signature and implementation of specific agreements between certain countries during the last two years,

has altered the nature of Latin American economic problems and the traditional approach to them. By virtue of these agreements, countries whose development had been mainly directed outwards had created for themselves other opportunities, making for growth within their own geographical area. This change of direction and the new conditions regarding competition, markets and investment that it entailed, had made it necessary to adapt the objectives of national development planning so as to bring them into line with the aims of regional integration. In the field of industrial development, the new conditions increased the possibilities of expansion through diversification and specialization with respect to the various branches of activity. Even in agriculture, where more complex problems arose, regional integration offered the chance of rescuing this sector from its age-old stagnation.

285. The Commission analysed the principal developments in the field of regional economic integration since its previous session. During the intervening period the Latin American Free-Trade Association had been constituted under the terms of the Montevideo Treaty; in all essential respects this observed the guiding principles previously laid down by the Commission and represented a point of departure towards the common market, the broadening of its geographical sphere of operations and, in time, its final crystallization.

286. The Central American Governments had continued to pursue their economic integration programmes; in December 1960 they formalized the legal instruments for the establishment of the Central American common market, the creation of a bank for economic integration which would begin operating in 1961, and the adoption of a series of measures designed to promote economic development and industrial specialization.

287. The Commission studied the problems of the relationship between the integration programmes already in operation in the American continent and stressed that it was desirable that the countries concerned should, in the near future, begin to study the links which might be established between them.

288. Now that legal instruments of regional economic integration had been established in Latin America, a somewhat different need arose. This was the need to promote Latin America's trade relations with other countries or groups of countries. Some of the more highly industrialized Latin American republics had succeeded in reducing their import coefficient to a minimum by means of an intensive import substitution process. In such circumstances, the conclusion of regional integration agreements in Latin America offered wide development possibilities. On the other hand, imports from outside the region would certainly continue to increase, at least as far as some kinds of capital goods and specialized lines of production were concerned.

289. Ways and means must therefore be sought of expanding exports to countries outside the region. What the nature and scope of that process was likely to be could not yet be determined. Clearly, however, it would have to be in keeping with the requirements of Latin

America's economic development. Furthermore, it was evident that the expansion of exports would have to be based on a change in their composition so that there would be an increase in the proportion of manufactured goods.

290. Recognizing the importance of the foregoing problems, the Commission endorsed the interest expressed by some member States in analysing the possibilities of expanding their trade both with the more highly industrialized centres and with countries in the early stages of development in other parts of the world.

1. ECONOMIC AND SOCIAL DEVELOPMENT

(a) *Latin American institute for planning economic development*

291. It was clear from the Commission's study of Latin America's economic and social development problems that one of the most important was the want of technical resources and planning specialists in the various countries. The delegations noted with satisfaction the services rendered in this field by ECLA, in collaboration with BTAO, through the advisory group programme; emphasis was however laid on the existing disparity between requirements and available resources.

292. These considerations led the Commission to recommend, in addition to the expansion of training and advisory activities in the field of planning, the establishment of an autonomous institute for planning economic development, under the auspices and guidance of ECLA. It was recommended to the Executive Secretary that, in consultation with the Managing Director of the Special Fund, he should take steps to organize the establishment of the institute on such lines that it would be empowered to receive and administer funds from sources other than the Latin American Governments and the Special Fund.

293. The purpose of the Latin American Institute for planning economic development would be to build up a permanent team of planning experts and that, through them, activities relating to advice to Governments, training and improvement of techniques in the field in question would be organized and carried out on substantially broader bases. The Commission expressed its hope that the Special Fund would give prompt and favourable consideration to such applications for financial support as might be submitted to it by the Latin American Governments in connexion with the foregoing project and that in time the institute would become an agency maintained and directed by the Governments themselves (see resolution 199 (IX)).

(b) *Economic development planning*

294. The Commission's discussions on economic and social development were characterized by the emphasis placed on the need for planning as an efficient instrument for expediting the development of Latin America. Only by that means could the obstacles to growth be overcome within a reasonable lapse of time. Higher rates of growth could be achieved, if such activities were designed and promoted through governmental

action aimed at combining public and private efforts in rational plans, formulated in terms of specific and compatible objectives and a carefully prepared order of priorities.

295. Consideration was given to the role which planning ought to play in each individual country. If it were to be successful, it would have to be visualized and carried out as a process in which not only specialists took part, but also the various economic groups in the community, and especially the labour sector. It was agreed that the objectives of planning could be attained only if it were fully and resolutely supported by public opinion and if it really served to shape a common effort directed towards higher levels of economic development. Accordingly, the Commission recommended to the secretariat that it should consider how to prepare, in collaboration with the ILO and with the pertinent national agencies, labour training courses on the problems of economic and social development, and that the wage-earning sectors should be represented at its seminars and technical meetings.

296. It was stressed that economic planning should be expressed in terms of specific objectives but that it ought also to bear a close relation to the basic problems of individual countries and comprise the policy measures needed to solve them, together with a careful evaluation of the feasibility of the targets in question. Given this eminently practical conception, it was clear that higher income levels, monetary stability and a reduction of external vulnerability could be achieved only through the implementation of development plans. The success of such plans was dependent upon basic reforms in the structure and institutional framework of the economy. Of outstanding importance among such reforms were those relating to land tenure and taxation. The basic causes of the long-term stagnation in Latin American agriculture—as pointed out elsewhere in the present report—were to be found in the serious shortcomings of the land tenure systems and of agricultural labour conditions. Broadly speaking, existing tax systems acted as a powerful brake on internal capital formation and perpetuated an unsatisfactory structure of income distribution as between the various strata of the population. Clearly, then, radical reforms were required in both the agrarian structure and the tax system and, with few exceptions, the Governments needed to take active and energetic steps to introduce them if development targets were to be attained. On the other hand, it also became evident that such reforms should not be considered in isolation, but in relation to more general objectives and as part of a broader programme of measures of economic policy.

297. The Commission gave particularly detailed consideration to the various ways of developing and strengthening planning mechanisms in accordance with the conditions prevailing in the member countries. Attention was drawn to the fact that one of the problems arising in connexion with planning was the achievement of a reasonable degree of compatibility between the objectives established for the economy as a whole and those formulated for its various sectors. It was recommended that, in view of the importance of

such problems and the usefulness of exchange and comparative study of the relevant experience of individual countries, the secretariat should organize regional technical meetings for that purpose and should continue the studies it had already begun on planning methods and experience. The experience acquired in other parts of the world might also prove valuable.

298. In connexion with the foregoing points, the Commission adopted the following resolutions: "Planning methods and experience" (184 (IX)); "Regional seminars and technical meetings on planning" (185 (IX)); "Decentralization of administrative machinery" (199 (IX)); and "Training of labour in economic and social development problems" (191 (IX)).

(c) *Economic planning and regional integration*

299. When the problems of economic planning were taken up, a number of countries—particularly some of those belonging to the Latin American Free-Trade Association—stated that the regional integration agreements, which had been signed and were in force, brought into existence a new series of conditions as regards marketing, competition and opportunities for expanding productive activities. The existence of those conditions would undoubtedly entail the need for the formulation and implementation of national economic development plans and policies in a manner compatible with the purposes of the agreements which some of the countries had concluded between themselves. In addition, the full achievement of the aims of regional integration called for a certain degree of regional co-ordination of national development plans in order to bring about the orderly readjustment, specialization and expansion of economic activity.

300. One of the main characteristics of the economic integration programme which the Central American countries were putting into effect was the tendency, inherent in it since the very outset, to establish a joint programme of integrated economic development. For that reason, the activities of the Central American Governments in that connexion included not only the establishment of the common market but also the adoption of joint and co-ordinated policies in many other aspects of their economies as, for example, the promotion and specialization of industry and the financing and building-up of a regional network of infrastructural projects.

301. The Commission decided to recommend to the secretariat that, at the request of the Governments parties to the Montevideo Treaty and the Central American integration agreements, it should deal with the problems of compatibility which might arise between the targets of their national developments programmes and policies and the aims of their integration agreements. It was further agreed that the secretariat should be asked to co-operate with the above-mentioned Governments in co-ordinating such development programmes in accordance with the purposes of those agreements.

302. In connexion with this item, the Commission adopted resolution 208 (IX) on regional integration.

(d) *Social aspects of development*

303. In analysing development problems, it was impossible to separate the social from the economic aspect since they were linked in numerous and important ways. Indeed, social aspects were important not only from the standpoint of the distribution of wealth and income, but also from that of the problems, possibilities and limitations of production, efficiency and the technical level of productive activity. It was precisely those inter-relationships that prompted the Commission to lay particular stress on the social aspects of development.

304. Nevertheless, on the present occasion it was not possible to determine exactly what specific course of action should be followed by the Latin American countries to solve the social problems besetting them or how such action should be incorporated into the economic development programmes being carried out. That was a reflection of the situation as it emerged from an objective knowledge of the current social conditions in Latin America and the inter-relationships between those conditions and the economic system. The Commission therefore concentrated on identifying some of the more far-reaching social problems in order to provide guidance for an extensive study and research campaign designed to facilitate the formulation and adoption of specific remedial measures.

305. The principal lines of guidance thus laid down were of a general nature and referred to studies that the secretariat had to carry out jointly with other international organizations and the purpose of which was to clarify the inter-relationships between the economic and social aspects of development. Furthermore, the Commission recommended to the secretariat that technical meetings should be held, also in co-operation with those organizations, with a view to promoting the exchange of national experience and to examining and evaluating the results of such studies.

306. In more specific fields, the Commission recommended that studies on population problems and the evaluation of human resources in the economy should be intensified. The demographic studies should concentrate on the distribution of the population between rural and urban areas and on internal migration. The studies on human resources should include the structure of the labour force, the need for trained staff in relation to each economic sector and productivity and rates of pay by branch of activity. Similarly, particular importance was attached to a thorough study of educational problems and of their inter-relationship with economic and social development.

307. The Commission recommended that experts connected with the labour movement should participate in any seminars and meetings held to study the social aspects of growth. In making this recommendation the Commission took into account the fact that experts from organized labour could make a valuable contribution both to the studies and to any national programmes resulting from those studies.

308. In relation to this item of the agenda, the Commission adopted the following resolutions: "Population problems" (187 (IX)); "Social aspects of de-

velopment" (188 (IX)); "Social problems in Latin America" 189 (IX); "Extension and improvement of education" (192 (IX)); "Repercussions of scientific progress and regional integration on the economic and social development of Latin America" (200 (IX)); "Study and integral planning of human resources in the economy" (206 (IX)); and "Experts on labour questions" (209 IX).

(e) *Fiscal policy*

309. The discussions on this topic brought to light a tendency in the Latin American countries to revise and adapt their tax systems for use as instruments of a fiscal and economic policy designed to increase national resources so that, over the short term, intensive capital formation in the basic sectors of the economy might be undertaken. Moreover, the tax system might be a valuable instrument for a policy aiming at an increase in the productivity of the economy and conducive to the more equitable distribution of income.

310. The Commission noted with satisfaction the preparatory studies and other activities which the secretariat had been undertaking in this field in conjunction with OAS, IDB and the Harvard Law School for the seminars to be held in 1961 and 1962. In this context, it was stressed that, in Latin America, activities relating to tax reform—including those just mentioned—should be concentrated on the building-up of a tax policy aiming at economic development and should cover, in addition, all aspects relating to the effective administration of such a policy. On this point, the Commission adopted resolution 186 (IX).

(f) *Teaching of economics in Latin America*

311. The Commission took note of the document on this subject presented jointly by UNESCO, ECLA and OAS. Since the Latin American countries were engaged in an effort to intensify and programme their economic development and there was a shortage of trained personnel to undertake the work involved, it was decided to draw up recommendations aimed at improving the teaching of economics in Latin America. For that purpose resolution 193 (IX) was adopted, with a view to combining the efforts of Governments, universities and international agencies to achieve the above-mentioned objectives.

(g) *Statistics*

312. The expansion and improvement of statistics was an essential pre-requisite for economic planning and regional integration programme. It was particularly important to ensure a speedy improvement in systems of national accounts. Furthermore, in connexion with the statistical requirements of integration programmes, the Commission considered that it was of the greatest interest to study comparative prices and the purchasing power of currencies, with a view, *inter alia*, to analysing the factors determining inter-country differences in price structures, and to the comparison of Latin American data with those from other parts of the world.

313. For the purpose of extending and improving systems of national accounts, the Commission requested

the secretariat, in co-operation with the Statistical Office of the United Nations and the Inter-American Statistical Institute, to assist countries by means of teams of statistical advisers. It was also recommended to the secretariat that, jointly with the above-mentioned agencies, it should provide technical assistance to aid countries introducing into their statistical systems periodical sample surveys of households, whereby it would be possible to collect current information on economic and social conditions primarily centred in households.

314. The Commission recommended that the secretariat should complete the study on comparative prices and the purchasing power of currencies, which it had begun in respect of some countries, and that it should extend it to others in Latin America.

315. The pertinent decisions and recommendations of the Commission were embodied in resolutions 196 (IX) on statistics and 197 (IX) on comparative prices and the purchasing power of currencies.

(h) *Development of information media in Latin America*

316. At the request of UNESCO, an item on the development of information media was included in the agenda of the ninth session (item 8(c)). Apart from taking note of UNESCO's activities in that respect and of the results of a meeting of experts recently held at Santiago, the Commission heard a detailed statement by the United Nations Under-Secretary for Public Information on the problem itself and on the way in which the Organization's services were endeavouring to solve it. The Commission adopted resolution 198 (IX), in which, *inter alia*, the secretariat was recommended to disseminate its studies on information media as widely as possible and inform other regions of the world of the economic situation in Latin America.

2. REGIONAL ECONOMIC INTEGRATION

317. In addition to the summary of the general debate held in the Commission, presented below, the main points of the item and the technical problems involved in a Latin American common market were considered by the Trade Committee. The Committee's report (E/CN.12/C.1/19) was adopted by the Commission in its resolution 214 (IX). The Committee itself approved resolutions 11 (III) on multilateral economic co-operation, 12 (III) on customs policy, 13 (III) on customs questions, 14 (III) on special training courses in trade policy, 15 (III) on transport, and 16 (III) on the promotion of the tourist industry (see the relevant texts in annex II of this report).

318. Substantial progress had been made in the establishment of the Latin American common market since the Commission's eighth session. Those countries which were members of the Latin American Free-Trade Association as well as those participating in the Central American Economic Integration Programme had achieved real results in crystallizing the idea of the common market by means of legislation suitable for this purpose. In reviewing the developments which occurred during this period in connexion with regional integration, the

Commission took official cognizance of the signature in 1960 of the Montevideo Treaty which established the Latin American Free-Trade Association, with Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay as members. It noted with satisfaction that the Montevideo Treaty followed the main lines laid down by the Commission for the establishment of the Latin American common market. The various delegations agreed that the Treaty represented the best instrument currently available for extending the common market throughout Latin America, as those countries which had not yet signed it acceded to it, under the conditions agreed upon. The Commission took note of the statement regarding Colombia's early accession to the Treaty.

319. The Central American countries agreed in 1960 to develop a common market among themselves during the next five years by establishing a broad free-trade area and by adopting uniform customs duties and charges on imports. In addition to permitting free trade in most of the products originating in the area, the Central American countries agreed to overall action and measures to bring about a joint integrated economic development policy in regard to the financing of investments of regional interest, complementarity and industrial specialization, the equalization of fiscal incentives for the promotion of industrialization, and the co-ordination of their programmes of infrastructural works and agricultural development policy.

320. The Commission drew attention to the need to take the earliest opportunity to link together the economic integration programmes already under way in the area. The various delegations indicated their Governments' interest in working progressively towards that objective.

321. In the discussion of this item, attention was drawn to the need for ECLA to maintain close relations with the Organization of Central American States, the Latin American Free-Trade Association (ALALC), the IDB, the secretariat of the General Treaty on Central American Economic Integration, and the Central American Bank for Economic Integration. For this purpose, the Commission approved resolution 213 (IX) on relations with Inter-American agencies.

322. The discussions of the Commission on regional integration brought to light the existence of a very positive attitude in Latin America towards the advisability and possibility of expanding and intensifying its trade with the rest of the world, including not only the more advanced industrial areas but also other countries where economic development was still in its infancy. That had been confirmed by the results achieved in regard to regional integration. The same attitude had already been evident at earlier sessions of the Commission but it was now apparent that the Latin American free-trade agreements, although not yet an integral part of the Latin American economies, were already enabling the countries of the region to visualize new possibilities of expanding their trade with other areas of the world.

323. So far as concerned multilateral economic co-operation, it was decided to recommend the secretariat

to continue to provide the Latin American Free-Trade Association with technical advice. The secretariat was also requested to pay special attention in its studies to the problems of trade relations between the integration programmes of the Latin American countries and to those problems connected with the expansion of trade between Latin America and countries or groups of countries in other parts of the world.

324. With regard to customs policy, the Trade Committee considered and recommended to the Latin American countries an arrangement designed to encourage the most efficient productive activities, restoring the status of the customs tariff as a basic instrument of trade policy and giving it the necessary flexibility to meet the structural changes inherent in the process of economic development. It was also agreed to request the secretariat to continue with its studies on tariff policy.

325. As regards other customs matters, agreements and recommendations were adopted regarding standard tariff nomenclature, the definition of customs value, basic customs terms and other requirements of equal or similar importance for the functioning of the common market.

326. The Trade Committee devoted part of its third session to study of the financial problems of regional economic integration and considered, *inter alia*, matters connected with credit requirements which should be met for the promotion of inter-Latin American trade. Account was also taken of the desirability of formulating a foreign investment policy in keeping with the development requirements of the countries of Latin America. Furthermore, consideration was given to the need to encourage domestic investment and place it in a position at least comparable to that of foreign investment as regards the supply of technical and financial resources.

327. In addition to the Trade Committee's resolutions the Commission adopted resolution 194 (IX) on the activities of the Central American Economic Co-operation Committee.

328. Resolution 195 (IX) on the economic development of British Honduras or Belize was also adopted, in which the secretariat was asked to "relate the economic studies on British Honduras or Belize to the Central American economic structure". The same resolution also recommended that the secretariat, with the consent of the Governments concerned, should consider the possible repercussions of closer co-operation among them, with a view to British Honduras or Belize joining, if and when convenient, the Central American Economic Co-operation Committee.

3. ECONOMIC PROBLEMS OF AGRICULTURE

(a) *Land reform*

329. The need for land reform was openly and generally recognized; but within that unanimity, clearly marked and considerable divergence of opinion was observable in various Latin American countries with regard to the way of approaching that important pro-

blem. Some of them attached special importance to the redistribution of land within the shortest possible space of time, by means of a gradual process of change; others, however, had a totally different conception of land reform and attached relatively greater importance to programmes which aimed at expanding production and improving the operational aspects of the agricultural economy under existing land tenure systems.

330. The differences noted above were reflected in their turn in divergent views not only as to the rate at which land reform should proceed but also on the ways and means of putting it into effect. It became clear that, while some countries were making strides towards the reform of their agrarian structures, others conceived of such reforms as a relatively slow process. While in several cases attention was concentrated on direct and more or less drastic land distribution procedures, in others special importance was attributed to tax instruments and to the possibilities afforded by agricultural settlement. In this connexion, it was interesting for the Commission to be informed about and compare the various experiences and plans of Bolivia, Chile, Cuba, Ecuador, Uruguay and Venezuela.

331. Emphasis should be laid on two points of agreement in the Commission in regard to the nature and scope of land reform. On the one hand, there was a consensus of opinion to the effect that the reform ought to result in the redistribution of land resources, which in most of the Latin American countries were concentrated in *latifundia*, or in the opposite process, consisting in the structure integration of the many *minifundia* which represented one of the most serious problems of agriculture.

332. It was also generally felt that this process of land distribution would not of itself suffice to promote the development of agricultural production—at least at the rate and to the extent which was essential if the rest of the economy was to be able to develop smoothly—unless at the same time complementary measures were adopted to further development, rural education and technical training and the requisite public and private investment was forthcoming.

(b) *Agrarian policy*

333. The Commission's discussion of the problems of agricultural policy in the Latin American countries was focused on the analysis of the slow growth and in many cases the stagnation of agricultural production, as well as on the study of the measures and programmes which were being applied or should be formulated to remedy the situation. The phenomenon of slow growth or actual stagnation was observable in many of the Latin American countries, and had been perhaps the most fundamental and characteristic feature of the development of the sector over the past few years.

334. The fall in world prices for agricultural export commodities had considerably retarded the rate of growth of agriculture. Nevertheless, those factors were superimposed on structural characteristics which were largely responsible for the stagnation of agriculture. Such characteristics—which were of considerable significance in the institutional framework of Latin Ame-

rican agriculture, especially the land tenure system—also involved a wide range of factors. These, although, related, differed in nature, and were the low level of agricultural technique, the scarcity of capital formation, the rural population's lack of education and the deficient and limited use of available resources.

335. It seemed essential that the Latin American countries should formulate in practice an integrated agricultural policy, directed toward altering the most important characteristics of the agrarian structure. Moreover, the solution of the problems affecting Latin American agriculture would be facilitated and in some cases determined by sectoral programming, adjusted within the framework of overall national and regional development plans. Through the information supplied by various delegations, the Commission took note of the efforts being made in this direction in several countries. Particular mention should be made of the description of land reform given by the delegation of one of the Caribbean countries.

336. It was recommended to the secretariat that the proposed joint OAS/FAO/ECLA study (see below, paragraph 354) on the problems of agricultural economy and land reform in Latin America should make suggestions likely to be of assistance to Governments in connexion with measures of national policy and regional action designed to overcome the obstacles to economic development presented by existing agrarian structures and to promote the rapid growth of the agricultural sector. The secretariat and FAO were also requested to give special priority to the study of the problems connected with the regional integration of agriculture.

337. The Commission adopted resolution 182 (IX), on agrarian policy, and 183 (IX), on agriculture and balanced economic development.

4. INDUSTRIAL DEVELOPMENT

338. As in the case of other sectors of the economy, when the Commission considered the problems of industrial development, the new outlook stimulated by the agreements and requirements of the Latin American regional integration programmes became evident. The basis of this new outlook was the field of investment and economic complementarity.

339. With respect to the capital goods industry, the Commission considered the growing demand for basic equipment and the present possibilities of stimulating its production on a regional basis. It was stated that in the more industrialized Latin American countries the metal transforming industries had attained a level of development that equipped them to undertake the manufacture of basic equipment; emphasis was laid on the benefits that could accrue from an import substitution process in this field as regards not only foreign exchange savings but also better use of existing productive capacity.

340. However, there were difficulties in the matter of stimulating Latin American production of capital goods, since the necessary means were lacking for adequate medium- and long-term financing of the sale of such goods. In this connexion, the Commission approved

resolution 207 (IX) on capital goods industries, in which it decided to recommend to member Governments that, through their credit policies and with the assistance of foreign trade banks or development institutions, they should support the medium- and long-term financing of the sale of capital goods produced in their countries. Clearly, any action which governments might take in that field would, in any case, be inadequate. For that reason arrangements should be made for international finance agencies to study the problem and determine how they could take the requisite complementary action. It was suggested that the work to be carried out by the secretariat should include collaboration with national bodies with a view to preparing specific projects which certain international agencies would finance in due course.

341. Consumer goods industries had already achieved a high degree of development in the more advanced countries of Latin America and were beginning to be set up in the countries at an early stage of development; the regional integration agreements in force excluded consumer goods from free trade or else stipulated the need for substantial readjustment in their organization and economic operation. Unquestionably, one of the best ways of solving those problems was through a gradual and orderly process of modernization and specialization in the consumer goods industries of all the countries which were parties to the regional integration agreements.

342. Essential for that purpose was a complete knowledge of the characteristics of the consumer goods industries, such as would make it possible to formulate proposals for action and adopt appropriate measures. The Commission took note of the studies on the textile industry which the secretariat had initiated in a number of countries and recommended that they should be extended to other interested countries, as well as to other industries in the same group. In that connexion, draft resolution 201 (IX) on consumer goods industries was adopted.

343. The Commission was informed of the work done by the ECLA/BTAO/FAO Pulp and Paper Advisory Group. It was felt that the work should be continued and centred on the provision of advisory assistance in the preparation of specific industrial development programmes covering training, technological research and financing. For this purpose the Commission resolved to request the secretariat to take the necessary steps to enable the Group to continue its activities, assisted by BTAO and FAO (see resolution 202 (IX) on pulp and paper industries).

344. In addition to the Commission's guidance, intended to ensure that the work was concentrated on specific measures and activities for overcoming the difficulties and requirements of certain branches, the analysis of industrial development problems led to the consideration of technological research requirements in Latin America. In that connexion, it was stressed that Latin American industrialization often called for intensive efforts to adapt the techniques developed in other countries to the specific conditions obtaining in the area.

345. In view of the fact that the various countries had similar resources and problems, the Commission resolved to request the secretariat that, in proceeding with its studies on Latin American technological research requirements, it should give particular attention to the formulation of a regional programme of priorities and that a meeting of directors of technological research institutes should be convened with a view to promoting co-ordination and specialization in respect of their activities. Resolution 203 (IX) was adopted on this topic.

5. ENERGY AND WATER RESOURCES

346. The Commission adopted resolution 204 (IX) with respect to the development of water resources in the Latin American countries; in this it reaffirmed the need to continue with the studies on the integrated, rational and co-ordinated utilization of those resources, requested BTAO to continue its co-operating in the water resources programme and took account of the need to train experts specializing in that field and to work out suitable methods for studying the water resources common to several countries.

6. ECONOMIC SURVEY, INFLATION AND GROWTH

347. The Commission considered the current trends and prospects of the Latin American economy. The analysis was based chiefly on the *Economic Survey of Latin America 1960* (E/CN.12/565)³³ and on the article "Economic development and monetary stability: the false dilemma", by Mr. Raúl Prebisch, in the *Economic Bulletin for Latin America* (Vol. VI, No. 1).

348. In the discussion of the current economic situation, the main emphasis was laid on the problems of inflation and growth. Concern was expressed regarding the dangers of chronic inflation and the importance of price stability in achieving sound economic development was stressed. It was nevertheless pointed out that a stabilization policy alone was inadequate. In fact, control of inflation basically implied a policy of balanced development and meant remedying major structural shortcomings. Here again, one of the general points most characteristic of the Commission's debates at its ninth session came to light, namely, the fact that the problems of development and stability could not be dealt with separately and that the solution should be sought through an integrated approach at both the national and the international level.

7. GENERAL QUESTIONS

(a) *Admission of British Honduras or Belize as an associate member of the Commission*

349. The Commission considered the application of British Honduras or Belize for admission as an associate member of the Commission, submitted by the Government of the United Kingdom of Great Britain and Northern Ireland (E/CN.12/581). The Commission took

³³ A summary of the *Survey* and a brief account of the main developments in the Latin American economy during 1960 are given in paragraphs 42 to 73 of this report.

note of the fact that the Government of Guatemala also sponsored the application.

350. After lengthy discussion and in conformity with a draft resolution presented by a working group appointed for that purpose (see paragraph 272), the Commission adopted resolution 181 (IX) in which it was decided to welcome the application and to admit British Honduras or Belize as an associate member, in accordance with paragraph 3 (a) of the Commission's terms of reference.

(b) *Co-operation with the Organization of American States and the Inter-American Development Bank*

351. The Commission considered the agreement between the secretariats of ECLA, OAS and IDB on the co-ordination of their respective activities and work programmes. It was informed that, under the Commission's terms of reference, a Joint ECLA/OAS/IDB *Ad Hoc* Committee on Co-operation had been established, comprising the heads of the three organizations. Three main areas of co-operation were defined during the debate: the establishment of advisory groups on economic development programming; the annual economic survey; and research on Latin American agriculture.

352. Under the directives issued by the member Governments for the three secretariats, it was agreed that the chief responsibility for the execution of economic development programming projects through the Advisory Groups would be retained by ECLA.

353. The General Secretariat of OAS would assume the main responsibility for the annual economic survey of Latin America. This joint survey would be technical in nature and both ECLA and OAS would be free to develop their own points of view and to make suggestions to Governments on the basis of the data and analytical information thus obtained.

354. At the suggestion of OAS, it was agreed that a joint OAS/FAO/ECLA study of Latin American agriculture would be undertaken. Particular attention was to be devoted to the structure of the agricultural sector, as part of an overall approach including the other problems of agricultural development.

355. Although such co-operation was confined to the three organizations mentioned, the Commission agreed that they would consult and request assistance from other international agencies if and when they deemed it necessary and expedient. Specific reference was made to ECLA's experience with FAO and to the decision taken to consult FAO and request its co-operation in the study of Latin American agricultural development and in all other activities in which co-operation might redound to the mutual benefit of both organizations.

356. The first subject dealt with in the discussion was ECLA's competence to undertake activities in co-ordination with the OAS and the IDB. It was pointed out that ECLA's terms of reference specifically provided for co-ordination with the appropriate organs of the Inter-American System.

357. Once these points had been clarified, there was a lengthy debate on the possible implications of the

proposed co-operation and on the objectivity and independence of the secretariat, which represented two of its most enduring traditions. Two delegations expressed misgivings lest such co-operation might tend to jeopardize ECLA's independence and the objectivity of its outlook.

358. The Executive Secretary said that the ECLA secretariat, as part of the Secretariat of the United Nations, derived its independence from the provisions of the Charter. He was firmly convinced that its objectivity and independence as well as its freedom to devote itself to whatever research or technical activity that it might regard as important for Latin America's economic development, would be in no way impaired by co-operation with OAS and IDB. He referred to the secretariat's tradition of independence and freedom, which had allowed it to undertake the thorough study of industrialization, planning and regional integration.

359. Other delegations which took part in the discussion supported the idea of co-operation between OAS, IDB and ECLA, taking the view that great advantages might result because of higher efficiency in the work of the three organizations and the more effective use of their resources (see document E/CN.12/AC.49/SR.2).

360. In resolution 211 (IX), on co-operation with the Organization of American States and the Inter-American Development Bank, the Commission endorsed the agreement reached by the secretariats of the three organizations, on the understanding that it was a flexible arrangement which might be modified in the light of experience. At the same time, it was recognized that the arrangements set forth in the agreement provided a suitable basis for intensifying the efforts of the three organizations — while fully maintaining their independence and freedom of action — to assist member States in expediting their economic and social development.

361. The Commission also requested the Executive Secretary to recommend to the OAS/IDB/ECLA *Ad Hoc* Committee on Co-operation that it should carry out its work while maintaining close contact and ensuring co-ordination with the United Nations specialized agencies operating in Latin America and that it should establish such mechanisms as it might deem appropriate to promote a better working relationship among the various organizations concerned.

(c) *Decentralization of United Nations economic and social activities*

362. The Commission took note with satisfaction of General Assembly resolution 1518 (XV) and Economic and Social Council resolution 793 (XXX) on strengthening the regional economic commissions, as well as of the documents submitted by the Secretary-General (E/CN.12/564) and the Executive Secretary (E/CN.12/599) on the same subject.

363. The Commission heard a statement by the Commissioner for Technical Assistance who stressed the dynamic part which ECLA was playing in the United Nations technical assistance programmes in Latin Ame-

rica. One effect of the administrative integration of the technical assistance services into the Department of Economic and Social Affairs had been to bring about closer ties between those services and ECLA, whose influence and authority in the field of technical assistance in Latin America had greatly increased. The Commissioner was also pleased to note that the impact of technical assistance activities was much greater as a result of the work of Advisory Groups than when a large number of separate projects were carried out. Pointing out that an earlier attempt to transfer technical assistance personnel to the Santiago and Mexico offices in 1956-58 had not been successful for lack of real transfer of functions, the Commissioner indicated that a new pattern of operations for technical assistance would undoubtedly emerge as a result of the Secretary-General's consultations with the Regional Commissions, pursuant to resolutions 793 (XXX) of the Economic and Social Council and 1518 (XV) of the General Assembly. In this connexion the Commissioner indicated his agreement with the Note prepared by the Executive Secretary (E/CN.12/599), whose principal suggestions were as follows:

(i) In the fields of its competence, and with particular reference to economic and social development programming, the secretariat could send senior staff members to discuss with Governments, in collaboration with the Resident Representative of the Technical Assistance Board, those aspects of the country programmes relating specifically to problems of economic and social development;

(ii) In those countries where Advisory Groups are operating or are planned, the country's technical assistance programme should be geared, as far as may be considered desirable, to the high priority projects arising from the work of those Groups;

(iii) Even in cases where technical assistance of Special Fund projects may not appear to be directly connected with ECLA's work, consultation at the pre-project stage would be advisable. An example of the type of co-operation proposed is furnished by a South American country whose recent request to the Special Fund to carry out a survey of mining resources was a direct consequence of the work of the Advisory Group; in the same country, the technical assistance programme for the next two years had been prepared in continuous consultation with the ECLA secretariat and adapted to the country's direct needs;

(iv) With respect to joint ECLA programmes and technical assistance projects in the fields of economic and social development, consideration should be given to the desirability of decentralizing various administrative functions. Some decentralization had already taken place but, in addition, it was suggested that the overall funds for such projects should be given to ECLA for administration in accordance with a previously agreed budget but that ECLA should have full authority for transferring funds within that project according to operational necessities. Moreover, a broader delegation of authority for recruitment of short-term experts would be advantageous, if not essential, for efficient operation. With respect to experts employed for

longer periods of one or more years, the Technical Assistance Recruitment Services might well be requested to consider attaching one of its officers to ECLA for this purpose; authority could be delegated directly to the secretariat, particularly with regard to recruitment within the region. The essence of successful decentralization is that the secretariat of the Commission must have adequate freedom of action to take immediate operational decisions, combined with sufficient means to implement them. This must be done in agreement with the Governments concerned and would imply authority for alteration of the programme, for financial amendments or emergency recruitment as may be required, within the rules and regulations established by those bodies responsible for overall direction of the technical assistance programmes.

(v) In relation to ECLA's present activities, it was already necessary to request provision in the 1962 budget for a Technical Assistance Co-ordinator but additional staff will also be required in order to build up an effective operational unit.

364. The Commission agreed that the proposed decentralization of technical assistance operations to the secretariat should be carried out. They considered that decentralization would further increase efficiency by bringing all the knowledge and experience accumulated in the secretariat to bear upon the programming of technical assistance and the execution of projects. Most of the delegations endorsed the proposals contained in the secretariat note referred to above, including the establishment of an operational technical assistance unit within the Commission.

365. Two delegations from outside the region requested information with regard to the financial implications of such decentralization. One delegation wished to clarify the question whether decentralization would not limit the independence of the specialized agencies in carrying out technical assistance programmes in their respective fields. The Commissioner for Technical Assistance stated in reply that the financial implications of decentralizations could not be foreseen in their entirety at that stage but that an estimate of the expenditures necessary to implement the recommendations of the draft resolutions would be presented to the competent inter-governmental body. He also explained that decentralization would involve only the technical assistance programmes within the competence of the United Nations.

366. One delegation made the proposal that, instead of approving the secretariat's recommendations, the Commission might wish to suggest that the Executive Secretary study ways and means of implementing the decentralization. Most of the members of the Commission were of the opinion that, in accordance with General Assembly resolution 1518 (XV), the Secretary-General was consulting the Commission with the specific purpose of obtaining its views on the question of decentralization. The Commission therefore recommended to the Secretary-General that he should proceed to carry out the projected decentralization and take steps to secure the necessary resources for creating an operational technical assistance unit within ECLA and to

assign to it the requisite specialized staff. In this connexion, resolution 210 (IX) was adopted.

(d) *Establishment of an ECLA office at Bogotá*

367. As the implementation of the Commission's projects relating to Colombia, Ecuador and Venezuela would be facilitated if carried out on a decentralized basis, the Commission recommended to the Executive Secretary of ECLA that he take the necessary action for the establishment of an ECLA office at Bogotá. It was reported that the Government of Colombia had offered to provide the necessary premises without charge to the Commission and would grant the appropriate privileges and immunities. Resolution 212 (IX) was adopted on this item.

(e) *Amendment and correction of the Commission's rules of procedure*

368. The Commission considered a proposal (E/CN.12/577) to amend its rules of procedure so as to allow delegations sufficient time during the session to give full consideration to the draft resolutions and study all their implications. It was proposed that the first paragraph of rule 34 of the Commission's Rules of Procedure should be redrafted, to concord with rule 56 of the Economic and Social Council's Rules of Procedure and should read as follows:

"Draft resolutions, and substantive amendments or motions, shall be introduced in writing and handed to the Executive Secretary, who shall circulate copies to the representatives twenty-four hours before they are discussed and voted upon, unless the Commission decides otherwise."

369. The Committee unanimously approved the proposal to make the relevant amendment to the first part of rule 34 (see E/CN.12/AC.49/SR.1).

370. The Commission also took account of the secretariat's observations contained in document E/CN.12/576 concerning some discrepancies in the English, French and Spanish texts of the rules of procedure which might have led to differences of interpretation in the future. The Commission unanimously adopted the corrections proposed by the secretariat. The final text of the rules appears in annex V of this report.

(f) *Appraisal of the work programme for 1960-64*

371. The Commission had before it the report entitled *Five-Year Perspective 1960-64* (E/3347/Rev. 1) and the corresponding note by the secretariat (E/CN.12/579), both of which documents it considered to-

gether with Economic and Social Council resolution 791 (XXX). After analysing part IV of the report with particular care, the Commission adopted resolution 210 (IX) on decentralization of the economic and social activities of the United Nations and strengthening of the regional economic commissions and endorsed the Executive Secretary's statement on financial implications of the work programme, which appears in part V of the present report (see paragraphs 395 to 401 below).

(g) *Resolutions of the General Assembly and the Economic and Social Council of concern to the Commission*

372. The Commission considered the Note by the secretariat (E/CN.12/566) drawing attention to the resolutions — or parts thereof — relating to its work, adopted by the General Assembly at its fifteenth session and by the Economic and Social Council at its twenty-ninth and thirtieth sessions. The Commission took note of the resolutions and bore them in mind during the debates.

(h) *United Nations building*

373. The Commission took note of the information supplied by the secretariat (E/CN.12/574) on the progress made with the preparations for the construction of the United Nations building at Santiago and of the measures contemplated for carrying out the work. According to this information, the building was expected to be completed in 1963. The Commission indicated its satisfaction at the fact that the ceremony of laying the foundation-stone of the building had been held during the ninth session. The ceremony took place on 13 May 1961, in the presence of delegations, members of the secretariat and senior officials of the Government of Chile and of the Municipality of Las Condes, Province of Santiago.

(i) *Programme of work and priorities presented by the Executive Secretary*

374. The Commission considered a statement on the financial implications of the programme of work (E/CN.12/610), in accordance with rule 26 of the rules of procedure. It approved the programme of work and priorities for 1961-62 (E/CN.12/598) and the amendments agreed upon as a result of the discussions in the various committees at the ninth session (E/CN.12/598/Add. 1). Four new projects were submitted and two of those appearing in the 1959-60 programme were eliminated. The Commission changed the order of priority of two of the projects and approved other changes in the programme.

PART III

RESOLUTIONS ADOPTED BY THE COMMISSION AT ITS NINTH SESSION

375. At its ninth session the Commission adopted the following resolutions:

- 181 (IX). Admission of British Honduras or Belize as an associate member of the Commission
- 182 (IX). Agrarian policy
- 183 (IX). Agriculture and balanced economic development
- 184 (IX). Planning methods and experience
- 185 (IX). Regional seminars and technical meetings on planning
- 186 (IX). Fiscal policy
- 187 (IX). Population problems
- 188 (IX). Social aspects of development
- 189 (IX). Social problems in Latin America
- 190 (IX). Decentralization of administrative machinery
- 191 (IX). Training of labour in economic and social development problems
- 192 (IX). Extension and improvement of education
- 193 (IX). Teaching of economics in Latin America
- 194 (IX). Activities of the Central American Economic Co-operation Committee
- 195 (IX). Economic development of British Honduras or Belize
- 196 (IX). Statistics
- 197 (IX). Comparative prices and the purchasing power of currencies
- 198 (IX). Development of information media in Latin America
- 199 (IX). Establishment of an institute for planning economic development
- 200 (IX). Repercussions of scientific progress and regional integration on the economic and social development of Latin America
- 201 (IX). Consumer goods industries
- 202 (IX). Pulp and paper industries
- 203 (IX). Technological research
- 204 (IX). Water resources
- 205 (IX). Tariff liberalization with respect to construction materials
- 206 (IX). Study and integral evaluation of human resources in the economy
- 207 (IX). Capital goods industries
- 208 (IX). Regional integration
- 209 (IX). Experts on labour questions
- 210 (IX). Decentralization of the economic and social activities of the United Nations and strengthening of the regional economic commissions
- 211 (IX). Co-operation with the Organization of American States and the Inter-American Development Bank
- 212 (IX). Establishment of an ECLA Office at Bogotá
- 213 (IX). Relations with inter-American agencies
- 214 (IX). Report of the third session of the Trade Committee
- 215 (IX). Place and date of the tenth session

376. The text of the above-mentioned resolutions is as follows:

181 (IX). Admission of British Honduras or Belize as an associate member of the Commission

The Economic Commission for Latin America,

Considering the application of British Honduras or Belize for admission as an associate member of the Commission, presented by the delegation of the United Kingdom of Great Britain and Northern Ireland,

Taking into account the secretariat document informing the member Governments of the Commission of this request (E/CN.12/581),

Considering that the Government of Guatemala has declared that it sponsors the admission of British Honduras or Belize, whose destiny is linked to that of the American continent and especially of Central America,

Decides:

1. To welcome the application of British Honduras or Belize submitted by the United Kingdom;

2. To admit British Honduras or Belize as an associate member of the Commission, in accordance with paragraph 3 (a) of its terms of reference.

6 May 1961

182 (IX). Agrarian policy

The Economic Commission for Latin America,

Bearing in mind that the documents presented by the ECLA secretariat and FAO to the ninth session of the Commission include the following: "An agricultural policy to expedite the economic development of Latin America" (E/CN.12/592) and "The role of agriculture in Latin American common market and free-trade area arrangements" (E/CN.12/551),

Considering that in recent years the rate of growth of the Latin American economy has followed a downward trend, partly as a result of the inadequate development of agriculture, which is largely attributable in certain countries to shortcomings in the prevailing land distribution systems and the rigidity of the agrarian structure,

Recalling the resolutions on land reform adopted by the Fifth Inter-American Conference on Agriculture, the Sixth Regional Conference for Latin America of the Food and Agriculture Organization of the United Nations, and the OAS Special Committee to study the formulation of new measures for economic co-operation,

Taking into account the resolutions on land reform and agricultural development adopted at previous sessions of the Commission, and also by the United Nations General Assembly and Economic and Social Council,

Considering that the regional integration of the agricultural sector raises special problems, the analysis of which must be based on different criteria from those applied in other sectors, and the solution of which entails the co-ordination of production policies,

Decides:

1. To take note with satisfaction of the documents presented by the ECLA secretariat and by FAO, and to recommend to Governments that in formulating their respective agrarian policies they bear in mind the conclusions and recommendations of the studies in question, especially those relating to the need to expedite, where necessary, the process of transforming agrarian

structures, when these have priority by virtue of being a retarding factor in agricultural development ;

2. To recommend to the ECLA secretariat and to FAO that the study on the problems of agricultural economy and land reform in Latin America which it has been agreed to carry out in collaboration with the OAS on the proposal of the latter, should make suggestions which will assist Governments in determining measures of national policy and of joint action at the regional level with a view to overcoming, without contravening the relevant political constitution of each country, the institutional obstacles to the development of the agricultural sector presented by existing agrarian structures, and promoting the rapid growth of this sector in the light of the requirements of the economy as a whole;

3. To request the ECLA secretariat and FAO to give special priority to the study of the problems connected with the regional integration of agriculture, and on the basis of their findings, to hold meetings, to be convened by the ECLA secretariat, of government officials and representatives of private economic sectors, for the purpose of formulating, at the technical level, specific proposals for multilateral action, and undertaking such other activities as will enable Governments to adopt pertinent decisions of economic policy in this field.

12 May 1961

183 (IX). Agriculture and balanced economic development

The Economic Commission for Latin America,

Considering that the adverse effect on overall economic development of the lack of balance between the development of agriculture and that of other sectors of the economy is recognized, and that the ECLA secretariat has mentioned in its various economic studies the negative repercussions on economic development caused by the slow rate of development of industry, owing to its deterrent effects on the growth of demand for goods produced by other sectors and on that of the productivity of labour,

Bearing in mind that the objectives of agricultural development include the fuller utilization of resources, the expansion of domestic production of foodstuffs and agricultural raw materials, an increase in productivity, and the adoption of measures to bring about a real improvement in rural living conditions,

Realizing that the attainment of these economic development objectives in respect of agriculture may be hindered, *inter alia*, by inefficiency and high operating costs in certain activities connected with the marketing of agricultural commodities and by equally high costs of some types of industrial production, which give rise to internal price structures unfavourable to the agricultural sector, from the standpoint either of the items which farmers must purchase if they are to intensify their production or of the direct consumer goods which the rural population needs on a large scale in order to improve its levels of living,

Considering that in certain cases such consequences derive from the application of policies to encourage

development which have not been devised in the context of a balanced economic development policy,

Recommends that the secretariat supplement the analyses it has undertaken in collaboration with FAO on the negative effects of unbalanced development in the various economic sectors by investigating the effects on agricultural activity resulting from uneconomic processes in other sectors or from the application of policies which lower the income of the rural sector or have not been devised in the context of a balanced economic development policy.

12 May 1961

184 (IX). Planning methods and experience

The Economic Commission for Latin America,

Having examined the secretariat document (E/CN.12/584) which contains a progress report on the work of the Advisory Groups and deals with practical problems of economic development planning,

Considering how useful it would be for member Governments to receive information on the experience of countries as regards the application of methods of planning economic and social development and with respect to administrative machinery for the formulation and implementation of plans, as well as for the preparation of measures of socio-economic policy,

Decides :

1. To take note with satisfaction of document E/CN.12/584, presented by the secretariat, on the experience of the Advisory Groups and the practical problems of economic development ;

2. To request the secretariat to amplify this document in order to provide information

(a) On methods of formulating and applying overall, regional and sectoral plans, mainly for agricultural, industrial and transport activities, and on experience therein ;

(b) On the various institutional, administrative and technical systems currently employed in formulating and implementing plans and in preparing measures of economic and social policy.

13 May 1961

185 (IX). Regional seminars and technical meetings on planning

The Economic Commission for Latin America,

Having examined the document on international co-operation for an economic development policy in Latin America (E/CN.12/582), and the document on the experience of the Advisory Groups and the practical problems of economic development (E/CN.12/584),

Considering the Latin American countries' need to exchange ideas on practical methods of planning economic and social development policy and to learn what progress has been achieved and what experience acquired by the various countries in these respects, not only

as regards the formulation of plans but also in matters relating to their implementation and supervision,

Taking into account how useful it would be for Governments to consider mechanisms for the formulation and execution of public budgets, so that these may become, where appropriate, efficacious instruments for putting Government investment projects into practical effect,

Bearing in mind the necessity for the analysis and exchange of experience in respect of the organization of governmental, administrative and technical agencies, so that the measures of economic and social policy which are formulated may be applied within a cohesive framework of overall policy, and it may be possible to evaluate on a continuous basis economic conditions and the efficacy of the measures designed to achieve the proposed objectives,

Decides :

1. To take note with satisfaction of document E/CN.12/582, on international co-operation for an economic development policy in Latin America, and of document E/CN.12/584, on the experience of the Advisory Groups and the practical problems of economic development ;

2. To recommend to the secretariat that it organize, at the earliest opportunity, jointly with the Organization of American States and in collaboration with the United Nations Technical Assistance Programme, regional seminars and technical meetings to discuss the methodological and practical problems of planning ;

3. To recommend that such seminars and technical meetings be attended primarily by representatives of national planning and budget offices or other agencies doing similar work or carrying out basic analyses for planning purposes, and by qualified experts ;

4. To recommend that at these meetings priority be given to the study of the following topics :

(a) Mechanisms for the formulation and execution of public budgets, with a view to converting them, where appropriate, into effective and direct instruments for the implementation of development programmes ;

(b) Administrative and technical organization for the formulation and execution of plans ;

(c) Methods of formulating overall, regional and sectoral long- and medium-term plans ;

(d) Planning of public expenditure and, in particular, of public investment and the provision of social services.

13 May 1961

186 (IX). Fiscal policy

The Economic Commission for Latin America,

Taking note with satisfaction of the preparatory work carried out by the secretariat, the Organization of American States and the Inter-American Development Bank, in co-operation with the Harvard University Law School International Programme in Taxation, with regard to proposals for a long-range programme for studying the bases for a reform of tax systems with a

view to using them as instruments of fiscal and economic policy,

Considering the need of the Latin American States for resources wherewith to undertake, as a matter of urgency, intensive capital formation in the basic sectors of the economy,

Bearing in mind that the tax system may be a valuable instrument of co-operation in a policy designed to promote the more equitable distribution of income and to facilitate the financing of economic development programmes,

Considering that such a system may be conducive to a more efficient use of the land, such as will increase its productivity,

Decides :

1. To request Governments to give their support to the studies which are being developed by the sponsoring agencies in connexion with the tax reform and fiscal policy programme, and, in particular, to collaborate to the fullest extent possible with the experts who will be appointed to carry out the work of study and research on the tax systems in force in the Latin American countries ;

2. To request the secretariat that the above-mentioned tax programme make express provision for the need to improve tax administration and yields, as well as to study the bases for a tax system which will mitigate the external vulnerability and inelasticity of these systems, and will serve as an instrument of policy which may promote, in combination with others, the improvement of income distribution and land use, and, in short, may constitute a valuable adjunct to economic development programmes ;

3. To request Governments that they facilitate the attendance of national experts at the two conferences which are being organized under the above-mentioned programme, one to be held in October 1961 on tax administration, and the other in April 1962 on fiscal policy.

13 May 1961

187 (IX). Population problems

The Economic Commission for Latin America,

Considering that the factors relating to population change, structure, redistribution and characteristics have frequent and complex repercussions on economic and social development, and that demographic studies make a substantial contribution to the body of information required for formulating economic and social development programmes,

Expressing its satisfaction at the work carried out by the Population Commission and the Population Branch of the United Nations in the field of demography, and at the co-operation established between the ECLA secretariat and the Latin American Demographic Research and Training Centre in respect of studies and assistance to Governments in that field,

Decides :

1. To recommend that the regional demographic programme of the United Nations be intensified, if

possible with the help of supplementary sources, so as to cater effectively for the needs of demographic research with a view to the preparation of economic and social development programmes in Latin America;

2. To request the secretariat:

(a) To pursue and intensify, in co-operation with the Latin American Demographic Research and Training Centre, a programme of studies and assistance to Governments, giving priority to the most advantageous use of the findings of the new population censuses in the formulation of economic and social development policies, and promoting the preparation of population case studies;

(b) That in such a programme, until detailed tabulations of the new censuses are to hand, a substantial part of the resources available be provisionally allocated to the study of the establishment of concepts and methods of analysis, especially in relation to the redistribution of the population among cities, towns and rural areas, internal migration, size and characteristics of the labour force, and its possible trends;

(c) That at future sessions of this Commission, reports on the progress made and on demographic research of importance for economic and social policy be submitted to it for consideration.

13 May 1961

188 (IX). Social aspects of development

The Economic Commission for Latin America,

Whereas it is now a generally accepted principle that the social development of the Latin American countries should be promoted alongside their economic development,

Whereas this implies, on the one hand, the existence of specific factors of strategic value for economic development which must be taken into account in any attempt at programming, and, on the other, that every possible endeavour should be made to foster integrated socio-economic development in which the objectives of social policy are smoothly co-ordinated,

Whereas, despite the general recognition of these needs, basic empirical research has not yet been carried out, and there is a shortage of properly qualified specialists in the theory and techniques of social programming,

Takes note with satisfaction of the secretariat's efforts in this connexion, pursuant to resolutions 82 (VI) and 124 (VII), and regards as a highly efficacious measure the joint convening, by the ECLA secretariat, the United Nations Educational, Scientific and Cultural Organization, the Bureau of Social Affairs and the Bureau of Technical Assistance Operations, of the Working Group on the Social Aspects of Economic Development in Latin America, which met at Mexico from 12 to 21 December 1960,

Requests the secretariat:

1. To continue activities of this type by convening working groups on social aspects of economic development at the regional level, and to arrange at the earliest

possible opportunity, with the co-operation of UNESCO, the Bureau of Social Affairs of the United Nations, and other bodies, a second meeting of experts of the same nature, based, where appropriate, on the research recommended in the report of the Mexico meeting;

2. To co-operate, at the request of Governments, in the organization of meetings of this same type at the national level;

3. To study the problem of training social planning experts and to put forward suggestions for its solution.

13 May 1961

189 (IX). Social problems in Latin America

The Economic Commission for Latin America,

Realizing the need to pay due attention to social problems in order to formulate measures of economic and social policy designed to raise the levels of living of the Latin American peoples,

Being concerned about the urgent need to improve the social situation in the Latin American countries,

Considering that a better knowledge of the main factors determining the social situation would be useful in formulating satisfactory economic and social development plans as well as the various programmes of social policy,

Decides to recommend to the secretariat that it undertake within the shortest possible time, in collaboration with the national and international organizations competent in the social field, a study to ascertain and analyse the principal social factors of the institutional structures in Latin America that should be taken into account for an effective policy of economic and social development.

13 May 1961

190 (IX). Decentralization of administrative machinery

The Economic Commission for Latin America,

Considering that one of the factors retarding the integrated and simultaneous economic development of the region is the uneven geographical distribution of economic activities within each individual country,

Bearing in mind that this concentration of economic activities usually results from over-centralization of administrative organs and machinery in capital cities, so that other parts of the country are deprived of the necessary means and incentives to develop at the rate their levels of living require,

Decides to recommend to the ECLA secretariat and to the Bureau of Technical Assistance Operations that they study the repercussions on the harmonious development of the Latin American countries which would result from decentralization of administrative machinery, as one of the measures adopted to raise the economic and social levels of the countries of the region.

13 May 1961

191 (IX). Training of labour in economic and social development problems

The Economic Commission for Latin America,

Recognizing the need for labour forces to participate in the work of economic and social planning,

Recognizing the need to intensify dissemination of methods of analysis and evaluation of economic and social development problems,

Recommends:

1. To the secretariat of ECLA that it consider how to prepare, in collaboration with the ILO and with the pertinent national organizations, labour training and discussion courses on economic and social development problems, which could be given in the various countries concurrently with the intensive courses that are being organized with the co-operation of the Technical Assistance Programme;

2. To Governments that they ensure that labour forces are represented on their delegations to regional seminars on overall economic and social planning which deal with topics of direct interest to Latin American workers.

13 May 1961

192 (IX). Extension and improvement of education

The Economic Commission for Latin America,

Considering that both the average level and the guiding principles of general education and vocational training in Latin America are often limiting factors in relation to the economic and social development plans and aspirations of the countries of the region,

Considering that the funds allocated to the financing of national educational systems constitute a supremely valuable investment from the standpoint both of the individual and of society, and that they are at present quite inadequate to meet Latin America's educational needs.

Bearing in mind that in formulating economic and social development programmes, as well as those relating to educational development, it is essential to take into account the reciprocal interaction of the two above-mentioned factors, which necessitates the establishment of a permanent link between the agencies that assume the responsibility of planning action in these fields,

Recalling resolution 176 (AC. 45) of the Committee of the Whole, relating to UNESCO's proposal for the convening of an inter-American conference on education and economic and social development,

Notes with satisfaction that the said conference will be jointly sponsored by UNESCO, ECLA and OAS, with the co-operation of the ILO, FAO, WHO and UNICEF, and of various Latin American universities and research centres, and will be held at Santiago, Chile, from 4 to 16 December 1961,

Recommends:

1. That at the meeting in question the complex problems connected with the relation between economic

and social development and the structure and basic principles of educational systems be thoroughly studied, as also the integration of educational and national development plans;

2. That the Governments of Latin America increase their efforts to promote the extension and qualitative improvement of general education and vocational training, by means of integrated education plans closely linked with those relating to economic and social development, as advocated in UNESCO's major project on the Extension and Improvement of Primary Education in Latin America, and that they bear in mind the requirements of the next few years in respect of numbers of professional and technical workers, their fields of specialization and their educational levels;

3. That budgets for education be increased sufficiently to permit the achievement of the foregoing aims, and that the appropriate international credit agencies give sympathetic consideration to requests for assistance in financing of educational projects, particularly the building of school premises;

4. That national economic and educational planning agencies adopt measures designed to establish the closest possible collaboration between them, for the common good of the studies, plans and objectives which they propose to develop or attain;

5. That UNESCO and ECLA establish, in conjunction with the other international agencies, systematic and permanent collaboration procedures, both at the regional level and in respect of the activities they carry out in individual countries through their technical assistance missions;

6. That the proposed Latin American institute for planning economic development give appropriate attention to educational planning.³⁴

13 May 1961

193 (IX). Teaching of economics in Latin America

The Economic Commission for Latin America,

Considering that the countries of Latin America are interested in carrying out economic development policies on the basis of planning techniques and that for this purpose they will require specialized personnel,

Takes note with satisfaction of the action taken jointly by the United Nations Educational, Scientific and Cultural Organization (UNESCO), the secretariat of ECLA and the Organization of American States to sponsor a Mission of economists to study the teaching of economics in the relevant faculties of Latin American universities, and of the report submitted by that Mission (E/CN.12/546/Rev.1),

Expresses its gratitude for the valuable help given to the Joint UNESCO/ECLA/OAS Mission, by the rectors of universities, deans of faculties, principals of schools of economics and educational authorities of the various countries of Latin America,

Recommends:

1. To the Governments members of the Commission

³⁴ See resolution 199 (IX).

that they provide the universities of Latin America with the facilities they need in their efforts to improve the teaching of economics, and that they give effect to the recommendations contained in the report of the Joint UNESCO/ECLA/OAS Mission;

2. To the universities, and particularly to the faculties of economics, that they continue the efforts begun at the Second Latin American Meeting of Deans of Faculties of Economics, held at Rosario (Argentina) in October 1960, to improve curricula and teaching materials by introducing courses in the analysis and evaluation of economic development problems and planning;

3. To international organizations, particularly UNESCO, OAS and the ECLA secretariat, that they increase to the greatest possible extent their aid to universities which so request in the following ways recommended by the Joint UNESCO/ECLA/OAS Mission:

(a) By granting fellowships to teaching staff to enable them to complete their studies in national or foreign universities or in international institutes of learning;

(b) By helping to provide full-time teaching staff;

(c) By encouraging the preparation of high-quality texts on economics that are closely related to the present economic and social development problems of Latin America;

(d) By helping university libraries to enlarge their collections of books and texts on economics.

13 May 1961

194 (IX). Activities of the Central American Economic Co-operation Committee

The Economic Commission for Latin America,

Cognizant of the report of the Central American Co-operation Committee (E/CN.12/552), covering the period September 1959 to December 1960, and the Note by the secretariat on the Central American Economic Integration Programme (E/CN.12/586), of which it takes note with satisfaction,

Considering that, in December 1960, the Governments of El Salvador, Guatemala, Honduras and Nicaragua signed the General Treaty on Central American Economic Integration, the Protocol to the Central American Agreement on the Equalization of Import Duties and Taxes, and the Agreement constituting the Central American Bank for Economic Integration,

Decides:

1. To congratulate the Committee on its encouragement of the activities relating to Central American economic integration, and the Governments of El Salvador, Guatemala, Honduras and Nicaragua on the signature of the aforesaid agreements;

2. To express the hope that, in due course, the Government of Costa Rica will decide to accede to membership in the common market;

3. To express its gratitude to the secretariat of ECLA, the Bureau of Technical Assistance Operations of the

United Nations, the Food and Agriculture Organization of the United Nations and the International Labour Organisation for the assistance they have afforded, and to request them to continue co-operating to the fullest possible extent with the Central American Economic Co-operation Committee.

13 May 1961

195 (IX). Economic development of British Honduras or Belize

The Economic Commission for Latin America,

Whereas, by virtue of resolution 181 (IX), British Honduras or Belize has been accepted as an associate member,

Taking into account its geographical situation and economic activity,

Recommends:

1. That the secretariat should take the foregoing reasons into consideration in order to relate the economic studies on British Honduras or Belize to the Central American economic structure;

2. That the secretariat, with the consent of the Governments concerned, consider the possible repercussions of closer co-operation among them with a view to British Honduras' or Belize's joining, if and when opportune, the Central American Economic Co-operation Committee.

13 May 1961

196 (IX). Statistics

The Economic Commission for Latin America,

Considering that each forward step in economic development requires improved and more accurate measures of the progress achieved and that the increasing tempo of development requires more current data for the day-to-day and year-to-year planning of economic and social programmes,

Taking into account the report of the Seminar on National Accounts, held at Rio de Janeiro in June 1959, and the progress made in the preparation of national accounts in recent years and the fundamental place these accounts have in economic and social planning,

Considering the urgent need for better information on the social aspects of economic development and the desirability of carrying out sample surveys on family living levels on the basis of censuses now being conducted,

Decides:

1. To recommend that each country carry out a technical evaluation of the basic statistical data now being collected and compiled and the methods utilized in estimating national accounts when important sectors of the economy are not adequately measured, and evaluate the principal economic aggregates such as national income, consumption and investment, taking into account the uses being made of them and the accuracy and promptness required for these uses;

2. To request the secretariat, in co-operation with the Statistical Office of the United Nations and the Inter-American Statistical Institute, to participate with the countries in reviewing their existing sets of national accounts, and to organize teams of statistical advisers who would, at the request of Governments, assist the government services in formulating national statistical programmes and in developing effective co-ordination among agencies collecting and using statistical data;

3. To express its satisfaction with the results achieved at the Seminar on Industrial Statistics, held at Santiago from 10 to 28 October 1960 and sponsored jointly by the Statistical Office of the United Nations, the United Nations Bureau of Technical Assistance Operations, the Inter-American Statistical Institute and the Economic Commission for Latin America;

4. To recommend to the United Nations Bureau of Technical Assistance Operations that further seminars be held for groups of countries so as to deal with special problems of industrial statistics relevant to the countries concerned, and to request it to co-operate in the holding of further seminars in other statistical fields;

5. To recommend that each country study the desirability and possibility of introducing into its statistical system periodical sample surveys of households, whereby it would be possible to collect current information on economic and social conditions primarily centred in households;

6. To request the secretariat, in co-operation with the Statistical Office of the United Nations and the Inter-American Statistical Institute, to provide the technical assistance required for developing such a programme.

13 May 1961

197 (IX). Comparative prices and the purchasing power of currencies

The Economic Commission for Latin America,

Taking into account the preliminary study on comparative prices and the purchasing power of currencies (E/CN.12/589) submitted by the secretariat,

Recognizing that a proper comparative calculation of real prices, costs, wages and incomes is of fundamental importance for the countries of Latin America in connexion with the analysis of economic development and the formulation of national and regional development programmes,

Considering that, given the present inadequate operation of the market in Latin America, the prices of the factors of production in many cases do not reflect the relative scarcity or abundance of such factors, and that this tends to introduce distortions into the evaluation of development projects from the standpoint of national economies,

Decides:

1. To recommend to the secretariat that it amplify the aforementioned study to cover all the countries of Latin America; that it collaborate to the full with other international bodies in comparing data from the Latin American countries with information from other

parts of the world; that it broaden the study to include relationships between price, wage and personal income levels; and that it analyse the causes underlying the difference in the price structure of each country;

2. To recommend to the secretariat that it collaborate to the fullest possible extent with countries that so request in determining the book prices which are required for the evaluation of investment projects from the point of view of the economy as a whole;

3. To recommend to Governments that their competent authorities collaborate to the full with the secretariat by providing it with the information it requires for carrying out the aforementioned studies.

13 May 1961

198 (IX). Development of information media in Latin America

The Economic Commission for Latin America,

Considering that Latin America, in order to attain its economic growth objectives in a relatively straightforward manner and satisfy those aspirations of its peoples whose fulfilment can no longer be deferred, will need the understanding and support of the population for national and regional development programmes,

Considering that in order both to obtain this understanding and support and to extend and guarantee the rural population—the full enjoyment of the right to information, it is urgently necessary to undertake co-ordinated action with a view to facilitating the satisfactory development of the press, broadcasting, television and cinematography and at the same time permitting the intensification, expansion and improvement of programmes for the vocational and technical training of personnel working in such information media.

Bearing in mind that information media can give vigorous impetus to efforts and programmes designed to provide both technical training and general education, and thus efficaciously help to expedite the economic and social development of the peoples,

Considering that in resolutions 150 (VIII), 191 (IX) and 192 (IX) the Commission has already emphasized the need for the Latin American countries to intensify their educational and training programmes,

Decides:

1. To commend the activities which the United Nations Educational, Scientific and Cultural Organization (UNESCO) has been undertaking, at the request of the United Nations General Assembly and the Economic and Social Council, to promote the development of information media, and which are reviewed in the general UNESCO report on development of information media in under-developed countries (E/3437 and Add. 1);

2. To endorse the conclusions and recommendations contained in the said report, especially those put forward by the Meeting of Experts on the Development of Information Media in Latin America, held under the auspices of UNESCO at Santiago, Chile, from 1 to 13 February 1961;

3. To call attention to the resolutions on information adopted by the Commission on Human Rights (IV (XVII)) and the Economic and Social Council (819 A (XXXI)), and particularly to the fact that the latter invites "the Technical Assistance Board of the United Nations, the Special Fund, the specialized agencies concerned, the regional economic commissions and other public and private agencies and institutions to assist, as appropriate, less developed countries in the development and strengthening of national information media in these countries";

4. To recommend to Governments that in their economic and social development programmes they give due priority to projects, programmes and agencies for the purpose of expanding and improving information media;

5. To recommend to the ECLA secretariat and to member Governments that they encourage, support and facilitate the dissemination of studies by ECLA itself and by other similar international bodies as also by national or regional economic development plans and of programmes and studies in general relating to the purposes of the Economic Commission for Latin America;

6. To recommend to Governments, likewise, that the above-mentioned programmes include measures designed to promote the wider and more efficient dissemination of accurate information on Latin America in the other countries of the world, with the help of the United Nations public information services and the facilities of other international and regional agencies.

13 May 1961

199 (IX). Establishment of an institute for planning economic development

The Economic Commission for Latin America,

Considering the importance and urgency of planning economic development in Latin America for fostering and securing the accelerated economic development of the region,

Considering the need for economic development training and advisory assistance in Latin America on a much larger scale than in the past to support these planning activities,

Considering that an economical and expeditious way of meeting this need is to expand the already existing ECLA activities in the fields of training, research and advisory assistance,

Being aware that, in spite of the increased contributions of United Nations technical assistance programmes the resources at the secretariat's disposal for carrying out economic development training and advisory activities are not adequate to meet all the requests received,

Considering that the Special Fund lends its assistance to planning, training, and other pre-investment activities like those referred to above,

Appreciating the specific interest expressed at this

session of the Commission by the Managing Director of the Special Fund in economic development programming and planning,

Appreciating further the Managing Director's readiness to recommend to the Governing Council of the Special Fund that it approve a special allocation of funds to permit preparatory work for a draft request for the establishment of an institute for planning economic development in Latin America,

Noting that the Governments of Chile, Colombia and Venezuela have submitted a request to the Special Fund for the establishment of such an institute, and that other Governments intend to do likewise,

Decides:

1. To recommend that ECLA's current training and advisory activities in the field of planning be expanded to the extent necessary, and that to this end the Executive Secretary of ECLA, in consultation with the Managing Director of the Special Fund, prepare the organization of the establishment of an autonomous institute for planning economic development under the auspices of ECLA, and so organized that it will be empowered to receive and administer funds from sources other than the Latin American Governments and the Special Fund;

2. To recommend that the said institute should aim at building up a permanent team of development planning experts to work at the regional or national level and at establishing close liaison with the planning institutions of the Latin American Governments, in order to maintain a continuous process of training, exchange of experience and improvement of planning techniques;

3. To request the executive Secretary of ECLA to give such assistance as may be requested by the Managing Director of the Special Fund and the Governments concerned dealing with all the procedures necessary for the establishment of the institute;

4. To express the hope that the Managing Director and the Governing Council of the Special Fund will give prompt and favourable consideration to the applications formulated by the Latin American Governments for financial support for this institute;

5. To request the Executive Secretary of ECLA to consult with the Managing Director of the Special Fund on the arrangements that might be made with other international and regional organizations for the functioning of the institute;

6. To draw the attention of the Latin American Governments to the desirability of supporting the work of the institute by placing at its disposal the local human and material resources required to ensure the maximum efficiency of its activities in the various countries;

7. To declare that it is confident that the institute established under the auspices of ECLA with the support of the Special Fund will in time become an agency directed and maintained by the Latin American Governments.

13 May 1961

200 (IX). Repercussions of scientific progress and regional integration on the economic and social development of Latin America

The Economic Commission for Latin America,

Considering that the rapid advances achieved in the field of scientific research are constantly creating synthetic substitutes for the natural raw materials which have hitherto constituted the basis of the Latin American economies,

Appreciating the progress made in connexion with the peaceful uses of non-conventional energy, the aim of which is to transform the existing systems of production, conversion and distribution of energy, to which sector the Latin American countries devote a very large proportion of their resources,

Bearing in mind that the increasing application of automation in contemporary life is creating a new situation as regards the numbers and training of personnel employed, giving rise to temporary unemployment, or manpower shifts towards services, or the absorption of the younger population groups by the extension of their period of education,

In view of the need to co-ordinate Latin American economic integration efforts with similar efforts being made in the European and African countries, creating common markets which are bound to affect one another and whose repercussions may be felt by the economy of our countries,

Decides to recommend to the ECLA secretariat that, with the co-operation of the ILO, FAO, BTAO, UNESCO and the International Atomic Energy Agency, it carry out research, on a continuing basis in so far as its resources permit, on the future repercussions of scientific progress, the development of the non-conventional forms of energy, automation and the integration of other areas, on the economic and social development of Latin America.

13 May 1961

201 (IX). Consumer goods industries

The Economic Commission for Latin America,

Considering that on various occasions, and particularly in resolution 10 (IV), the Commission expressed its interest in studies connected with consumer goods industries, including the textile industry which occupies a prominent place in that group,

Considering that a thorough knowledge of the characteristics of these industries in the various countries of the region acquires particular importance when related to regional problems of economic integration,

Takes note with satisfaction of the fact that the secretariat has embarked on new studies on the textile industry in some countries of the region in response to requests made by institutions in those countries,

Recommends to the secretariat that it extend such studies to other countries of the region which have expressed interest in the matter and also to other industries in the group of consumer goods industries,

Requests the United Nations Bureau of Technical

Assistance Operations and FAO to collaborate in this project by providing experts in these branches of industry who have previously taken part in missions in individual countries of the region.

13 May 1961

202 (IX). Pulp and paper industries

The Economic Commission for Latin America,

Considering the work accomplished by the ECLA/FAO/BTAO Pulp and Paper Advisory Group in studying the prospects of developing the pulp and paper industries in Latin America,

Considering the usefulness of such studies, not only for the countries directly concerned, but also as background information essential for the adoption of a regional approach to the development of those industries,

Considering the need for pursuing such studies not only as regards bringing them up to date in the countries where this is necessary but also in respect of supplementing them with an analysis of other fundamental aspects of the development of the industries in question, such as the training of personnel, technological research for the more efficient adaptation of conventional processes to the special characteristics of Latin American raw materials, the international financing of new plants, etc.,

Considering the desirability of directing the activities of the above-mentioned Advisory Group towards the provision of assistance to Governments, whenever requested, in the preparation of specific development programmes for industries in the sector or in formulating applications for international technical and financial assistance in the preparation of such programmes from such organizations as the Special Fund,

Decides:

1. To recommend to Governments that they continue to utilize the services of the Group;
2. To request the secretariat to take the necessary steps to enable the Group to continue its useful activities in Latin America;
3. To request that the Bureau of Technical Assistance Operations and the Food and Agriculture Organization of the United Nations continue to co-operate with the secretariat in constituting the Group;
4. To recommend to the secretariat that the future activities of the Group be primarily concerned with providing assistance to Governments which so request, in the preparation of specific programmes for the development of the pulp and paper industries in their countries and in clarifying the problems of training and technological and financial research to which the implementation of such programmes may give rise, in co-operation, on the technological side, with the Regional Institute for Forest Research at Merida (Venezuela).

13 May 1961

203 (IX). Technological research

The Economic Commission for Latin America,

Considering the disparity between Latin America's

current capacity to undertake technological research and the requirements implicit in industrial development,

Bearing in mind that this disparity constitutes an obstacle to such development at the present stage of Latin American industrialization,

Conscious that the similarity of resources and problems among the countries of the region has begun to lead to the establishment of common targets for technological research, and will conduce to duplication of effort in the absence of specialization and a division of responsibilities among existing research institutes,

Convinced that technological research comes within the purview of the promotional activities of international bodies such as ECLA, the Bureau of Technical Assistance Operations, the Special Fund, the specialized agencies, the Inter-American Development Bank and the Organization of American States,

Reaffirming the interest that it has itself expressed in technological research in resolutions 13 (IV) and 53 (V),

Requests the secretariat:

1. To proceed with its studies on Latin American requirements as regards technological research, with particular attention to the formulation of a regional programme of priorities and the determination of ways and means of expanding existing institutions or setting up new ones;

2. To collaborate, to the extent that its terms of reference permit, with member States in the preparation of their own programmes for the development of technological research, and in the formulation of applications to international organizations for technical and financial assistance;

3. To convene a meeting of directors of technological research institutes, with a view to promoting the formulation of co-ordinated programmes and the specialization of activities, and disseminating the findings of the research already carried out;

Suggests that the Special Fund and other relevant organizations should give due attention to applications for assistance connected with the foregoing objectives.

13 May 1961

204 (IX). Water resources

The Economic Commission for Latin America,

Considering the progress made in the study of water resources in the Latin American countries with the assistance of the ECLA/BTAO/WMO missions, such as, *inter alia*, the study on Venezuela (E/CN.12/593) submitted to the present session, and the requests pending in this connexion,

Bearing in mind that the secretariat has been unable to comply with resolution 131 (VII) on the utilization of the waters of rivers and lakes forming international hydrographic basins owing to lack of funds and of adequate technical staff,

Having regard to resolutions 166 (VIII) on the continuation and amplification of the studies on water re-

sources, and 164 (VIII) on the planning and utilization of hydroelectric resources,

Decides:

1. To reaffirm the need to continue with the studies on the integrated rational and co-ordinated utilization of hydroelectric resources in the Latin American countries;

2. To request the Bureau of Technical Assistance Operations to continue co-operating in the water resources programme;

3. To reaffirm the urgent need to promote the study of water resources and the training of experts specializing in this field, either as a separate activity or as part of the other work of the Commission connected with vocational training and research on the basic problems of economic development;

4. To suggest that the secretariat, as a special activity or by any other means deemed appropriate, with the assent of countries having joint jurisdiction and in consultation with the component national bodies, proceed at the earliest opportunity to prepare methods for the collection, processing and interpretation of the basic data required for the study and development of the water resources common to several countries in the region, and to encourage the adoption and application of such methods in those countries.

13 May 1961

205 (IX). Tariff liberalization with respect to construction materials

The Economic Commission for Latin America,

Considering that, despite the measures adopted by certain Governments and the success achieved to date in reducing the housing deficit in Latin America, the situation does not appear to have improved to any appreciable extent,

Realizing that the shortage of housing in conjunction with the deficient state of existing dwellings constitutes a grave social problem for the Latin American countries,

Bearing in mind that the machinery of both the Montevideo Treaty and the General Treaty on Central American Economic Integration could serve a useful purpose in lowering the cost of housing construction and hence expediting government housing programmes,

Taking note of the document submitted by the Pan American Federation of Architects' Associations³⁶ on the need to undertake studies on intra-regional trade in construction materials,

Decides:

1. To recommend to the Governments belonging to the Latin American Free-Trade Association and the General Treaty on Central American Economic Integration that they explore the possibility of including housing construction materials in their programmes for import liberalization, and of promoting agreements on industrial complementarity in the fields concerned;

2. To request the secretariat to carry out studies on

³⁶ See Conference Room Paper No. 11.

the construction materials industry and markets, with due regard to the possibility of regional or national complementarity in the production of certain items, as well as their manufacture in conditions of maximum efficiency, bearing in mind the new situation created by the existence of the Latin American Free-Trade Association and the General Treaty on Central American Economic Integration; and that in the preparation of these studies, collaboration be sought from public and private bodies likely to be helpful in attaining the proposed aims, including the Pan American Federation of Architects' Associations.

13 May 1961

206 (IX). Study and integral evaluation of human resources in the economy

The Economic Commission for Latin America,

Considering that the human factor is a vital element in development policy and that the ultimate aim of this policy is the continuous improvement of the economic and social well-being of the whole community,

Bearing in mind that the study and application of measures related to economic development presuppose an over-all evaluation of human resources,

Noting that the characteristics of the human factor most closely related to economic development and requiring joint analysis and planning, include: (a) population movements, which are the basis of present and future labour supply; (b) the structure of employment and the absorption of labour into economic activities; (c) the supply of skilled labour at all the various levels and in all sectors of the economy as a basis for the organization of productive employment; (d) a sufficiently high general level of education to meet the cultural needs of the people and provide for vocational training to the extent and in the special fields required; (e) labour productivity in the various sectors of economy and in all occupations, its increase being the chief aim of economic and social development; (f) remuneration in the various occupations in line with productivity, distribution of income, production incentives and expansion of the market, and with the optimum level of investment for development, which will depend more and more on efforts by all sections of the community rather than on the interests of small social and economic groups,

Recalling resolution 149 (VIII) of the Economic Commission for Latin America on skilled labour,

Recommends to the secretariat that, in collaboration with the appropriate national and international bodies, it carry out co-ordinated studies on the basic aspects of human resources as set forth in the preambular paragraphs of this resolution, with a view to providing Governments with technical assistance in connexion with their efforts to establish economic development planning.

13 May 1961

207 (IX). Capital goods industries

The Economic Commission for Latin America,

Considering that there is a tendency among the countries of the region to develop their industry along more balanced lines by assigning a more important role to the local processing of their raw materials, fuels and intermediate products, and that this trend is generating a steadily increasing demand for basic production equipment,

Considering that in the more highly industrialized countries of Latin America the metal transforming industries, and especially heavy industry, have already developed sufficiently to embark on the manufacture of such equipment,

Considering that the production of capital goods would bring incalculable benefits in its train, both for individual countries and for the region as a whole, inasmuch as it would permit, on the one hand, a substantial saving of foreign exchange and, on the other—since by its very nature it lends itself to co-ordination of resources—the more efficient utilization of the production capacity of metal transforming enterprises,

Considering that the studies which ECLA is initiating in this field reveal that, despite the existence of favourable conditions for this type of industry, its development is lagging behind because of factors unconnected with the techniques and production capacity of enterprises,

Considering that the analysis of the aforesaid factors shows that the want of adequate provision for the medium- and long-term financing of sales of these capital goods constitutes the principal limitation to the expansion of industry,

Considering that the national agencies do not have sufficient resources to meet these requirements, but that they offer a basis for the establishment of a financing mechanism and the channelling of supplementary resources from abroad,

Decides:

1. To recommend to the Latin American Governments that, through their credit policies connected with the operations of private banks, and, where appropriate, through their foreign trade banks or development institutions, they lend their support in the medium- and long-term financing of the sale at home or abroad of capital goods produced in their countries, to the extent that this is compatible with their economic, especially monetary, situation;

2. To recommend to the Governments members of the Commission that they instruct their representatives to international financing agencies to request these bodies to study the problem of medium- and long-term credit for the purpose of financing the sale of capital goods produced in Latin America, and the ways in which they might help to supplement the activities of national credit institutions in that field; and to take resolute action with a view to implementing the recommendations arising out of the said study;

3. To request the secretariat to continue the studies it is carrying out in relation to the manufacture of

capital goods, and to collaborate with national agencies in the preparation of specific projects for presentation to the appropriate international financing institutions, with a view to guiding the action they may take in order to attain the above-mentioned objectives through the combination of national and international resources.

13 May 1961

208 (IX). Regional integration

The Economic Commission for Latin America,

Considering the progress achieved in various countries in the process of programming the development of their economies,

Bearing in mind that it is desirable for the States parties to the Montevideo Treaty and the General Treaty on Central American Economic Integration — as well as for countries intending to accede to them — to co-ordinate their development plans or policies with the new economic circumstances created by the existence of those instruments of regional integration,

Decides :

1. To recommend to the States parties to the Montevideo Treaty and the General Treaty on Central American Economic Integration—as well as to countries intending to accede to them—that, in preparing and implementing their economic development plans and policies they take into account the new conditions in respect of markets, competition and regional integration possibilities created by the existence of the said Treaties ;

2. To recommend to the ECLA secretariat that, when so requested by the States parties to the Montevideo Treaty and the General Treaty on Central American Economic Integration—as well as by countries intending to accede to them—it study the degree of compatibility of the targets established by those countries, and set forth in their programmes or in other expressions of the economic policy they propose to pursue, with the aims already set forth in the above-mentioned Treaties ;

3. To request the secretariat to co-operate with the Governments referred to, whenever it is asked to do so, in the co-ordination of their development programmes with the objectives of the Montevideo Treaty and the General Treaty on Central American Economic Integration.

13 May 1961

209 (IX). Experts on labour questions

The Economic Commission for Latin America,

Considering that organized labour can make a valuable contribution to the study of the social problems of development, as well as supporting the national programmes deriving from the relevant recommendations,

Decides to recommend to the ECLA secretariat that it invite, when appropriate, experts on labour questions connected with the labour movement to seminars or meetings for the study of the social problems of development.

13 May 1961

210 (IX). Decentralization of the economic and social activities of the United Nations and strengthening of the regional economic commissions

The Economic Commission for Latin America,

Bearing in mind :

(a) That the United Nations General Assembly adopted, at its fifteenth session, resolution 1518 (XV) recommending that steps be taken to decentralize United Nations activities in economic and social fields and make increased use of the regional economic commissions,

(b) That the Economic and Social Council adopted resolution 793 (XXX) on the decentralization of activities and operations and the advantage of drawing, as fully as possible, on the services of the regional economic commissions, especially in the preparation and execution of programmes for advancing regional development in the economic and social fields,

(c) That the Secretary-General of the United Nations has submitted to the Commission, for consideration at its present session, document E/CN.12/564, in which the views of member Governments are requested on the measures which would be conducive to strengthening the regional economic commissions and increasing their participation in the programmes under way,

(d) That the Executive Secretary of the Commission has presented for consideration at the present session document E/CN.12/599 which sets forth an overall plan and, at the same time, specific initial measures for decentralizing the programmes for advancing regional economic development,

Considering :

(a) That on numerous occasions the member Governments have pointed out the advantages that would accrue from utilizing the services of the Commission as actively as possible and from proceeding to decentralize the technical assistance programmes of the United Nations, ²⁶

(b) That the financial resources available for the technical assistance programmes are insufficient to cover all the projects in which the member Governments are interested, and that a periodic selection should therefore be made of the projects likely to be most beneficial for economic development and that they should be carried out as efficiently as possible by means of a continuous evaluation of results,

(c) That the knowledge and experience of the ECLA secretariat should be drawn upon as fully as possible in both the formulation and development of the projects,

(d) That the ECLA secretariat should be given the requisite staff to enable it to provide such services with all necessary efficiency,

Decides :

1. To take note with satisfaction of General Assembly resolution 1518 (XV) and Economic and Social Council resolution 793 (XXX), of the relevant document

²⁶ See ECLA resolution of 20 June 1950 (E/CN.12/192), reiterated in resolutions 12 (IV), 39 (AC.16), 85 (VI), 110 (AC.34), 125 (VII) and 144 (AC.40).

presented by the Secretary-General (E/CN.12/564) and of the report submitted by the Executive Secretary (E/CN.12/599);

2. To express its gratitude to the General Assembly and to the Economic and Social Council for the measures which they have adopted to decentralize United Nations economic and social activities and to strengthen the regional economic commissions;

3. To concur in the opinion of the Secretary-General that, in order to intensify the participation of ECLA in United Nations operational activities it might be necessary to increase its staff resources as appropriate (see E/CN.12/564, paragraph 5 A);

4. To recommend to the Secretary-General that he proceed to carry out the projected decentralization and take steps to secure from the competent bodies of the United Nations the necessary resources for creating an operational technical assistance unit within the secretariat of the Commission, and to assign to it the specialized staff required to prepare and continue developing the technical assistance projects on the lines proposed by the Executive Secretary.

13 May 1961

211 (IX). Co-operation with the Organization of American States and the Inter-American Development Bank

The Economic Commission for Latin America,

Takes note with satisfaction of the creation of an Ad Hoc Committee on Co-operation consisting of the Director-General of the Organization of American States, the President of the Inter-American Development Bank, and the Executive Secretary of the Economic Commission for Latin America,

Recognizes that, while the three organizations maintain their independence and freedom of action, the working arrangements of the agreement as set forth in document E/CN.12/601 provide a suitable basis for intensifying the co-operative efforts of these organizations to assist Governments in accelerating their economic and social development,

Endorses the agreement on the understanding that this is a flexible arrangement which may be modified in the light of experience,

Recommends to the ECLA secretariat that it suggest to the Committee in question that, in its work of co-operation and co-ordination, it should maintain close contact with the specialized agencies of the United Nations which operate in Latin America and should ensure the co-ordination of the latter's activities with those of the organizations and agencies forming the Committee, in so far as their respective programmes make this advisable, establishing such mechanisms or arrangements as it may deem appropriate, in accordance with the working relations existing between them.

13 May 1961

212 (IX). Establishment of an ECLA office at Bogotá

The Economic Commission for Latin America,

Considering that the establishment of an office of

the Economic Commission for Latin America at Bogotá would constitute a decentralization measure that would facilitate the execution of the Commission's projects relating especially to Colombia, Ecuador, Venezuela and British Guiana,

Bearing in mind that the Government of Colombia has offered to provide, without charge to the United Nations, the necessary premises for the operation of the said office, and has declared its willingness to grant the appropriate privileges and immunities to the office and to the international staff thereof,

Decides to recommend to the Executive Secretary of ECLA that an ECLA office be established at Bogotá, with the aim of facilitating the conduct of the studies and other activities undertaken by the Commission, especially in connexion with Colombia, Ecuador, Venezuela and British Guiana.

13 May 1961

213 (IX). Relations with inter-American agencies

The Economic Commission for Latin America,

Considering the desirability of the Commission's maintaining satisfactory co-ordination and co-operation with the representative inter-American agencies in the economic and social field, in the interests of smoothly integrated action to promote Latin America's economic development,

Bearing in mind that the Montevideo Treaty and the General Treaty on Central American Economic Integration have recently been signed and the Inter-American Development Bank and the Central American Bank for Economic Integration created,

Decides:

1. To maintain close liaison with the Organization of Central American States, the Latin American Free-Trade Association, the Inter-American Development Bank, the secretariat of the General Treaty on Central American Economic Integration and the Central American Bank for Economic Integration;

2. To request the Executive Secretary to adopt the necessary measures for co-ordinating the activities of the secretariat with those of the above-mentioned agencies.

13 May 1961

214 (IX). Report of the third session of the Trade Committee

The Economic Commission for Latin America,

Considering that the Trade Committee, created by virtue of resolution 101 (VI) has presented to it the report (E/CN.12/C.1/19) of its third session, at which important resolutions were adopted with a view to furthering the progress of regional integration,

Considering that the creation of the Latin American Free-Trade Association, under the terms of the Montevideo Treaty signed in February 1960 constitutes further progress towards the creation of a regional common market,

Decides:

1. To take note, with satisfaction, of the report of the third session of the Trade Committee;
2. To request the secretariat to accord due priority to the work recommended in the various resolutions adopted by the Trade Committee.

13 May 1961

215 (IX). Place and date of the tenth session

The Economic Commission for Latin America, Bearing in mind paragraph 15 of its terms of reference and rules 1 and 2 of its rules of procedure,

Considering the invitation issued by the Government of the Argentine Republic to hold the tenth session of the Commission in the city of Buenos Aires,

Decides:

1. To express its gratitude to the Government of the Argentine Republic for this generous invitation;
2. To hold its tenth session in the city of Buenos Aires, in April 1963 or in the following month should that prove necessary after the Executive Secretary of the Commission has consulted with the Secretary-General of the United Nations and the Government of the Argentine Republic.

13 May 1961

PART IV

DRAFT RESOLUTION FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL

The Economic and Social Council

Takes note of the annual report of the Economic Commission for Latin America covering the period 30 May 1960 to 15 May 1961 (E/CN.12/573/Rev.1) and of the resolutions and recommendations included in the account of proceedings of the Commission's ninth session, and endorses the programme of work and priorities contained therein.

PART V

PROGRAMME OF WORK AND PRIORITIES, 1961-1962

BASIC DIRECTIVES

377. In preparing the programme of work and priorities, the subsidiary bodies of the Commission and the Executive Secretary continued to follow the basic directives and decisions of the Economic and Social Council and of the General Assembly, as well as the recommendations of the Advisory Committee on Administrative and Budgetary Questions regarding programmes and priorities in the economic and social fields, concentration and co-ordination of efforts and resources, control and limitation of documentation, the pattern of conferences and related questions. Particular attention was given to the recommendations contained in Economic and Social Council resolutions 324 (XI), 362 B (XII), 402 B (XIII), 451 A (XIV), 497 C (XVI), 553 (XVIII), 557 (XVIII), 590 (XX), 597 (XXI), 604 (XXI), 630 (XXII), 664 (XXIV), 693 (XXVI), 694 (XXVI), 709 (XXVII), 710 B (XXVII), 724 A (XXVIII), 731 B (XXVIII), 742 (XXVIII), 751 (XXIX), 777 (XXIX), and 791 (XXIX).

CONCENTRATION AND CO-ORDINATION

378. In accordance with the policy laid down in paragraph 17 of the annex to Economic and Social

Council resolution 693 (XXVI), the secretariat continued to enlist the co-operation of such bodies as universities, national, private or public institutions and non-governmental organizations, in order to make the most effective use of its own resources. The projects carried out in accordance with this policy over the past year include the following:

Project 3 (i). The study on the economic development of Honduras was carried out in close collaboration with a national working group consisting of economists from the National Economic Council (Consejo Nacional de Economía) and the Central Bank, with assistance from the Ministry of Economic Affairs. The studies on the economic development of Guatemala and Nicaragua are also being conducted with the active co-operation of government-sponsored working groups.

Project 3 (iii). The Ford Foundation contributed a substantial sum towards the preparatory work on tax administration and fiscal policy.

Project 3 (v). The Advisory Groups assigned to Bolivia, Chile, Colombia and Venezuela are working in direct contact with the planning and development institutions of those countries, which are co-operating closely with the respective groups.

Project 4 (vii). The study on land tenure and agricultural labour conditions in Central America is continuing, with assistance from experts provided by BTAO, FAO and the ILO. The operative co-ordination of this project has been entrusted to the Central American Higher University Council (Consejo Superior Universitario Centroamericano) and other national institutions are co-operating. Research in El Salvador on the mobility of the labour force and its relations with the industrialization process was carried out in 1960 by a BTAO expert, together with experts provided by the Government.

Project 4 (ix). The Advanced School of Public Administration for Central America (ESAPAC) is now devoting a major share of its attention to the economic integration programme. In 1961, a short course will be given on customs administration and seminars will be held on the administration of development laws, highways, communications and the integration treaties. The secretariat will collaborate closely in these activities.

Project 6. The Government of the Netherlands has lent an expert to work on transport problems.

Project 13. Work on the coffee study in Brazil was greatly facilitated by the Brazilian Ministry of Agriculture, which provided technicians to assist in the field work, and by the Brazilian Coffee Institute (Instituto Brasileiro do Café) which provided both technicians and funds.

Project 18. Progress was made with the inventory and analysis of Latin American industry, through the co-operation of many government and private institutions, in particular the industrial associations in Argentina, Brazil, Chile and Mexico.

Project 19. The Chilean Development Corporation (Corporación de Fomento de la Producción—CORFO) provided personnel to assist in the preparation of the pilot chemical industries study on Chile and also for the general study. Similarly, the Venezuelan Development Corporation (Corporación Venezolana de Fomento) afforded financial and other assistance for the general study. In other Latin American countries similar research was carried out with the assistance of various governmental and private organizations. Some forty private companies interested in the development of the chemical industry in Latin America provided information of great value for this work.

Project 20. The ECLA/FAO/BTAO Pulp and Paper Advisory Group was given invaluable assistance in all its missions by local industrialists and by the corresponding development corporations.

Project 21. The secretariat assisted in the establishment of the Latin American Steel Institute (Instituto Latinoamericano de Fierro y Acero—ILAFA), and is now collaborating with this organization.

Project 22. Work on the basic equipment industry was initiated, with financial and other assistance provided by the Argentine Federal Investment Council (Consejo Federal de Inversiones) the Federation of Metallurgical Industries of Argentina (Federación de Industrias Metalúrgicas) and the Brazilian Association for the development of Basic Equipment Industries (Asociacao

Brasileira para o Desenvolvimento das Industrias de Base—ABDIB).

Project 24. The ECLA/BTAO/WMO Water Resources Survey Group was assisted in Venezuela by the Venezuelan Development Corporation and other national and local institutions and services. In Bolivia it has the active co-operation of the National Planning Board (Junta Nacional de Coordinación y Planeamiento) and other government bodies.

Project 25. The Latin American Electric Power Seminar, to be held from 31 July to 12 August 1961 in Mexico City, has received support during the preparatory stages from a number of organizations throughout Latin America, the United States, Canada and Europe. Particular mention should be made of the Federal Electricity Council of Mexico (Consejo Federal de Electricidad), which is co-sponsoring the meeting and providing all the facilities and of the Nacional Financiera, S.A., Mexico, which is making a financial contribution.

Project 26. A pilot project on technological research in Latin America was begun with staff lent by such organizations as the Economic Planning Centre (Centro de Planificación Económica) of the University of Chile, the Chilean Steel Institute (Instituto Chileno del Acero) the Technological Research Institute of the University of Sao Paulo (Instituto de Pesquisas Tecnológicas da Universidade de Sao Paulo) and the Argentine Federal Investment Council (Consejo Federal de Inversiones Argentino).

Project 27. The special textile studies undertaken in 1960 and 1961 were made possible through the financial and other support given by the Textile Institute of the Industrial Development Society of Chile (Sociedad de Fomento Fabril) and the Association of Textile Industries of the State of Sao Paulo, Brazil (Sindicato das Industrias de Fiacao e Tecelagem em Geral do Estado Sao Paulo).

Project 32 (ii). The work on customs systems and duties and the meeting of experts on tariff problems were greatly facilitated by the assistance of the expert lent for four months during 1960 by the Brussels Customs Co-operation Council.

PATTERN OF CONFERENCES

379. In accordance with Economic and Social Council resolution 693 (XXVI), and bearing in mind General Assembly resolution 1202 (XII), the Executive Secretary kept under constant review the aim of reducing, wherever possible, the number and length of the meetings of the Commission's subsidiary bodies and *ad hoc* working parties. The third session of ECLA's Trade Committee was accordingly held during the ninth session of the Commission.

REGIONAL PROJECTS IN CO-OPERATION WITH THE UNITED NATIONS BUREAU OF TECHNICAL ASSISTANCE OPERATIONS

380. As in the past, it is expected that BTAO and the ECLA secretariat will continue to co-operate in

implementing various projects. ECLA was consulted at an early stage in relation to the regional projects for the two-year period 1961-62 and most of these projects, such as those relating to the training of economists, the establishment of Advisory Groups and the holding of seminars and meetings of experts will be put into effect in conformity with the procedures and regulations laid down for similar cases.

CHANGES IN THE WORK PROGRAMME FOR 1961-62

381. The Commission decided to make the following changes in the work programme:

A. New projects

Project 4 (x). Economic development of British Honduras or Belize — resolution 195 (IX).

Project 28. Construction materials — resolution 205 (IX).

Project 37. Incidence of freight charges on the final cost of trade products and other problems of trade policy in transport — resolution 214 (IX) and Trade Committee resolution 15 (III).

Project 38. Expansion of trade — resolution 214 (IX) and Trade Committee resolution 11 (III).

Project 39. Courses on specialized training in trade policy — resolution 214 (IX) and Trade Committee resolution 14 (III).

B. Projects eliminated

Study on the productivity of labour and capital in agricultural production — resolutions 87 (VI) and 134 (VII).

Latin American Centre for Hydroelectric Planning and Utilization — resolution 166 (VIII).

C. Projects modified

Project 3 (ii). Analyses and projections of economic growth for the region as a whole, taking into account the possibilities of complementary development — resolutions 81 (VI) and 208 (IX).

Project 3 (iv). Advice and assistance to Governments in the programming of economic development — resolutions 137 (VII), 155 (VIII) and 184 (IX).

Project 4. Economic integration in Central America — resolutions 24 (IV), 55 (V), 84 (VI), 27 (CCE), 123 (VII), 140 (AC.40), 152 (VIII), 173 (AC.45), 101 (COE), 102 (CCE), 103 (CCE), 104 (CCE), 107 (CCE), 194 (IX) and 195 (IX).

Project 7. Preparation of a minimum programme of statistical data — resolutions 154 (VIII) and 196 (IX).

Project 9. Studies of social factors — resolutions 82 (VI), 124 (VII), 150 (VIII), 176 (AC.45) and 189 (IX).

Project 10. Studies of demographic growth and manpower requirements in relation to economic development — resolutions 83 (VI), 149 (VIII), 187 (IX), 191 (IX), 206 (IX) and 209 (IX).

Project 12. Agricultural policy — resolutions 63 (V), 89 (VI), 158 (VIII), 182 (IX) and 183 (IX).

Project 15. Role of agricultural commodities in the proposed Latin American common market — resolutions 158 (VIII) and 182 (IX).

Project 22. Metal transforming industries — resolutions 57 (V), 96 (VI), 127 (VII), 161 (VIII) and 207 (IX).

Project 27. Textile industry — resolutions 11 (IV) and 201 (IX).

Project 32 (ii). Study of customs systems and duties — resolution 214 (IX) and Trade Committee resolution 12 (III).

D. Projects transferred to a higher category

Project 8. Meetings of experts on problems of economic growth and the technique of programming — resolutions 48 (V)

and 185 (IX). This project was transferred from Group 3 to Group 2.

Project 26. Technological research and technical training in Latin America — resolution 13 (IV), 53 (V), 200 (IX) and 203 (IX). This project was transferred from Group 3 to Group 2.

IMPLEMENTATION OF THE WORK PROGRAMME

382. On previous occasions the Commission has authorized the Executive Secretary, in dealing with the different work projects, to use available resources to arrange for such conferences, expert working groups and meetings or panels of experts as he may consider necessary, providing that prior approval has been obtained from the Governments concerned and consultations with the appropriate specialized agencies have taken place. The Commission wished the Executive Secretary to continue that policy.

383. Although it is desirable to have as stable a programme as possible, unforeseen factors may make it necessary to abandon certain projects or to establish different priorities. For that reason the Commission, as in the past, wished to leave it to the discretion of the Executive Secretary to modify or defer projects or alter the order of priority within the approved programme, should such unforeseen developments make it necessary.

EXPLANATORY NOTES

384. The programme of work is divided into six broad sections, dealing respectively with: the current economic situation; economic growth and technique of planning; social development; economic problems of agriculture (projects undertaken with the collaboration of FAO); industry, mining and energy; and international trade. One project, on co-operation in the technical assistance programme, covers various fields of activity and is therefore included separately at the end of the programme.

385. Within each section, priorities are listed in accordance with Economic and Social Council resolution 402 B (XIII) as follows:

Group 1: Continuing projects and activities of high priority

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

Group 2: Ad hoc projects of high priority

387. This group consists of non-recurrent projects, for which an approximate duration can be estimated. It includes projects outside the broad scope of the continuing projects (group 1) as well as occasional topics within the scope of such continuing projects.

Group 3: Other projects

388. This group consists of projects which, in view

of staff and budget limitations, will have to be deferred for the present and probably cannot be undertaken in 1961, unless otherwise specified.

389. The criteria used in proposing the classification of projects according to the above groups include, among

other factors, an estimate of the basic importance of each project concerned, as well as an estimate of the most effective way of utilizing available resources. No relative priorities are assigned to projects within groups 1 and 2 or between these two groups.

ANNOTATED LIST OF PROJECTS

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

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

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

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

394. Trade Committee resolutions are identified by arabic numerals followed by a roman numeral in parentheses indicating the session at which they were adopted.

Section I. Current economic situation

GROUP 1: CONTINUING PROJECTS AND HIGH PRIORITY ACTIVITIES

1. *Economic Survey of Latin America*—resolutions 44 (V) and 79 (VI)—published annually. In accordance with the agreement reached with the Organization of American States (OAS), the preparation of the *Economic Survey* will in future be a joint project, for which the OAS will be the executing agency. The ECLA secretariat will, however, continue to publish its own analytical appraisal of the current economic situation, based on the facts emerging from the joint *Survey*.
2. *Economic Bulletin for Latin America*—resolutions 32 (IV) and 79 (VI)—published twice yearly. The Statistical Supplement which has been a feature of the *Bulletin* in recent years will in future be published twice yearly as a separate volume.

Section II. Economic growth and technique of planning

GROUP 1: CONTINUING PROJECTS AND HIGH PRIORITY ACTIVITIES

3. *General problems of economic development and technique of planning*—resolutions 48 (V), 81 (VI), 132 (VII), 137 (VII), 147 (VIII), 148 (VIII), 155 (VIII), 184 (IX), and 208 (IX)
 - (i) *Analyses and projections of economic growth in individual countries*—resolution 48 (V)

At present the secretariat is working on country studies only in Central America. Those on Panama and El Salvador were printed early in 1960. One on Honduras is currently in the press and work is proceeding on economic development studies for Guatemala and Nicaragua.
 - (ii) *Analyses and projections of economic growth for the region as a whole, taking into account the possibilities of complementary development*—resolutions 81 (VI) and 208 (IX)

Basic information is being compiled and analysed for a study on comparative rates of economic growth, with particular reference to trends and structural changes in relation to the economy as a whole as well as in respect of the agricultural, industrial, external and public sectors.

As a sequel to the country studies under 3 (i) above, plans are being made to begin in 1961 a study of the growth prospects of the Central American countries on the basis of an integrated economy.

Moreover, in accordance with resolution 208 (IX), the secretariat will study, at the request of Governments, the degree of compatibility between the economic targets incorporated into development programmes and the free-trade area arrangements; it will also, when so requested, advise Governments of States Members of the Latin American Free-Trade Association on the co-ordination of their national development programmes within the framework of a regional integration programme.

(iii) *Study of monetary and fiscal policies for economic development*—resolutions 81 (VI), 148 (VIII) and 186 (IX)

The secretariat is preparing an analysis of inflation in relation to the economic growth of Latin America, with a view to explaining the evolution and causes of this economic phenomenon, taking into account its effect on development.

In accordance with resolution 148 (VIII) the secretariat has assisted Governments (in connexion with the advisory groups programme) in adapting the best available budgetary methods to Latin American conditions, and devoted considerable effort to providing government employees with training in budget execution. Plans are being made for a second Budget Workshop to be held in 1962.

In recent months, preparatory work was carried out by ECLA, OAS, IDB and the Harvard Law School International Programme in Taxation in connexion with proposals for a long-range programme to strengthen Latin American taxation systems, with a view to mobilizing resources for financing economic and social development in the region. Two joint conferences are to be held, the first in September 1961 on tax administration, and the second early in 1962 on fiscal policy.

(iv) *Advice and assistance to Governments in the planning of economic development*—resolutions 137 (VII), 155 (VIII) and 184 (IX) (see also resolution 199 (IX))

Advisory groups, organized jointly by ECLA and BTAO

with the active collaboration of FAO and the support of other specialized agencies, operated during the past year in Bolivia and Colombia. These two groups will continue their work in 1961 and two more have been formed, for Chile and Venezuela. The groups in question were organized at the request of Governments in compliance with resolution 137 (VII).

A paper drawing on experience to date was presented at the ninth session (E/CN.12/584).

On the basis of negotiations with OAS and IDB, the work of these advisory groups will in future become a joint activity, for which ECLA is to be the executing agency. In this way it is hoped to meet many requests which have hitherto not been dealt with for want of adequate resources.

Strong support was given by FAO, which in one country organized its technical assistance programme around the advisory group needs; in addition, the ILO appointed a manpower expert in March 1961 to work with the groups and is looking into the possibility of assigning further resources to this work. It is expected that in future other specialized agencies will also be collaborating to a greater extent.

A paper based on experience to date (E/CN.12/584) was considered at the ninth session; it is hoped, in accordance with resolution 184 (IX), to expand this document in order to cover (a) methods and experience in formulating and applying global, regional and sectoral plans, mainly for agricultural, industrial and transport activities and (b) different institutional, administrative and technical systems being used to formulate and execute plans and to draw up measures for economic and social policy.

4. *Economic integration in Central America*—resolutions 24 (IV), 55 (V), 84 (VI), 27 (CCE), 123 (VII), 140 (AC.40), 152 (VIII), 173 (AC.45), 101 (CCE), 102 (CCE), 104 (CCE), 107 (CCE), 194 (IX) and 195 (IX).

The ratification of the General Treaty on Central American Economic Integration and the Agreement Establishing the Central American Bank for Economic Integration, signed in December 1960, will entail new forms of collaboration between the secretariat and Governments in the study of problems arising from the application of these treaties and of the measures needed to bring the Central American common market into full operation within a period of five years.

The Committee will hold its third special session this year in order to consider the direction which its activities should take in view of the agreements mentioned above. There are also plans for the Trade Sub-Committee to meet three times during the course of the year, and one session each will be held by the Housing, Electric Power, Agricultural Development, Statistical Co-ordination and Transport Sub-Committees. There will also be *ad hoc* meetings of working groups on industrial development and on equalization of fiscal incentives to development. Several of these meetings will take place simultaneously, and others consecutively, to ensure more efficient utilization of available resources.

- (i) *Central American trade*—resolutions 9 (AC.17), 19 (AC.17), 4 (CCE), 7 (CCE), 11 (CCE), 22 (CCE), 24 (CCE), 37 (CCE), 58 (CCE), 81 (CCE), 83 (CCE), 101 (CCE), 102 (CCE), 103 (CCE) and 106 (CCE).

The secretariat will co-operate with Governments in work relating to the establishment of the standard Central American import tariff which has to be negotiated within six months after the entry into force of the Protocol to the Agreement on Equalization of Import Duties and Charges—also signed in December 1960—as well as in the pre-

paration of instructions for applying the integration treaties. It will also work out draft standard regulations for determining the source of merchandise and will assist Governments in studying the special régimes embodied in the General Treaty.

- (ii) *Industrial development*—resolutions 2 (AC.17), 2 (CCE), 8 (CCE), 25 (CCE), 26 (CCE), 27 (CCE), 38 (CCE), 39 (CCE), 40 (CCE), 41 (CCE), 57 (CCE), 59 (CCE), 60 (CCE), 70 (CCE), 71 (CCE), 75 (CCE), 84 (CCE), 85 (CCE), 88 (CCE) and 104 (CCE).

The secretariat will direct its work mainly towards the concerting of the first protocols under which—pursuant to the General Treaty—industries on a regional scale will be established. A session of the *Ad Hoc* Working Group on Industrial Development will be held in July. The group will examine integration prospects for given branches of industry and will formulate draft protocols for presentation to the Committee.

A Working Group will meet to examine and recommend measures needed for equalizing legislation on fiscal incentives to industrial development and for co-ordinating their application.

The secretariat has collaborated in the establishment of the Central American Bank for Economic Integration. During 1961 it will co-operate with the Bank, particularly in the organizational work, as well as in the initiation and programming of its activities.

- (iii) *Agricultural development*—resolutions 1 (CCE), 14 (CCE), 20 (CCE), 48 (CCE), 49 (CCE), 62 (CCE), 63 (CCE), 76 (CCE), 89 (CCE), 90 (CCE) and 91 (CCE).

The Agricultural Development Sub-Committee will meet for the first time in August 1961. The secretariat will submit studies on the co-ordination of production policies and the regulation of Central American trade in basic agricultural commodities. These studies will be carried out in co-operation with FAO and will provide the basis for the formulation of the special agreements contemplated in the General Treaty on Central American Economic Integration. At the Committee's request, a special study will be undertaken on the problems arising out of the equalization of import duties and charges on specific agricultural commodities.

- (iv) *Transport*—resolutions 4 (AC.17), 21 (AC.17), 18 (CCE), 19 (CCE), 42 (CCE), 43 (CCE), 44 (CCE), 45 (CCE), 46 (CCE), 64 (CCE), 65 (CCE), 67 (CCE) and 92 (CCE).

In co-operation with a BTAO expert and the appropriate national bodies, a Central American highway programme will be drawn up, determining the sections that must be finished in order to establish a regional road network that will make the common market effective, and including indications of the amount of investment needed and of the corresponding priorities. The programme will be submitted to the Transport Sub-Committee in the course of 1961. At another session this Sub-Committee will examine the draft Central American Standard Maritime Code.

- (v) *Electrification*—resolutions 3 (AC.17), 25 (CCE) and 59 (CCE).

Special attention will be devoted to the study of possibilities for the interconnexion of existing electric power systems in Central America. The Electric Power Sub-Committee will hold its second meeting in the third quarter of 1961 and will have before it a study on this subject, analysing in particular the possibilities for combined electric power development in Honduras and El Salvador.

This study was prepared by a BTAO expert. Problems relating to costs, financing and other kindred aspects will also be discussed.

- (vi) *Statistics*—resolutions 20 (AC.17), 3 (CCE), 21 (CCE), 47 (CCE) and 69 (CCE).

The fifth session of the Statistical Co-ordination Sub-Committee is to be held during the last quarter of 1961. Prior to this, a working group on agricultural statistics will meet to review the studies on census co-ordination and the joint programme for continuous statistical series, prepared by a FAO expert.

The second Central American Statistical Compendium will be published in 1961 and the preparation of a methodological supplement to the compendium will be completed.

- (vii) *Social and economic matters*—resolutions 27 (CCE), 51 (CCE), 73 (CCE), 93 (CCE) and 94 (CCE).

Research will continue on the structure of land tenure, on agricultural labour conditions in Central America and on the inter-relationships between these and economic integration. This work is being carried out with the help of experts from BTAO, FAO and the ILO and will be co-ordinated by the Central American Higher University Council; national institutions are also co-operating in this project.

On the basis of research conducted in El Salvador, problems of manpower mobility and its relation to industrial development will be studied with respect to Central America as a whole.

The Housing Sub-Committee will hold its second session in order to study the technical problems connected with the organization and development of the production of building materials and with the establishment of a broader market, of regional scope, for such materials. For this purpose studies are being prepared in the field of modular co-ordination and on the use and improvement of Central American materials.

The possibility of undertaking a low-cost housing programme on a large scale, with foreign aid, is also being studied. A BTAO expert is working on this project and steps are being taken to obtain the collaboration of one or more OAS experts.

- (viii) *Incorporation of Panama in the Central American Economic Integration Programme*—resolution 80 (CCE).

Panama having decided to become a member of the Central American Research Institute for Industry (ICAITI) and of the Advanced School of Public Administration for Central America (ESAPAC), the formulation of the corresponding agreements between the Government of Panama and those institutions is now being studied.

- (ix) *Research and training institutes*—resolutions 7 (AC.17), 23 (AC.17), 5 (CCE), 6 (CCE), 31 (CCE), 52 (CCE), 53 (CCE), 78 (CCE), 95 (CCE) and 98 (CCE).

The Central American Advanced School of Public Administration (ESAPAC) has entered upon a stage of its activities which will require a greater degree of co-operation from the secretariat, since its work will now be more closely related to the Economic Integration Programme. During 1961 the secretariat will collaborate with the School in a short course on customs administration and in seminars on administration of development laws, highways, communications and the integration treaties. Co-operation with the Central American Research Institute for Industry (ICAITI) will be intensified in respect of those

aspects of its work which are directly related to the integration programme.

- (x) *Economic development of British Honduras or Belize*—resolution 195 (IX).

The secretariat was asked to study the possible repercussions of closer co-operation between British Honduras or Belize and the Central American countries.

5. *Joint ECLA/BTAO Economic Development Training Programme*—resolutions 4 (IV), 48 (V), 85 (VI), 153 (VIII) and 157 (VIII) (see also resolution 199 (IX))

The regular course at Santiago was suspended during 1960-1961 with a view to its reorganization; during this period efforts were concentrated on the preparation of teaching materials and on arrangements for an expanded programme, beginning on 1 July 1961, the main object of which would be to train specialists in different sectors of the economy. Intensive courses for 1961 are planned for nine countries (four in conjunction with advisory groups), while in one country a special streamlined course for top-level Government officials has been requested.

6. *Study of transport problems*—resolutions 38 (AC.16), 68 (V), 120 (VII) and 179 (AC.45) (see also project 37)

Activities during the past year were concentrated mainly on the work of the advisory groups, particularly in Colombia and Bolivia and on the study of transport problems directly related to the Central American Economic Integration Programme (see item 4 (iv)).

In addition, work was carried out in connexion with the preparation of teaching materials for the ECLA/BTAO training programme, with particular reference to transport programming. For this purpose the experience gained by the advisory groups and through the training programme was pooled.

The systematic collection of data on different branches of transport in Latin America was begun as an essential pre-requisite for the study of the problems involved. However, thus far, resources have been insufficient to ensure the progress desired.

Lack of resources also hampered the preparations for the seminar of experts to study problems of intra-regional transport, as requested in resolution 179 (AC.45). It is hoped that by pooling available resources with those of the OAS, faster progress can be made in the urgent work required on transport problems in Latin America.

7. *Preparation of a minimum programme of statistical data*—resolutions 154 (VIII), 196 (IX) and 197 (IX)

The assignment of a regional statistician to ECLA early in 1960 was a valuable step towards the preparation of the minimum programme of statistical data. A series of seminars was planned, under the joint sponsorship of the United Nations Statistical Office, the Inter-American Statistical Institute (IASI) and ECLA. The first, on industrial statistics, took place in October 1960 and a second, on trade statistics, is to be held at the end of 1961. A third, on prices, is expected to take place in 1962. Other seminars and working groups will be organized as resources become available and the need arises.

One of the secretariat's senior statisticians will shortly visit a number of countries to confer with the statistical authorities regarding minimum statistical requirements, especially in the field of social conditions and levels of living.

In accordance with resolution 196 (IX), the organization of teams of statistical advisers to assist Governments in improving statistical services will be explored with the

United Nations Statistical Office and the Inter-American Statistical Institute.

A preliminary study on comparative prices and the purchasing power of currencies (E/CN.12/589) was submitted at the ninth session, and in resolution 197 (IX) the secretariat is requested to continue and expand this work.

GROUP 2: AD HOC PROJECTS OF HIGH PRIORITY

8. *Meetings of experts on problems of economic growth and the technique of planning*—resolutions 48 (V) and 185 (IX)

Lack of resources prevented the convening of such meetings, the purpose of which was to bring together Latin American economists to discuss the principal problems of economic growth and to explore the possibilities of improving the techniques of programming economic development and making them widely known.

On the basis of the reports on economic development, planning and international co-operation (E/CN.12/582) and the experience of the ECLA/BTAO advisory groups and problems of economic development (E/CN.12/584), the Commission requested, at the ninth session, that regional seminars and technical meetings be organized at the earliest opportunity by the secretariat, jointly with OAS and the technical assistance programme. These meetings should give priority to budget mechanisms, administrative and technical organization for formulating and executing programmes, techniques of global, sectoral and regional planning, and the planning of public expenditure, particularly public investment and provision of social services.

Section III. Social development

GROUP 1: CONTINUING PROJECTS AND HIGH PRIORITY ACTIVITIES

9. *Study of social factors affecting economic development*—resolutions 82 (VI), 124 (VII), 150 (VIII), 176 (AC.45), 188 (IX) and 189 (IX)

The staff resources of the Social Affairs Division are at present insufficient to carry out more than a minimum programme on this project. Nevertheless, an expert working group met in Mexico from 12 to 21 December 1960, under the joint auspices of ECLA, UNESCO, BTAO and the Bureau of Social Affairs, to discuss social aspects of economic development. The preliminary report of this meeting includes a list of research needs, thus implementing in part the recommendations in resolution 124 (VII). Further meetings at the expert level are contemplated, once some of this fundamental research has been carried out, to be followed by additional meetings at government level.

The results of this first meeting will be discussed at the conference on education and economic and social development to be held in December 1961 under the joint sponsorship of UNESCO, ECLA, the Bureau of Social Affairs and the OAS (resolution 176 (AC.45)).

High priority will be given, in accordance with the availability of resources, to a study to ascertain and analyse the principal social factors that should be taken into account in Latin America for an effective policy of economic and social development, as requested in resolution 189 (IX).

10. *Studies of demographic growth and manpower requirements in relation to economic development*—resolutions 83 (VI), 149 (VIII), 187 (IX), 191 (IX), 206 (IX) and 209 (IX).

(i) *Studies of demographic growth*—resolutions 83 (VI) and 187 (IX).

The secretariat has completed a study on problems of demographic growth (E/CN.12/583 and E/CN.12/604); close co-operation is being maintained with the Latin

American Demographic Research and Training Centre, with particular reference to the five-year demographic programme for under-developed countries sponsored by the Population Commission.

(ii) *Studies on manpower requirements in relation to economic development*—resolutions 83 (VI), 149 (VIII), 191 (IX), 206 (IX) and 209 (IX).

In May 1960 the secretariat convened at Santiago the third meeting of an Inter-Agency Working Party on Problems of Skilled Manpower in Latin America, which was attended by representatives of the ILO, UNESCO, OAS and ICEM. It is expected that this working party will continue to meet from time to time to exchange information and deal with problems of mutual interest relating to skilled manpower.

Work on this subject is also being done in connexion with the Advisory Groups Programme and the ILO has signified its intention of participating on a broader scale in these efforts. As far as resources permit, joint studies relating to various aspects of manpower programming, employment objectives and training of workers will be conducted.

11. *Studies on education and economic development*—resolutions 150 (VIII), 176 (AC.45), 192 (IX) and 193 (IX).

The secretariat, together with UNESCO and OAS, is sponsoring a conference on education and economic and social development to be held at ECLA headquarters in December 1961. The secretariat is preparing several papers for the meeting, relating to the financing of education, economic studies and the integration of educational with economic and social planning (see section II.3 (iv) above).

In conjunction with UNESCO and OAS, the secretariat co-sponsored a mission to study the teaching of economics in Latin America. This mission completed its assignment in October 1960 (see E/CN.12/546/Rev.1).

Section IV. Economic problems of agriculture

(Projects undertaken with the collaboration of FAO)

GROUP 1: CONTINUING PROJECTS AND HIGH PRIORITY ACTIVITIES

12. *Agricultural policy*—resolutions 63 (V), 89 (VI), 158 (VIII), 182 (IX) and 183 (IX).

(i) *Agricultural development, planning in individual countries and the technique of agricultural planning*—resolutions 63 (V), 89 (VI), 158 (VIII), 182 (IX) and 183 (IX).

This is one of the most important continuing projects of the Joint ECLA/FAO Agriculture Division. Some of the work involved is used for the preparation of the *Economic Survey of Latin America* and the FAO publication *The State of Food and Agriculture*, both published annually.

The Joint Division also helps in the establishment and servicing of the Advisory Groups and supplies the agricultural staff attached to the groups by FAO with the economic background data which they require.

Work has also been proceeding on the institutional and other factors that retard or accelerate agricultural development, and on the prospects for expanding Latin America's supply of foodstuffs and agricultural raw materials. Pressure of other commitments and lack of staff have prevented any progress from being made on the manual on agricultural planning.

A special mission collaborated with the Government of Ecuador in an investigation of overall levels of agricultural productivity. A report was submitted to the appropriate authorities in Ecuador and will be published shortly.

- (ii) *Studies on problems of the agricultural economy and land reform*—resolution 182 (IX).

At the ninth session the Joint Division presented a paper outlining an agricultural policy for accelerated economic development in Latin America (E/CN.12/592).

A joint study is being planned with the OAS and FAO with a view to defining the structural problems which limit the more rapid development of Latin American agriculture. The purpose of this study is to enable governments to adopt measures of agrarian policy designed to solve these problems.

13. *Study of productivity and costs of coffee production in relation to economic development*—resolutions 63 (V), 90 (VI) and 136 (VII).

The second part of the series *Coffee in Latin America* has been completed. The first part, dealing with the problems of coffee-growers in Colombia and El Salvador, was published in 1958: the second part, relating to coffee-growing in the State of Sao Paulo, Brazil, was sent to press at the end of 1960 and consists of two volumes, the contents of which have been summarized in an article published in the *Economic Bulletin*, vol. V, No. 2.

At the request of the Government of Colombia and the National Federation of Coffee-Growers a technical mission was sent to Colombia to collaborate in a study of the diversification and overall improvement of agriculture in the coffee-producing zones.

14. *Study of factors affecting the development of livestock production in Latin America*—resolution 91 (VI).

Country studies on livestock production have been completed for Mexico, Venezuela, Brazil and Uruguay. In Colombia the work was carried out in collaboration with the Advisory Group and the resultant study is being used by the Government as basic material for its livestock programme. Field work will shortly be undertaken in Argentina and Chile.

Once the country series has been completed, an overall study will be prepared which will summarize their findings. On the basis of those findings, an analysis will be made of those factors which impede or further the development of the livestock industry in Latin America and the prospects for expanding livestock production.

15. *Role of agricultural commodities in the proposed Latin American common market*—resolutions 158 (VIII) and 182 (IX).

Further to the series of commodity studies submitted at the eighth session, the Joint ECLA/FAO Agriculture Division drafted a paper on the role of agriculture in Latin American common market and free-trade area arrangements. The intention is to continue this work by preparing a certain number of technical papers required by the Latin American Free-Trade Association.

Under the terms of resolution 182 (IX), the Joint Division has been asked to study problems connected with the regional integration of agriculture and subsequently to convene meetings of government officials in order to formulate specific proposals for multilateral action.

GROUP 2: AD HOC PROJECTS OF HIGH PRIORITY

16. *Study of Latin American timber production and consumption trends and prospects*—resolutions 133 (VII) and 159 (VIII).

This study is well advanced, and is scheduled for completion by the end of 1961. It deals with timber resources in the region and the economic possibilities of their development, with particular reference to the provision of raw materials for the wood industries.

GROUP 3: OTHER PROJECTS

17. *Study of the possibilities of increasing agricultural investment*—resolution 92 (VI).

Despite the importance of this project the Joint ECLA/FAO Agriculture Division has not yet been able to begin work on it, for want of resources.

Section V. Industry, mining and energy

GROUP 1: CONTINUING PROJECTS AND HIGH PRIORITY ACTIVITIES

18. *Inventory and analysis of existing industry and plans for its development*—Trade Committee resolution 2 (I) and resolution 116 (VII) of the Commission.

The first report on this subject, submitted at the eighth session, was followed by the completion of a study on the metallurgical, metal transforming and electro-mechanical industries, giving a general view of the distribution of these activities throughout Latin America. Some gaps in the data will be filled at a later stage.

A further study is planned which will give a much broader analysis of manufactured products, although in less detail than in the case of the metal transforming industries.

19. *Study of chemical industries*—resolutions 59 (V), 97 (VI) and 162 (VIII).

Field work for the overall study on chemical industries was completed and a first analysis of the present market was submitted to the ninth session (E/CN.12/591). The overall study is scheduled for completion by the end of the year.

20. *Joint ECLA/FAO/BTAO Pulp and Paper Advisory Group to assist countries in the development of the pulp and paper industries*—resolutions 58 (V), 98 (VI), 128 (VII), 163 (VIII) and 202 (IX).

In 1960, after completing a series of country studies the Group prepared an integrated study on the pulp and paper supply, demand and trade in Latin America. The Group also took advantage of its different missions to collect data for the study of Latin American timber production (see project 16).

The future programme of the Group includes one new country study requested by Argentina; follow-up of country studies, with particular reference to pre-investment analyses; further studies relating to regional economic integration, intra-regional industrial co-operation and improvements in pulp and paper statistics and information; and a survey of international financial sources for pulp and paper development.

21. *Iron and steel industry*—resolutions 10 (IV), 57 (V), 96 (VI), 127 (VII) and 162 (VIII).

No specific work on this project has been undertaken recently although that done on projects 19, 23 and 27 is closely concerned with the iron and steel industry.

22. *Metal transforming industries*—resolutions 57 (V), 96 (VI), 127 (VII), 161 (VIII) and 207 (IX).

The report on the railway equipment industry submitted at the eighth session was brought up to date and now covers Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

Work is proceeding on a study of basic industrial equipment, in compliance with resolutions 161 (VIII) and 207 (IX) (see also project 21 above). The first part, dealing with Argentina, Brazil and Chile, is due for completion early in 1962. A provisional draft of a report on Brazil has already been completed. It is proposed to expand the study to include the preparation and financing of projects, as well as credit problems.

23. *Development of energy resources—resolutions 99 (VI), 100 (VI), 130 (VII), 164 (VIII) and 165 (VIII).*

The secretariat brought up to date the electricity section of its report *Energy in Latin America* (United Nations publication, Sales No.: 57.H.G.2) for submission at the Latin American Electric Power Seminar (see project 26); a survey of hydro-electric resources in the region was also completed, as well as studies on methods of projecting demand for electricity and on the evaluation of future needs in Latin America together with investment requirements and means of financing them. Summaries of these studies were submitted at the ninth session, while the complete versions will all be submitted to the Latin American Electric Power Seminar.

In compliance with resolution 130 (VII), the secretariat has continued to co-operate with the United Nations Department of Economic and Social Affairs and the International Atomic Energy Agency.

24. *Preliminary examination, based on existing information, of multiple water resources utilization in Latin America—resolutions 99 (VI) and 166 (VIII).*

The Water Resources Survey Group, sponsored jointly by ECLA/BTAO/WMO, and set up under the terms of resolution 99 (VI), completed a study of water resources in Venezuela and a summarized version was submitted to the ninth session. The Group is currently carrying out field work in Bolivia and will subsequently go to Colombia, at the Colombian Government's request. The Government of Argentina has also asked for a visit from the Group.

The earlier study on Chile was published in 1960.

GROUP 2: AD HOC PROJECTS OF HIGH PRIORITY

25. *Meeting of experts on problems of electric energy development—resolution 99 (VI).*

The Latin American Electric Power Seminar, convened in accordance with resolution 99 (VI), under the joint sponsorship of ECLA/BTAO and the Government of Mexico, which is acting as host, is to be held in Mexico from 31 July to 12 August 1961. Some ninety papers have already been received from Latin American and international experts and from companies concerned with various aspects of electric power development.

The Seminar will explore some of the principal economic, financial, technical and institutional problems affecting electric power development and will be attended by over 200 participants, including experts and observers.

26. *Technological research and technical training in Latin America—resolutions 13 (IV), 53 (V), 200 (IX) and 203 (IV).*

Towards the end of 1960, with assistance from several interested organizations, the secretariat began work on a pilot project relating to technological research facilities in Argentina, Brazil and Chile. The findings are expected to pave the way for a more extensive study, which may possibly be carried out with the collaboration of the OAS and UNESCO.

Moreover, as resources permit, research will be conducted in accordance with the request in resolution 200 (IX) on the repercussions of scientific progress on the economic and social development of Latin America. The co-operation of the ILO, FAO, BTAO, UNESCO and IAEA will be sought for this work.

27. *Consumer goods industries—resolutions 11 (IV) and 201 (IX).*

(i) *Textile industry—resolutions 11 (IV) and 201 (IX)*

In view of the importance of this industry in the Latin American Free-Trade Association, and of the financial and

other collaboration received from interested organizations in Brazil and Chile, the secretariat undertook studies relating to the present state of equipment in the industry in Brazil and to the current status and operating conditions of the industry in Chile.

As resources become available, this work will be extended to other countries in the region.

(ii) *Other consumer goods industries—resolution 201 (IX).*

The work will be extended to other industries as and when resources permit.

GROUP 3: OTHER PROJECTS

28. *Construction materials—resolution 205 (IX).*

As and when resources permit, the secretariat will undertake studies on the construction materials industry and markets, with particular reference to the Latin American Free-Trade Association and the General Treaty on Central American Economic Integration; in these studies the assistance of the OAS, the Inter-American Housing and Planning Centre (CINVA) and the Pan American Federation of Architects' Associations will be sought. (See also project 4 (vii).)

29. *Special meeting on the mining industry—resolution 129 (VII).*

30. *Study of the institutional factors which affect industrial development—resolution 160 (VIII).*

31. *Utilization of international rivers and lakes—resolution 131 (VII).*

It was not possible to carry out any work on projects 29, 30 or 31 during the course of the past year. As and when resources become available, efforts will be made to undertake some or all of them.

Section VI. International trade

GROUP 1: CONTINUING PROJECTS AND HIGH PRIORITY ACTIVITIES

32. *Common market and payments—resolutions 69 (V), 101 (VI), 115 (VII) to 122 (VII), 168 (VIII), 172 (AC.45) and 214 (IX); Trade Committee resolutions 1 (I) to 4 (I), 6 (II) to 10 (II) and 11 (III) to 13 (III).*

(i) *Meeting of a group of experts*

The experts will be appointed by Governments to prepare a draft agreement on the establishment of a Latin American common market. After consultation with Governments, this meeting was deferred.

(ii) *Customs policy*

The secretariat undertook the following:

(a) A study on customs duties and other import charges and restrictions in Latin American countries, with average levels of incidence analysed in detail, item by item, according to categories of products, for eleven countries (E/CN.12/554 and Add. 1 to 11);

(b) The organization of a working group on customs questions, held from 1 to 12 August 1960 (E/CN.12/568).

In addition to continuing these activities, in accordance with resolution 214 (IX) and Trade Committee resolution 13 (III), the secretariat is giving its attention to the following:

(c) The preparation of basic principles and procedures for transforming quantitative and administrative restrictions into standard customs duties;

(d) The study of tariff systems and customs administration;

(e) The preparation of basic principles and procedures for the adoption of a standard customs nomenclature ;

(f) Studies to be undertaken in accordance with Trade Committee resolution 12 (III), with a view to bringing to light and suggesting the measures best calculated to achieve simplification and co-ordination of the Latin American import régimes and the restoration of the status of the customs tariff as a basic instrument of trade policy.

(iii) *Comparative study of exchange controls and other quantitative and administrative restrictions, with special reference to their effects on the establishment and operation of a common market*

This question was dealt with to some extent in the study described under 32 (ii) (a), and also in relation to specific studies carried out for the Latin American Free-Trade Association.

(iv) *Comparative study of the incentives for new investment, both foreign and domestic, particularly in the industrial sector, and the disparities which may exist and lead to distortions in the common market*

A first study (E/CN.12/550), prepared by a joint ECLA/OAS mission, was completed under the title of *Foreign private investments in the Latin American Free-Trade Area* (United Nations publication, Sales No. : 60.II.G.5.). The intention is to continue this type of research.

(v) *Factors affecting productivity and their repercussions on the competitive position of the different countries and industries*

This work has not yet been started, for lack of resources.

(vi) *Study of all aspects of transport in relation to the integration of markets*

In preparation for this study, work is proceeding on a systematic collection of data on the transport systems of Latin America.

(vii) *Meetings of government experts on trade policy from different groups of Latin American countries*

Consultations are continuing in many countries. Particular reference should be made to those between Colombia, Ecuador and Venezuela held at Quito, from 7 to 10 December (see E/CN.12/555).

(viii) *Dissemination of information on the benefits to be obtained from the expansion of trade and on the reasons for establishing a common market*

Interest in this problem was so great that copies of documents relating to trade questions proved insufficient to meet demand. Arrangements are being made to reprint the most important texts. Lectures were given and numerous press releases were distributed ; work is well advanced on a pamphlet for the information of the general public. Moreover, all the Central American Treaties and the Montevideo Treaty were published by the Commission, with a view to making them known as widely as possible.

(ix) *Work related to the Latin American Free-Trade Association*

In compliance with the request made by the signatories of the Montevideo Treaty, the secretariat undertook such activities as the following :

(a) Technical advice to the Latin American Free-Trade Association (ALALC). Staff have been assigned to the ALALC practically on a permanent basis for this purpose. A series of papers on technical problems was prepared ;

(b) Assistance was given in organizing various meetings of government experts ;

(c) Advisory work was carried out in such a way as to make it as far as possible useful to all the Latin American

countries. Similarly, general work on trade problems is also designed to be of use to the Governments members of ALALC.

(x) *Preparatory work for the third session of the Central Banks Working Group*

This session has not yet taken place. The necessary technical studies are in course of preparation.

(xi) *Preparatory work for the third session of the Trade Committee*

In this connexion, apart from the special studies and activities indicated above, the secretariat prepared a document on the Latin American movement towards multilateral economic co-operation (E/CN.12/567) and a paper on the Central American common market (E/CN.12/587), with a view to providing information on the progress made towards a regional common market.

33. *Trade in traditional products*—resolution 119 (VII) and Trade Committee resolution 4 (I)

Work on this subject is part of the secretariat's regular programme and its findings are published periodically in the *Economic Survey for Latin America*.

34. *Trade between Latin America and the rest of the world*—resolutions 45 (V), 102 (VI) and 121 (VII)

(i) *Possibility of expanding production of Latin American export commodities*—resolution 45 (V)

(ii) *Studies of future trends of demand for products exported by Latin America*—resolutions 102 (VI) and 121 (VII)

These two topics are discussed periodically in the *Economic Survey* and the *Economic Bulletin*.

35. *Study of changes in the composition of Latin American imports from industrialized countries*—resolution 45 (VI)

No specific work has been done on this project since the publication of the *Economic Survey for Latin America*, 1958.

36. *Studies of the terms of trade and their influence on the rate of economic development*—resolution 46 (V)

This topic is periodically discussed in the *Economic Survey* and the *Economic Bulletin*.

GROUP 2 : AD HOC PROJECTS OF HIGH PRIORITY

37. *Incidence of freight rates in the final cost of trade commodities and other problems of trade policy in transport*—resolution 214 (IX) and Trade Committee resolution 15 (III)

In relation to project 32 (vi), a study will be made of the availability and operating conditions of transport for intra-Latin American trade commodities and the incidence of freight charges in their final cost, and also of the transport problems of countries participating in multilateral economic integration agreements.

GROUP 3 : OTHER PROJECTS

38. *Expansion of trade*—resolution 214 (IX) and Trade Committee resolution 11 (III)

As and when resources become available, the secretariat will undertake a study concerning the expansion of trade between the Latin American countries and those of other regions and examine the problems of trade relations with countries or groups of countries in other parts of the world.

39. *Special training courses in trade policy*—resolution 214 (IX) and Trade Committee resolution 14 (III)

To the extent to which its resources permit, and as syste-

matically as possible, the secretariat will organize courses on specialized training in trade policy; for this purpose it will request the co-operation of public and private, national and international agencies such as the GATT, whose activities are connected with trade policy, bearing in mind the geographical situation of the Latin American countries in determining the place where the courses are given.

40. *Co-operation in the technical assistance programme*—resolutions 921 (X) of the General Assembly and 110 (AC.34) of the Committee of the Whole

The secretariat works in close co-operation with the technical assistance programme on specific projects mentioned in various parts of this work programme.

STATEMENT BY THE EXECUTIVE SECRETARY ON FINANCIAL IMPLICATIONS OF THE WORK PROGRAMME

I. *General observations*

395. The total programme of work submitted to the Commission for adoption corresponds, in terms of areas of expansion but at an accelerated rate of growth, to the trends foreseen for ECLA in the *Five-Year Perspective 1960-1964* (E/3347/Rev.1)³⁷ which was prepared by the Economic and Social Council in 1959 and of which the General Assembly has taken note.

396. Most of the draft resolutions dealing with specific work projects can be implemented through the combined use of normal budgetary resources and technical assistance funds, the financial co-operation of other international and regional organizations and, in the case of certain country and industry studies, the contributions towards costs to be made by individual governments and private institutions. Additional requirements for which the Secretary-General would have to seek supplementary appropriations for 1962 and future years would arise, however, in the case of the resolution approving the Agreement between OAS, IDB and ECLA, inasmuch as the implementation of the plan for co-operation, which affects many areas of ECLA activity, requires certain new methods of co-ordination between the three organizations and a stepping up of ECLA's advisory services to governments. Moreover, the resolutions on the statistical programme, on agricultural policy and on the establishment of a sub-regional office at Bogotá, as well as the several resolutions dealing with social aspects of economic development, would increase the scope of secretariat work in these fields beyond present resources.

397. The resolution dealing with the establishment of the institute for planning, economic development calls upon the Executive Secretary to offer assistance in the detailed formulation of this proposed Special Fund project. It is further anticipated that, with the establishment of such an Institute, ECLA would share in its policy direction and provide certain support services. At the same time, the Institute would gradually take over the operation of ECLA's advisory and training services, thus eventually freeing some of ECLA's substantive resources for further research and analysis. It is not expected that the existence of the Institute would have any significant net effect upon ECLA's financial requirements.

398. In the meantime, as will be seen below, the immediate decentralization of certain technical assistance functions from United Nations Headquarters to the

ECLA secretariat would, if endorsed by the Economic and Social Council, require an increase in ECLA's administrative staffing in connexion with the selection and servicing of experts and fellows. The sizeable increase in the number of advisory groups and of experts would have to be taken into account in the technical assistance programming process, through revision of the programme in 1962 and through initial programming thereafter, until such time as the institute is in full operation. In order to supply properly experienced and oriented personnel for additional advisory groups, the complement of substantive posts in ECLA would have to be increased somewhat, so that relatively long-term contracts could be offered to persons destined to serve as key members of new advisory groups. This budget expense would be offset to the extent that salary costs were later reimbursed from the advisory group (project) budgets.

II. *Details of financial implications*

399. The details of the financial implications of the resolutions are given below. All salary figures are shown as gross, and staff assessment, which averages about 25 per cent, must be deducted to arrive at actual net cost. Common staff costs, covering recruitment charges and various allowances and benefits, are uniformly calculated at 25 per cent of total gross salary. While the details given below relate to a full calendar year, funds for staff would be requested on the basis of a 25 per cent deduction for delayed recruitment for the initial year 1962.

A. *Agreement with OAS and IDB*

1. Major new organizational arrangements

(a) New methods of co-ordination at the policy level.

(i) Strengthening of the Washington Group.

In 1961—temporary use of a Santiago D-1 post to permit the stationing in Washington of a high-level permanent representative; costs limited to transfer expenses (\$6,400) and assignment allowance (\$1,400), totalling \$7,800, to be absorbed within existing appropriations.

In 1962 (and subsequent years)—continuation of the senior representative and the addition of one P-4 staff member and one general service staff member; at an annual cost of \$33,360 for salaries and \$7,840 for related common staff costs.

(ii) Travel of the Executive Secretary or his alternate for meetings of the *Ad Hoc* Committee on Co-operation at Washington, or travel of the Washington representative to Santiago.

In 1961—nine trips at a cost of \$11,600; this expense is being treated as of utmost priority within existing funds, with the result that some other travel will be postponed.

³⁷ United Nations publication, Sales No.: 60.IV.14.

In 1962 (and subsequent years)—six trips at \$8,500, for travel between Santiago and Washington as required.

2. Arrangements for joint studies

To implement the arrangements for preparation of the regional economic survey, the work at Mexico on Central American integration and the work on transport, the following arrangements are required, beginning in 1961:

(a) Transfer of three P-3/P-4 ECLA staff members to Washington on two-year assignments to work on the regional survey, the costs being:

In 1961—for transfer of staff, \$10,185; for assignment allowances, \$3,600; premises and all services to be provided by OAS.

In 1962 (and subsequent years)—the assignment allowance cost of \$3,600 will continue; other common staff costs are not appreciably affected.

(b) Transfer at OAS expense of three of its staff members to Santiago to work on transport studies; premises and all services to be provided by ECLA at no extra cost.

(c) Transfer to Mexico at OAS expense of four of its experts (one on transport costs, one architect, one industrial engineer, one economist); premises and all services to be provided by ECLA, Mexico, within existing resources, except that, as from 1962, two additional general service posts will be needed at a cost per year of \$5,600 for salary and \$1,400 for common staff costs.

3. The additional special surveys, seminars and meetings which are called for under the terms of the Agreement could be carried out within the normal level of budgetary and technical assistance resources, with two important exceptions:

(a) in the case of the Tax Programme, it proves necessary, after consultation with the foundation and University officials concerned, that the ECLA contribution towards consultant requirements be increased by \$20,000; and

(b) for the work on customs questions, in view of the growing inter-organizational relationships now foreseen, a special staff travel provision of \$5,000 will be needed.

4. Total additional costs are therefore \$33,185 in 1961 and \$85,200 per annum for future years.

B. Statistical programme

If there is to be a further expansion in the statistical work of ECLA, as envisaged in the resolution, some further increase in resources beyond the two additional posts being requested in the Secretary-General's initial estimates for 1962, will be required. The Executive Secretary believes that the additional resources required are: one P-4 post at \$12,300 for salary and \$3,075 for common staff costs; one general service clerical post at \$3,000 for salary and \$750 for common staff costs, as well as a provision for travel on official business in the amount of \$2,500. Total costs, \$21,625.

C. Agricultural policy

The proposal to intensify secretariat work on problems of land tenure makes it necessary for ECLA to increase its contribution to the Joint ECLA/FAO Group by one agricultural economist post (P-3 level) and, in view of the lack of further absorptive capacity in the general services, one general service secretarial post, the costs being \$12,300 and \$3,000 for salaries plus \$3,075 and \$750 for common staff costs. An allowance for travel on official business in the amount of \$2,000 would also be advisable. Total costs, \$21,125.

D. Sub-regional office at Bogotá

At the invitation of the Colombian Government, which has undertaken to provide premises and all necessary local services and staff at no cost to the United Nations budget, a sub-regional

office would be established at Bogotá to permit concentration on studies of the greater Colombia area, with emphasis initially on the development problems of Colombia, Ecuador and Venezuela. The costs to the United Nations budget, beginning in 1962, would relate to salaries (\$34,300) and common staff costs (\$8,575) for one P-5 and one P-3 officer, and for official travel, assuming six trips averaging \$400 each, in an amount of \$2,400. Total costs, \$45,275.

E. Social aspects of economic development

In addition to the new emphasis on land problems, referred to above, proposals are made for reinforcing the work on population analysis, rural and community development, and social studies aimed at the identification and analysis of the principal social factors in Latin America which should be taken into account for an effective policy of economic and social development. The related additional costs for strengthening the Social Affairs Division of ECLA are assessed by the Executive Secretary as follows:

1. Population problems

Beginning in 1962, one additional professional staff member at P-4 level with salary at \$12,300 and common staff costs of \$3,000, plus one supporting statistical clerk at a salary of \$4,000, with common staff costs of \$1,000. A provision for travel to countries of \$1,500 per year is also needed. Total costs, \$21,800.

2. Rural and community development

To enable the secretariat to initiate a programme of practical studies, the provision of one officer at P-3 or P-4 level in 1962 to work exclusively in this field. The officer would be responsible in part for studies and in part for providing substantive support for the growing number of technical assistance projects in Latin America which are geared specifically to the immediate improvement of social conditions in rural areas. Costs are \$12,300 for salary and \$3,000 for common staff costs, plus a provision of \$2,000 for travel to countries, for a total cost of \$17,300.

3. Social policy studies

The resolution proposes an urgent study of social factors requiring solution in conjunction with integrated economic and social planning of Latin American countries. For 1962, the equivalent of eight man-months of professional services at the P-4 level would be involved; this represents a consultant requirement of \$10,000 for fees and subsistence, with a related provision of \$2,000 for travel. Additionally, if a research programme along the lines of the Mexico Working Group is to be developed, it will be necessary to add one professional staff member (P-3) to the Social Affairs Division who would specialize on social policy studies. The costs would relate to a salary of \$11,800 with common staff costs of \$2,950, plus one general service staff member at a salary of \$3,000, with related common staff costs of \$750. Some provision for travel to countries in the sum, say, of \$1,500, would be needed.

4. The total costs for the proposed extension of ECLA's work programme in the social field would therefore amount to \$71,100 in the initial year of 1962.

F. Decentralization of technical assistance operations

1. For administrative strengthening, beginning in 1962, two administrative and finance officers at the P-3/P-2 level and three general service clerical staff, at a total annual cost of \$28,160 for salaries and \$7,040 for common staff costs.

2. For strengthening the policy and programme control functions of the Office of the Executive Secretary, one senior officer at the P-5 level to assume full responsibility for the internal management of technical assistance and Special Fund matters

and one secretarial post, the related salary costs being \$15,300 and those for common staff costs being \$3,750.

3. In connexion with substantive support requirements under the Agreement with OAS and IDB, there would be an expansion in the number of Advisory Groups and an extension of services, through groups or individual experts as appropriate, to include the evaluation of technical assistance needs. For these purposes, there would need to be provision, either in the form of posts or as a lump-sum for continuing consultant appointments, for the equivalent of four man-years at the P-5 level. The related cost, assuming average fees of \$1,000 per month and monthly subsistence of \$420, would come to \$67,360. Travel and local costs for periods of actual service on Advisory Groups would be paid from project budgets and a reimbursement of salary during such periods also could be foreseen. The possibility of financing this particular cost as a direct charge to the regular technical assistance funds of UN is now being explored with Headquarters and it is likely, subject to normal country request procedures, that such an alternative method of financing will prove feasible.

4. Total increased costs to the budget as from 1962 would therefore range from \$54,240 to \$121,610, depending on the precise handling of the additional advisory group requirements.

5. While transfers to the Commission of experienced Headquarters staff members would take place in individual cases, there is no possibility of offsetting the new ECLA needs by equal post savings at Headquarters. The growing size of the total technical assistance, OPEX and Special Fund activities, and the related increase in Headquarters policy and fiscal control responsibilities and global substantive and administrative

support mean that significant reductions at Headquarters should not be contemplated.

III. Summary

400. The new costs associated with the resolutions are given in summary below. All expenditures in 1961 would be treated as priority items within existing appropriations. Expenses arising in 1962 are in all cases supplementary to the Secretary-General's initial budget estimates for that year and, assuming approval of the proposed actions by the Economic and Social Council, would be the subject of revised estimates for submission to the forthcoming regular session of the General Assembly. Expenses recurring in subsequent years would be taken into account in preparing the initial estimates for those years.

401. It must be noted that the present cost estimates make no allowance for new documentation requirements and the associated expenses of translation, reproduction and possible contractual printing. Considerable new costs will arise for these purposes and their impact on budgetary requirements will be significant, beginning in 1963. It is not possible at this time, however, to calculate the amounts involved. As to premises for housing of new staff, the initial budget estimates for 1962 request the General Assembly to provide a reasonable component of extra funds for further rental of space, pending the availability of ECLA's permanent site.

SUMMARY OF EXTRA COSTS

Project and year	Type of expenditure				Total
	Salaries ^a	Common staff costs	Consultants	Travel on official business	
(U.S. DOLLARS)					
A. In the year 1961					
1. Agreement with OAS and IDB	—	21,585	—	11,600	33,185
Sub-total	—	21,585	—	11,600	33,185
B. In the year 1962					
1. Agreement with OAS and IDB	38,960	12,840	20,000	13,500	85,200
2. Statistical programme	15,300	3,825	—	2,500	21,625
3. Agricultural policy	15,300	3,825	—	2,000	21,125
4. Sub-regional office at Bogotá	34,300	8,575	—	2,400	45,225
5. Social aspects	43,400	10,700	12,000	5,000	71,100
6. Decentralization of technical assistance operations	43,460	10,790	67,360 ^b	—	121,610 ^b
Sub-total	190,720	50,555	99,360	25,400	365,885
Deduct 25 per cent for delayed recruitment	(47,680)	(12,665)	—	—	(60,345)
Reduced sub-total	143,040	37,890	99,360 ^b	25,400	305,540 ^b

^a These sums would provide for posts, additional to those contained in the 1962 initial budget estimates, as follows: 12 professional posts (8 at Santiago, 2 at Bogotá and 2 at Washington), plus 11 general service posts (8 at Santiago, 2 at Mexico City and 1 at Washington).

^b Subject to reduction by \$67,360 if plans for financing this cost as a direct technical assistance charge can be implemented.

ANNEXES

ANNEX I

List of delegations

REPRESENTATIVES OF STATES MEMBERS OF THE COMMISSION

Argentina

Representative : Cecilio Morales

Members : Leopoldo Hugo Tettamanti, Enrique Augusto Siwers, Carlos S. Vailati, Juan Manuel Figuerero Antequeda

Bolivia

Representative : Germán Monroy Block, Ambassador to Chile

Members : Jorge España Smith, Heriberto Centellas Maldonado, Agapito Feliciano Monzón, Juan Zalles Valenzuela

Brazil

Representative : Joao Batista Pinheiro

Members : Miguel Alvaro Ozorio de Almeida, Gerson Augusto da Silva, Othon do Amaral Henriquez Filho, Diogo Adolpho Nunes Gaspar, Jorge Rezende, Luis Emigdio Pinheiro Cámara, Antonio Carlos de Abreu e Silva, Lia Barreto, Rómulo Barreto Almeida

Chile

Representative : Julio Philippi, Minister of Economic Affairs, Development and Reconstruction

Alternate : Luis Escobar Cerda, Abelardo Silva Davidson, Carlos Valenzuela Montenegro, Humberto Díaz Contreras, Sergio Molina, Jorge Marshall, Ismael Edwards Izquierdo, Sergio Chaparro, Virgilio Manarelli, Ruiz Barboza, Samuel Radrigán, Víctor Leiva, Eduardo Morgan, Félix Ruiz, José Piñera, Manuel Sánchez Navarro, Miguel Echenique, Carlos Massard, Eduardo Cisternas

Members : Hernán Navarrete, Mario Fernández, Arturo Benavides Bruce, René Rojas, Sergio de Castro Spikula, Sergio Jara Duhalde, Sergio Silva Piderit, Julio Lagarini Freire, Fernando Cisternas Matus, Alejandro Escobar Cerda, Víctor Grosman T., Edgardo Boeninger, Fernando Silva, Ricardo Lira, Roberto Durán, Julio Riethmüller

Colombia

Representative : Jorge Méndez

Members : Alfonso Patiño Rosselli, Juan Martínez Villa, Klaus Vollert, Fernando Corral Maldonado, Alvaro Rocha Lalinde

Costa Rica

Representative : Hernán Bolaños, Ambassador to Chile

Cuba

Representative : Rolando Díaz Aztaraín, Minister of Financial Affairs

Members : Juan F. Noyola Vásquez, Juan José Díaz del Real, Ambassador to Chile

Dominican Republic

Representative : José Martínez Moraga

Ecuador

Representative : Germánico Salgado

Members : Benito Ottati, Hugo Játiva Ortiz, Jaime Cifuentes, Tarquino León Argudo

El Salvador

Representative : Francisco Aquino Herrera, Minister of Agriculture

Members : Víctor Manuel Cuéllar Ortiz, José Mixco Fichnaler

France

Representative : Gabriel Lisette

Members : Jean Duflos, Pierre Dubrevil, Alexandre Kojève, Yves Delahaye, René Letondot, Marquis d'Aurelle de Paladines, Gérard Dubois

Guatemala

Representative : Julio Prado García Salas

Member : Carlos Díaz Durán

Haití

Representative : André Farauné

Honduras

Representative : Salomón Paredes Regalado, Ambassador to Chile

Member : Valentín Mendoza

Mexico

Representative : Plácido García Reynoso, Under-Secretary for Industry and Trade

Members : Francisco Apodaca Osuna, Roberto H. Orellana R., Octaviano Campos Salas, Roberto Gatica Aponte, Carlos Quintana, Ernesto Huergo Huergo, Ricardo Sánchez Luna, Rodrigo Acosta Proudina, Oscar Castro, Enrique Pérez López, Sergio Luis Cano, Lauro Reyes Medrano

Netherlands

Representative : C. D. Kroon

Alternates : H. S. Radhakishun, J. Kaufmann

Members : R. A. C. Henríquez, A. J. Jesurun, R. A. Ferrier, F. Kupers, E. O. van Suchtelen, N. A. Piffa

Nicaragua

Representative : Gustavo A. Guerrero

Member : Armando Luna Silva

Panama

Representative : Enrique Gerardo Abrahams

Member : Gilberto Orillac

Paraguay

Representative : Romualdo Cabrera

Member : Eliodoro Maciel

Peru

Representative : Manuel Seoane, Ambassador to Chile
Members : Vicente Cerro Cebrián, Octavio Tudela, Tulio de Andrea, Rodolfo León Carrera

United Kingdom of Great Britain and Northern Ireland

Representative : I. T. M. Pink, Ambassador to Chile
Members : M. Lam, G. G. Simpson, J. G. Thompson, V. G. Huntrods

United States of America

Representative : Robert F. Woodward, Ambassador to Chile
Alternate : William V. Turnage
Members : Michael G. Kelakos, Ralph Korp, Herbert F. Propps, Melvin E. Sinn, Anthony Poirier, Edwin C. Rendall, Byron Johnson, Thomas R. Favell, Joseph B. Tisinger

Uruguay

Representative : Guillermo Stewart Vargas
Members : Daniel Pérez del Castillo, Crisólogo Brotos, Eduardo N. Delgado, Néstor Ruocco

Venezuela

Representative : Enrique Tejera Paris
Members : Valmore Acevedo, Virgilio Fernández, Abel Cifuentes Spinetti, Luis Rodríguez Malaspina

REPRESENTATIVES OF ASSOCIATE MEMBERS OF THE COMMISSION

British Guiana

Representative : Cheddie Jagan
Member : Clifton C. Lowachee

British Honduras

Representative : G. C. Price, Prime Minister
Member : R. I. Castillo

REPRESENTATIVES OF STATES MEMBERS OF THE UNITED NATIONS,
NOT MEMBERS OF THE COMMISSION, ATTENDING IN A CONSULTATIVE CAPACITY

Austria

Representative : Walter Brünner

Belgium

Representative : Alain de Thysebaert, Ambassador to Chile
Member : Marcel Houlliez

Canada

Representative : Paul Tremblay, Ambassador to Chile
Member : J. R. Midwinter, Leonard Houzer

Czechoslovakia

Representative : Karel Almasy
Member : Vaclav Jeslinek

Hungary

Representative : Denes Viczenik

India

Representative : J. N. Dixit

Israel

Representative : Elizier Doron, Ambassador to Chile
Member : Samuel Goren

Italy

Representative : Giorgio Paolo Cunco

Japan

Representative : Rynuichi Ando
Members : Shintaro Tani, Hisashi Kunihiro

Jordan

Representative : Suhail K. Tell

Poland

Representative : Wojciech Chabasinski
Member : Czeslaw Slowakiewicz

Romania

Representative : Ruica Pamfil

Spain

Representative : Juan Luis Pan de Soraluze y Olmos, Conde de San Román

Member : Raimundo Bassols Jacas

Sweden

Representative : Carl-Henrik Petersen
Member : A. Jonsson

Union of Soviet Socialist Republics

Representative : S. Mikhailov
Members : E. Kosarev, V. Gorgasidze, A. Filatov

United Arab Republic

Representative : Da Gabr Al-Atrash

REPRESENTATIVE OF A STATE, NOT A MEMBER OF THE UNITED NATIONS, ATTENDING IN A CONSULTATIVE CAPACITY

Federal Republic of Germany^a

Representative : Hellmut Hoff

Yugoslavia

Representative : Faust Ljuba
Member : S. Schreiber

REPRESENTATIVES OF SPECIALIZED AGENCIES

International Labour Organisation (ILO) : Ana Figueroa, Paul Cassan, B. Ghosh

Food and Agriculture Organization of the United Nations (FAO) : Hernán Santa Cruz, Jean Moser, Jacoba Schatán, Thomas Carroll

United Nations Educational, Scientific and Cultural Organization (UNESCO) : Oscar Vera, Jorge Fernández, José Blat Gimeno

International Bank for Reconstruction and Development (IBRD) : Burke Knapp, William Diamond, Joaquín Meyer

International Monetary Fund (IMF) : Jorge del Canto, Edgar Jones

World Health Organization (WHO) : Hugo Enríquez

World Meteorological Organization (WMO) : C. Gilman

INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)

Alwyn Freeman

REPRESENTATIVES OF INTER-GOVERNMENTAL ORGANIZATIONS

General Agreement on Tariffs and Trade (GATT) : Jean Royer

^a Attending in accordance with resolutions 682 (XXII) of the Economic and Social Council.

Latin American Free-Trade Association: Mateo J. Magariños de Mello

Inter-American Development Bank (IDB): Felipe Herrera, Cleantho de Paiva Leite, Jose C. Cárdenas, Raúl Rey Álvarez

Inter-Governmental Committee for European Migration (ICEM): Antonio Lago Carballo, León Subercaseaux Errázuriz

European Economic Community (EEC): Luigi Fricchione, Franco Gianfrachi, Yves Gibert

Customs Co-operation Council (CCC): Emilio Gómez Pallete

Organization of American States (OAS): Enrique Lerdaú, Director, Division of Trade and International Finance

REPRESENTATIVES OF NON-GOVERNMENTAL ORGANIZATIONS

Category A

International Co-operative Alliance (ICA): Rafael Vicens

International Chamber of Commerce (ICC): Tomás Sepúlveda Whittle

International Confederation of Free Trade Unions (ICFTU): Wenceslao Moreno, Manuel Guerra Jiménez

International Federation of Christian Trade Unions (IFCTU): José Goldsack, Alfredo Di Pacce, Ramón Venegas Carrasco, Clemente Pérez Pérez, Eusebio Alviz

World Federation of Trade Unions (WFTU): Juan Vargas, Domiciano Soto

Category B

Catholic International Union for Social Service (CIUSS): Adriana Izquierdo Phillips, María Isabel Núñez Meyer

REPRESENTATIVES OF OTHER NON-GOVERNMENTAL ORGANIZATIONS

Centre for Latin American Monetary Studies (CEMLA): Jarier Márquez

Inter-American Council of Commerce and Production (IACCP): Fernando Durán

ANNEX II

RESOLUTIONS ADOPTED BY THE TRADE COMMITTEE AT ITS THIRD SESSION

11 (III). Multilateral economic co-operation

The Trade Committee,

Cognizant of the document relating to the Latin American movement towards multilateral economic co-operation (E/CN.12/567), in which the ECLA secretariat reviews the relevant developments in Latin America during the last two years,

Having established that the Montevideo Treaty, whereby the Latin American Free-Trade Association is instituted and a Free-Trade Area created, adheres in all essentials to the principles which, in its resolution 6 (II), this Committee recommended should be complied with in the formation of the Latin American common market,

Convinced that the establishment of the above-mentioned Free-Trade Area constitutes a real advance towards the integration of the markets of the individual Latin American countries which is necessary in order to improve productivity, expedite economic growth and, as a result, afford better levels of living and more employment opportunities to the populations of Latin America,

Bearing in mind that, in view of current trends in the world economy, it is extremely important for the studies and other activities of ECLA to take into consideration the problems connected with foreign trade and trade policy as between Latin America and other regions of the world,

Decides:

1. To take note with satisfaction of the part played by the secretariat of the Economic Commission for Latin America in the preparation of the Montevideo Treaty;

2. To recognize with satisfaction that the Montevideo Treaty is in harmony with the general principles which this Committee recommended should be complied with in the formation of the Latin American common market, and that the said Treaty constitutes a satisfactory instrument for establishing a free-trade area and for advancing towards the desired complementarity between the Latin American economies;

3. To request the secretariat of the Economic Commission for Latin America to continue giving technical advice to the

organs of the Latin American Free-Trade Association, in conformity with the terms of the Montevideo Treaty;

4. To request the secretariat of the Economic Commission for Latin America, likewise, to devote special attention in its studies to the problems of trade relations between currently existing multilateral groups and those countries of the region which are not yet members of the groups in question;

5. To recommend to those Latin American Governments which have not yet signed or decided to sign the multilateral treaties so far concluded in Latin America to study, with the co-operation of the ECLA secretariat, the problems raised by their possible accession to such instruments;

6. To recommend to the secretariat that, in carrying out its studies on trade policy, it give special consideration to those concerning the expansion of trade between the Latin American countries and those of other regions, and examine the problems of trade relations with countries or groups of countries in other parts of the world;

7. To recognize that the Trade Committee should, at its next session, review the progress achieved in the implementation of the integration programme of the Central American common market and of the programme relating to the Latin American Free-Trade Association.

10 May 1961

12 (III). Customs policy

The Trade Committee,

Having noted the ECLA secretariat document which analyses the situation with respect to customs duties and other import charges and restrictions in Latin American countries, together with their average levels of incidence (E/CN.12/544),

Bearing in mind that, according to the conclusions drawn from the said study, the import régimes in force in the majority of the Latin American countries are characterized by their decided complexity, by the secondary importance often assigned in them to customs tariffs, by frequent changes in the treatment accorded to imports of specific goods and by systems of duties

and charges which are sometimes incompatible with the efficient use of available resources,

Bearing in mind likewise that this situation is an obstacle to the application and extension of agreements conducive to the liberalization of intra-regional trade,

Considering that fuller and more efficacious use could be made of the customs tariff as the basic instrument of a trade policy aiming at increased specialization and complementarity among the Latin American economies, as well as at the establishment of export flows of manufactured goods to countries outside the region and, in general, the expansion and diversification of Latin America's existing export trade,

Decides :

1. To take note with satisfaction of document E/CN.12/554 and to request the ECLA secretariat to continue and extend such studies ;

2. To recommend the Latin American countries to build up a customs policy designed to encourage the most efficient productive activities and those considered to be of basic importance for the development of their national economies and the expansion of foreign trade, in view of the importance of co-ordinating national economic development programmes and promoting the increasing complementarity of their economies ;

3. To stress the fact that for the attainment of the above-mentioned objectives, as well as others pursued through agreements on the liberalization of trade and on economic complementarity, it is essential that the Latin American countries simplify and co-ordinate their import régimes and restore the status of customs tariff as a basic instrument of their trade policy, giving it the necessary flexibility for its adaptation to the structural changes inherent in the process of economic development ;

4. To request the ECLA secretariat to endeavour, in carrying out its studies on tariff policy in the Latin American countries, to bring to light and suggest the measures best calculated to achieve the aforesaid ends.

10 May 1961

13 (III). Customs questions

The Trade Committee,

Cognizant of the document containing the report of the first session of the Working Group on Customs Questions which was set up in compliance with resolution 7 (II) of this Committee (E/CN.12/568),

Considering that the points discussed at the session in question, and the resolutions adopted, meet the requirements in the field of customs techniques arising from the economic complementarity programmes of the Latin American countries and from the need to improve and bring up to date the latter's import régimes,

Bearing in mind, moreover, that several years ago the Central American countries adopted extended tariff nomenclatures drawn up in consonance with the specific characteristics of their economies and the structure of their foreign trade, on the basis of which they have already made considerable progress in the preparation of the Central American common tariff, having likewise adopted standard criteria in relation to other aspects of their customs régimes,

Decides :

1. To take note with satisfaction of the report of the first session of the Working Group on Customs Questions (E/CN.12/568) ;

2. To endorse the resolutions adopted by the said Working Group in relation to the definition and verification of customs value, definitions of basic customs terms, customs procedures and training of customs officials, save with respect to countries

participating in the Central American Economic Integration Programme in the case of points which affect or diverge from the standard criteria upon which they have already agreed ;

3. To recommend to those Latin American countries not covered by the Central American Economic Integration Programme that, as their standard nomenclature, they adopt the Brussels Tariff Nomenclature, as suggested by the Working Group on Customs Questions in its resolution 1 (I) ;

4. To stress the need for the standard tariff nomenclature, definition of customs value and definition of basic customs terms whose adoption has been recommended by the Working Group to be put into effect at the earliest possible date by countries participating in Latin American agreements on the liberalization of trade or expecting to accede thereto in the near future ;

5. To urge that, by way of supplementing the adoption of the Customs Co-operation Council's definition of customs value, those Latin American countries which have not yet done so establish a central valuation office, on the lines recommended in the relevant resolution of the Working Group on Customs Questions ;

6. To call attention to the advantages represented by the adoption of *ad valorem* duties in the tariffs of the Latin American countries, in so far as the special conditions prevailing in each country permit, since this would considerably facilitate the use of the tariffs as effective instruments of trade policy ;

7. To reiterate the Working Group's recommendation to the Latin American countries that training schools for customs officials be created ;

8. To request the ECLA secretariat that, in continuing its studies on customs questions, it devote special attention to those relating to customs procedures and documents, special customs régimes, and other matters indicated by the Working Group or considered to be of interest by the secretariat itself, and that to this end it request, when appropriate, the collaboration of the Customs Co-operation Council and other international agencies, and that it convene in due course a second session of the Working Group to discuss such questions.

10 May 1961

14 (III). Special training courses in trade policy

The Trade Committee,

Bearing in mind that the current Latin American movement towards multilateral economic co-operation has found tangible expression in the agreements relating to the Central American Economic Integration Programme and to the Latin American Free-Trade Association established by the Montevideo Treaty,

Considering that in other parts of the world important associations of countries have been formed and are in process of formation within the framework of economic and trade agreements established on multilateral bases,

Cognizant of the need for economic programming in the Latin American countries to be carried out on bases which must often take into account larger trade areas and, therefore, the corresponding aspects of trade policy,

Realizing that the adaptation of Latin America to the trends of the world economy in respect of multilateral relations and the consequent negotiation between countries or groups of countries substantially increases the complexity and scope of trade policy, creating situations and problems which can be dealt with only by specialists, of whom there is a marked scarcity in the field in question in Latin America,

Decides :

1. To recommend to the secretariat that it organize, to the extent to which its resources permit and as systematically as possible, courses on specialized training in trade policy, covering

in particular subjects relating to the current movement towards multilateral economic co-operation ;

2. To request the secretariat that, in the conduct of these courses, it endeavour to enlist the co-operation of the public and private, national and international agencies whose activities are connected with trade policy, and that, in determining the place where the courses are to be given, it bear in mind the geographical situation of the Latin American countries.

10 May 1961

15 (III). Transport

The Trade Committee,

Bearing in mind that the availability of means of transport and the conditions in which they operate are basic features of the development of inter-Latin American trade as a whole, as well as of the effectiveness of the multilateral agreements by which it is hoped to integrate the markets,

Decides :

1. To recommend to the ECLA secretariat that in carrying out the studies comprised in the programme of the Trade Committee, it should devote special attention to problems relating to the availability and operating conditions of transport for inter-Latin American trade commodities and the incidence of freight charges in their final cost, and examine the other aspects of the trade policy problems associated with these matters ;

2. To recommend likewise that in so far as the said studies relate to the transport problems of countries participating in multilateral economic integration agreements, they be carried out in close co-operation with the competent organs of the agreements in question.

10 May 1961

16 (III). Development of the tourist industry

The Trade Committee,

Considering that the expansion of exports of goods and services from the Latin American countries is conducive to improvement in the level of living of its peoples,

Considering that the foreign exchange income accruing from the tourist industry is of vital importance for the economy of some countries of the Latin American region,

Deeming that any new measure which is inconsistent with the development of the flow of tourists to such countries may create problems of supreme economic and social importance for the latter countries,

Invites the States members of ECLA to take into account, in drafting legislation or regulations of a customs or other nature, the importance of encouraging the flow of tourists into other countries of the region and to avoid measures which may jeopardize this flow.

10 May 1961

17 (III). Place and date of the fourth session of the trade committee

The Trade Committee,

Considering that, in conformity with the agenda, the place and date of the next session should be determined,

Considering that recent developments in the field of trade policy make it impossible to foresee exactly the most suitable date for the fourth session of the Committee,

Decides to authorize the Executive Secretary of the Commission to convene the fourth session of the Committee, after consultation with the member Governments, at whatever place and date he deems most appropriate.

10 May 1961

ANNEX III

List of the principal documents issued by the Commission since the seventh session (March 1960) of the Committee of the Whole

<i>Symbol</i>	<i>Title</i>	<i>Languages^a</i>
E/CN.12/540	La industria colombiana del papel y la celulosa. Situación actual y tendencias futuras	S
E/CN.12/541	Economic Survey of Latin America, 1959	E S
E/CN.12/542 ^b		S
E/CN.12/543	La industria del papel y la celulosa en América Latina	
E/CN.12/544	<i>Terms of reference and rules of procedure of the Economic Commission for Latin America</i>	E F S
E/CN.12/545 and Add.1	<i>Coffee in Latin America: II. State of Sao Paulo</i> (Sales No.: 60.II.G.6) (Parts I and II)	E S
E/CN.12/546/Rev.1	The teaching of economics in Latin America	E S
E/CN.12/547	Railway equipment requirements and import régimes in selected Latin American countries	E S
E/CN.12/548 ^b		
E/CN.12/550 ^c		
E/CN.12/551	The role of agriculture in Latin American common market and free-trade area arrangements	E S
E/CN.12/552 ^b	Information paper on technical assistance provided in 1960 to countries and territories of the ECLA region under the expanded and regular programmes	E S F
E/CN.12/553		
E/CN.12/557	Stock farming in Mexico: its status and prospects	E S
E/CN.12/558	Stock farming in Venezuela: its status and prospects	E S
E/CN.12/559	Stock farming in Brazil: its status and prospects (<i>Preliminary report</i>)	E S

^a The letters E, F, P and S indicate English, French, Portuguese and Spanish, respectively.

^b See section C of this annex.
^c See section D of annex.

Symbol	Title	Language ^a
E/CN.12/560	The electric power industry in Latin America: present status and recent developments	E S
E/CN.12/561 ^d		E S
E/CN.12/562 and Add.1	Water resources in Venezuela	E S
E/CN.12/563	Inflation and growth: a summary of experience in Latin America	E S
E/CN.12/564	Decentralization of the United Nations economic and social activities and strengthening of the regional economic commissions. <i>Note by the Secretary-General</i>	E S F
E/CN.12/565 and Add.1	Economic Survey of Latin America, 1960	E S
E/CN.12/566	Note by the secretariat on resolutions of the General Assembly and of the Economic and Social Council of concern to the Commission	E S
E/CN.12/567 ^e		E S
E/CN.12/568 ^e		E S
E/CN.12/569 ^e		E S
E/CN.12/570	Pulp and paper in Latin America: present situation and future trends of demand, production and trade	E S
E/CN.12/571	United Nations Special Fund Activities in Latin America	E S F
E/CN.12/572	Statement made by Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs, during the discussion of the draft resolution concerning decentralization of the United Nations economic and social activities and strengthening of the regional economic commissions	E S F
E/CN.12/573	Draft annual report of the Commission to the Economic and Social Council (30 March 1960—15 May 1961) (Part I)	E S F
E/CN.12/574	Report by the secretariat on the United Nations building in Santiago, Chile	E S
E/CN.12/575	Joint report on co-ordination and co-operation between the secretariat of the Economic Commission for Latin America and the General Secretariat of the Organization of American States	E S F
E/CN.12/576	Corrections to the rules of procedure suggested by the secretariat for the purpose of ensuring uniformity in the English, French and Spanish texts	E S F
E/CN.12/578	Inclusion of a new rule in the rules of procedure of the Commission (Note from the Government of the United States of America)	E S F
E/CN.12/577	The coffee industry in Sao Paulo	E S
E/CN.12/579	A forecast of the programme of work for the period 1960-64 (Note by the Secretariat)	E S F
E/CN.12/581	Application by British Honduras for admission to the Commission as associate member: item proposed by the United Kingdom Government	E S F
E/CN.12/582	Economic development, planning and international co-operation	E S
E/CN.12/583	Population trends in Latin America in relation to economic and social policy	E S
E/CN.12/584	The experience of the advisory groups and the practical economic development	E S
E/CN.12/585 ^b		E S
E/CN.12/586 ^b		E S
E/CN.12/587 ^e		E S
E/CN.12/588	Report on the Joint ECLA/BTAO Economic Development Training Programme	E S
E/CN.12/589	Comparative prices and the purchasing power of currencies in selected Latin American countries (Preliminary study covering capital cities in ten countries)	E S
E/CN.12/590	Inventario de la industria latinoamericana. Informe preliminar sobre las industrias metalúrgicas, mecánicas y electromecánicas	S
E/CN.12/591	El mercado latinoamericano de productos químicos	S
E/CN.12/592	An agricultural policy to expedite the economic development of Latin America	E S
E/CN.12/593	Los recursos hidráulicos y su aprovechamiento en América Latina: II. Venezuela	S
E/CN.12/594	Stock farming in Uruguay: its status and prospects	E S
E/CN.12/595	The coffee industry in the producer areas of Latin America	E S
E/CN.12/596	Future trends in the coffee activities of the Joint ECLA/FAO Agriculture Division	E S
E/CN.12/597 ^b		E S
E/CN.12/598 and Add.1	Draft programme of work and priorities, 1961-62	E S
E/CN.12/599	Decentralization of the United Nations economic and social activities and strengthening of the regional economic commissions. Note by the Executive Secretary	E S F
E/CN.12/600	Control and limitation of documentation. Note by the secretariat	E S
E/CN.12/601	Proceedings of the first working session of the <i>Ad Hoc</i> Co-operation Committee of the Organization of American States (OAS), the Inter-	E S

^d See section E of this annex.

^e See section G of this annex.

Symbol	Title	Language ^s
	American Development Bank (IDB) and the Economic Commission for Latin America (ECLA)	E S
E/CN.12/602	Algunas características del desarrollo industrial en el período 1950-60	S
E/CN.12/603	The expansion of the electricity sector in Latin America in 1960-70	E S
E/CN.12/604	Preliminary study of the demographic situation in Latin America	E S
E/CN.12/605 ^c		
E/CN.12/607	Report of the Secretary-General on organization and work of the Secretariat	E S F
E/CN.12/608	Report of the Committee on Information from Non-Self-Governing Territories	E S F
E/CN.12/609	Development of information media in Latin America [Contains the report of the meeting held in Santiago, Chile, 1-13 February 1961]	E S
E/CN.12/610	Statement by the Executive Secretary on the preliminary financial implications of the programme of work	E F S
E/CN.12/AC.47/1	Economic and social development. Report of Committee I	E S
E/CN.12/AC.48/1	Economic Problems of Agriculture. Report of Committee II	E S F
E/CN.12/AC.49/1	General business. Report of Committee III	E S
	<i>Economic Bulletin for Latin America</i> , vol. V, No. 1 (Santiago, Chile, March 1960) [Contains the Treaty establishing a Free-Trade Area and instituting the Latin American Free-Trade Association (Montevideo Treaty), including the protocols and pertinent resolutions]	E S
	<i>Economic Bulletin for Latin America</i> , vol. V, No. 2 (Santiago, Chile, November 1960)	E S
	<i>Economic Bulletin for Latin America</i> , vol. V (Santiago, Chile, November 1960), Statistical Supplement	E S
	<i>Economic Bulletin for Latin America</i> , vol. VI, No. 1 (Santiago, Chile, March 1961) [Contains documents ST/ECLA/CONF.6/L.C-1/Rev.1 and ST/ECLA/CONF.6/L.2/Rev.1]	E S
	B. COMMITTEE OF THE WHOLE	
E/CN.12/AC.46/2	Report by the Government of Chile on the situation in the south of the country and on the reconstruction programme in course of preparation	E F S
E/CN.12/AC.46/3	The work of the United Nations in Chile	E F S
E/3402	Committee of the Whole. Report on the third extraordinary session (New York, 28-30 June 1960)	E F S
	C. CENTRAL AMERICAN ECONOMIC CO-OPERATION COMMITTEE	
	<i>General progress of the Central American Integration Programme</i>	
E/CN.12/542	Informe de la segunda reunión extraordinaria del Comité de Cooperación Económica del Istmo Centro-americano (San José de Costa Rica, 26-29 de April 1960)	S
E/CN.12/CCE/212	El Programa de Integración Económica de Centro-américa, y el Tratado de Asociación Económica suscrito por El Salvador, Guatemala y Honduras	S
E/CN.12/CCE/216	Nota general de la Secretaría sobre los nuevos tratados de integración	S
E/CN.12/CCE/223	Estado de los trabajos relacionados con el programa de integración económica centroamericana	S
E/CN.12/552	Report of the Central American Economic Co-operation Committee (3 September 1959 to 13 December 1960) (Sales No. : 60.II.G.7) [Contains the General Treaty on Central American Economic Integration, the Protocol to the Central American Agreement on Equalization of Import Duties and Charges and the Agreement Establishing the Central American Bank for Economic Integration]	E S
E/CN.12/585	El desarrollo económico de Honduras. Nota de la Secretaría	S
E/CN.12/586	Central American economic integration and development	E S
	<i>Trade and trade policy</i>	
E/CN.12/CCE/232	Informe de la séptima reunión del Subcomité de Comercio Centro-americano. Primera sesión de trabajo (Guatemala, 18 al 27 de mayo de 1960). Segunda sesión de trabajo (San Salvador, 11 al 23 de julio de 1960)	S
E/CN.12/CCE/213	Informe de la octava reunión del Subcomité de Comercio Centroamericano (Guatemala, 7 al 25 de noviembre de 1960)	S
E/CN.12/CCE/217	Informe de la novena reunión del Subcomité de Comercio Centroamericano (Managua, 5 al 13 de diciembre de 1960)	S
E/CN.12/CCE/234	Informe de la décima reunión del Subcomité de Comercio Centroamericano (Tegucigalpa, 6 de febrero al 1 de marzo de 1961)	S

Symbol	Title	Languages
E/CN.12/CCE/SC.1/51	Nota de la Secretaría sobre arancel uniforme centroamericano a la importación	S
No symbol	Memorándum sobre los grupos nacionales creados de conformidad con la resolución 83 (OCE)	S
E/CN.12/CCE/CS.1/31/Rev.4	Manual para calcular en forma comparativa los impuestos a la importación en los países centroamericanos	S
E/CN.12/CCE/SC.1/57/Add.1	Lista conjunta de mercancías sujetas a regímenes especiales de excepción al libre comercio	S
E/CN.12/CCE/SC.1/58	Proyecto de tratado general de integración económica centroamericana (Nota de la Secretaría)	S
E/CN.12/CCE/SC.1/60	Primer protocolo al Convenio Centroamericano sobre Equiparación de Gravámenes a la Importación	S
E/CN.12/CCE/SC.1/62	Nota de la Secretaría sobre equiparación arancelaria e integración económica general	S
E/CN.12/CCE/SC.1/65	Nota de la Secretaría sobre las labores presentes y futuras del Subcomité de Comercio Centroamericano	S
<i>Development of the economic infrastructure</i>		
E/CN.12/CCE/SC.5/6 TAO/LAT/33	Estudio comparativo de costos de la electrificación en Centroamérica y Panamá	S
E/CN.12/CCE/SC.5/7	Coordinación de programas de electrificación en Centroamérica. El desarrollo eléctrico combinado de Honduras y El Salvador	S
<i>Statistics</i>		
E/CN.12/CCE/SC.5/3	Estadísticas de energía eléctrica de Centroamérica	S
E/CN.12/597	Compendio estadístico centroamericano (Sales No.: 61.II.G.3)	S
<i>Miscellaneous</i>		
E/CN.12/548	Los recursos humanos de Centroamérica, Panamá y México en 1950-1980 y sus relaciones con algunos aspectos del desarrollo económico (Sales No.: 60.XIII.1)	S E
D. TRADE COMMITTEE		
E/CN.12/550	Foreign private investments in the Latin American Free-Trade Area (Sales No.: 60.II.G.5)	E F S
E/CN.12/554 and Add.1-11	Customs duties and other import charges and restrictions in Latin American countries. Average levels of incidence [Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela]	E S
E/CN.12/555	Consultative meetings on trade policy: report of the third series of meetings between Colombia, Ecuador and Venezuela (Quito, 7-10 December 1960) [Contains the working papers prepared by the meeting: "Recent trends in bilateral agreements between Colombia, Ecuador and Venezuela" and "Suggested guiding principles for the participation of Colombia, Ecuador and Venezuela in the Latin American movement towards economic co-operation"]	E S
E/CN.12/567	The Latin American movement towards multilateral economic co-operation	E S
E/CN.12/C.1/WG.3/2 and Add.1-3	La uniformación o coordinación de ciertos aspectos de los sistemas aduaneros en los países latinoamericanos	S
E/CN.12/C.1/WG.3/3/ Rev.1 and Add.1/Rev.1	Antecedentes para la identificación de "gravámenes de efectos equivalentes a derechos aduaneros" y de "gravámenes vigentes" a los fines de la aplicación del Tratado de Montevideo	S
E/CN.12/568	Report of the first session of the Working Group on Customs Questions (Montevideo, 1-12 August 1960) submitted to the ECLA Trade Committee	E S
E/CN.12/587	Note by the secretariat on the Central American common market	E F S
E/CN.12/605	Foreign private investments in the Latin American Free-Trade Area	E F S
E/CN.12/C.1/19	Report of the third session of the Trade Committee (Santiago, Chile, 8-12 May 1961)	E F S
E. SEMINAR ON INDUSTRIAL STATISTICS		
ST/STAT/CONF.8/L.1	Planning and programming of industrial inquiry	E S
ST/STAT/CONF.8/L.2	The objectives and contents of a system of industrial statistics	E S
ST/STAT/CONF.8/L.3	Classification schemes and tables for publishing industrial statistics	E S
ST/STAT/CONF.8/L.4	The design of questionnaires	E S
ST/STAT/CONF.8/L.5	Ways of gathering industrial statistics, including the use of sampling	E S
ST/STAT/CONF.8/L.6	Methods of locating and enumerating industrial units and the industrial directory	E S

Symbol	Title	Language ^s
ST/STAT/CONF.8/L.7	Compiling index numbers of industrial production and other indicators	E S
ST/STAT/CONF.8/L.8	Industrial statistics in the Latin American countries	E S
E/CN.12/561	Seminar on Industrial Statistics: summary of proceeding and conclusions	E S

F. WORKING GROUP ON SOCIAL ASPECTS OF ECONOMIC DEVELOPMENT IN LATIN AMERICA

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ANNEX IV

Terms of reference of the Economic Commission for Latin America

As adopted by the Economic and Social Council at its sixth session and amended at its ninth, thirteenth and twenty-eighth sessions

1. The Economic Commission for Latin America, acting within the framework of the policies of the United Nations and subject to the general supervision of the Council, shall, provided that the Commission takes no action in respect to any country without the agreement of the Government of that country:

(a) Initiate and participate in measures for facilitating concerted action for dealing with urgent economic problems arising out of the war and for raising the level of economic activity in

Latin America and for maintaining and strengthening the economic relations of the Latin American countries both among themselves and with other countries of the world;

(b) Make or sponsor such investigations and studies of economic and technological problems and development within territories of Latin America as the Commission deems appropriate;

(c) Undertake or sponsor the collection, evaluation and dis-

semination of such economic, technological and statistical information as the Commission deems appropriate;

(d) Give special attention in its activities to the problems of economic development and assist in the formulation and development of co-ordinated policies as a basis for practical action in promoting economic development in the region;

(e) Assist the Economic and Social Council and its Technical Assistance Committee in discharging their functions with respect to the United Nations technical assistance programme, in particular by assisting in their appraisal of these activities in the Latin American region;

(f) In carrying out the above functions, deal as appropriate with the social aspects of economic development and the inter-relationship of the economic and social factors.

2. The Commission shall direct its activities especially towards the study and seeking of solutions of problems arising in Latin America from world economic maladjustment and towards other problems connected with the world economy, with a view to the co-operation of the Latin American countries in the common effort to achieve world-wide recovery and economic stability.

3. (a) Membership of the Commission shall be open to Members of the United Nations in North, Central and South America, and in the Caribbean area, and to France, the Netherlands and the United Kingdom. Any territory, or part or group thereof, within the geographic scope of the Commission's work, may, on presentation of its application to the Commission by the Member responsible for the international relations of such territory, part or group of territories, be eligible for admission by the Commission as an associate member of the Commission. If it has become responsible for its own international relations, such territory, part or group of territories may be admitted as an associate member of the Commission on itself presenting its application to the Commission.

(b) Representatives of associate members shall be entitled to participate without vote in all meetings of the Commission, whether sitting as commission or as committee of the whole.

(c) Representatives of associate members shall be eligible to be appointed as members of any committee or other subordinate body which may be set up by the Commission, and shall be eligible to hold office in such body.

4. The geographical scope of the Commission's work is the twenty Latin American States Members of the United Nations, participating territories in Central and South America which have frontiers adjoining any of these States, and participating territories in the Caribbean area.

5. The Commission is empowered to make recommendations on any matters within its competence directly to the Governments of members or associate members concerned, Governments admitted in a consultative capacity, and the specialized agencies concerned. The commission shall submit for the Council's prior consideration any of its proposals for activities that would have important effects on the economy of the world as a whole.

6. The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of par-

ticular concern to that non-member, following the practices of the Economic and Social Council.

7. (a) The Commission shall invite representatives of specialized agencies to attend its meetings and to participate, without vote, in its deliberations with respect to items on its agenda relating to matters within the scope of their activities; and may invite observers from such other inter-governmental organizations as it may consider desirable in accordance with the practices of the Council.

(b) The Commission shall make arrangements for consultation with non-governmental organizations which have been granted consultative status by the Council, in accordance with the principles approved by the Council for this purpose.

8. (a) The Commission shall take measures to ensure that the necessary liaison shall be maintained with other organs of the United Nations and with the specialized agencies, with special attention to the avoidance of the duplication of efforts.

(b) The Commission shall establish appropriate liaison and co-operation with other regional economic commissions, in accordance with the resolutions and directives of the Economic and Social Council and the General Assembly.

9. The Commission shall co-operate with and take the necessary measures to co-ordinate its activities with the appropriate organs of the Inter-American System and as may be necessary with the Caribbean Commission in order to avoid any unnecessary duplication of effort between those organs and itself; to this end the Commission is empowered to, and shall seek to, make working arrangements with the appropriate organs of the Inter-American System regarding the joint or independent study or execution of economic problems within its competence and the fullest exchange of information necessary for the co-ordination of efforts in the economic field. The Commission shall invite the Pan American Union to nominate a representative to attend meetings of the Commission in a consultative capacity.

10. The Commission may, after discussion with any specialized agency concerned, and with the approval of the Council, establish such subsidiary bodies as it deems appropriate, for facilitating the carrying out of its responsibilities.

11. The Commission shall adopt its own rules of procedure, including the method of selecting its Chairman.

12. The Commission shall submit to the Council once a year a full report on its activities and plans, including those of any subsidiary bodies.

13. The administrative budget of the Commission shall be financed from the funds of the United Nations.

14. The Secretary-General of the United Nations shall appoint the staff of the Commission, which shall form part of the Secretariat of the United Nations.

15. The headquarters of the Commission shall be at Santiago, Chile. The first session of the Commission shall be held during the first half of the present year in that city. The Commission shall at each session decide upon the place of meeting for its next session, with due consideration for the principle that the countries of Latin America be chosen in rotation.

16. The Council shall, from time to time, make special reviews of the work of the Commission.

ANNEX V

Rules of procedure of the Economic Commission for Latin America

As adopted by the Commission at its first session and amended at its second, third, fourth, fifth, eighth and ninth sessions, and by the Committee of the Whole at its session in February 1952

CHAPTER I. SESSIONS

Rule 1

(a) The Commission shall at each session recommend the date and place for its next session, subject to the approval of the Council, and in consultation with the Secretary-General. Sessions of the Commission shall be held within forty-five days of the communication to the Executive Secretary of a request to that effect by the Economic and Social Council, and in that case, the Secretary-General shall establish the place of such sessions in consultation with the Chairman of the Commission.

(b) In special cases the date and place of the sessions may be altered by the Secretary-General in consultation with the Chairman of the Commission and the Council's Interim Committee on Programme of Conferences. At the request of the majority of the members of the Commission, the Secretary-General, in consultation with the Chairman of the Commission and the Council's Interim Committee on Programme of Conferences, may also alter the date and place of the session.

Rule 2

The Commission's recommendation regarding the place of meeting for its session shall be taken with due consideration for the principle that the countries of Latin America be chosen in rotation.

Rule 3

The Executive Secretary shall ensure that, at least six weeks before the commencement of a session, member Governments shall receive a notice of the opening date of the session, together with a copy of the provisional agenda and at least three copies of each of the reports, studies and documents which are to be considered during the session.

Such reports, studies and documents shall be submitted to member Governments in the language which they indicate, in accordance with the provisions of rule 44 of the rules of procedure.

Rule 4

The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of particular concern to that Member.

Rule 5

The Commission shall invite representatives of specialized agencies to attend its meetings and to participate, without vote, in its deliberations with respect to items on its agenda relating to matters within the scope of their activities; and may invite observers from such other intergovernmental organizations as it may consider desirable in accordance with the practices of the Council.

Rule 6

The Commission shall invite the Inter-American Economic and Social Council to nominate a representative to attend meetings of the Commission in a consultative capacity.

CHAPTER II. AGENDA

Rule 7

The provisional agenda for each session shall be drawn up by the Executive Secretary in consultation with the Chairman and

shall be communicated to the members of the Commission, to the specialized agencies, to the Inter-American Economic and Social Council, to the non-governmental organizations in category A and to the appropriate non-governmental organizations in category B and on the register, together with the notice convening the Commission.

Rule 8

The provisional agenda for any session shall include:

- (a) Consideration of the report of the Executive Secretary referred to in rule 24;
- (b) Items arising from previous sessions of the Commission;
- (c) Items proposed by the Economic and Social Council;
- (d) Items proposed by any member of the Commission;
- (e) Items proposed by a specialized agency in accordance with the agreements of relationship concluded between the United Nations and such agencies;
- (f) Items proposed by the Inter-American Economic and Social Council;
- (g) Items proposed by non-governmental organizations in category A subject to the provisions of rule 10; and
- (h) Any other items which the Chairman or the Executive Secretary deems fit to include.

Rule 9

Before the Executive Secretary places an item proposed by a specialized agency, or by the Inter-American Economic and Social Council, on the provisional agenda, he shall carry out with the agency or organization concerned such preliminary consultations as may be necessary.

Rule 10

Non-governmental organizations in category A may propose items for the provisional agenda of the Commission subject to the following conditions:

- (a) An organization which intends to propose such an item shall inform the Executive Secretary at least sixty-three days before the commencement of the session and before formally proposing an item shall give due consideration to any comments the Executive Secretary may make;
- (b) The proposal shall be formally submitted with the relevant basic documentation not later than forty-nine days before the commencement of the session. The item shall be included in the agenda of the Commission if it is adopted by a two-thirds majority of those present and voting.

Rule 11

After the agenda has been adopted the Commission may amend it at any time.

In the event that a member Government does not receive the reports, studies and documents to be considered during a session six weeks in advance, as provided in rule 3, it shall have the right to request that the items to which those reports, studies and documents refer should be excluded from the agenda, and the Commission shall immediately grant such a request.

Notwithstanding the foregoing provisions, if, when an item is submitted for consideration by the Commission, three-quarters or more of the members accredited to attend a given session insist that it should nevertheless be discussed, that majority decision shall prevail.

CHAPTER III. REPRESENTATION AND CREDENTIALS

Rule 12

Each member shall be represented on the Commission by an accredited representative.

Rule 13

A representative may be accompanied to the sessions of the Commission by alternate representatives and advisers and, when absent, he may be replaced by an alternate representative.

Rule 14

The credentials of each representative appointed to the Commission, together with a designation of alternate representatives, shall be submitted to the Executive Secretary without delay.

Rule 15

The Chairman and the Vice-Chairman shall examine the credentials and report upon them to the Commission.

CHAPTER IV. OFFICERS

Rule 16

The Commission shall, at the commencement of each session, elect from among the representatives a Chairman, two Vice-Chairmen and a Rapporteur, who shall hold office until their successors are elected. They shall be eligible for re-election.

Rule 17

If the Chairman does not attend a meeting, or absents himself from a meeting, one of the Vice-Chairmen shall preside. If, at a following meeting, the Chairman should again be absent, the other Vice-Chairman shall preside, the succession alternating in the Spanish alphabetical order. The provisions of this rule apply only to a single session or to a part thereof.

Rule 18

If the Chairman ceases to represent a member of the Commission or is so incapacitated that he can no longer hold office, one of the Vice-Chairmen shall be elected as Chairman for the unexpired portion of the term. The other Vice-Chairman shall continue to act in the capacity prescribed in the rules of procedure.

Rule 19

The Vice-Chairman acting as Chairman shall have the same powers and duties as the Chairman.

Rule 20

The Chairman or the Vice-Chairman shall participate in the meetings of the Commission as such and not as the representative of the member by whom he was accredited. The Commission shall admit an alternate representative to represent that member in the meetings of the Commission and to exercise its right to vote.

CHAPTER V. SECRETARIAT

Rule 21

The Executive Secretary shall act in that capacity at all meetings of the Commission and of its subsidiary bodies. He may appoint another member of the staff to take his place at any meeting.

Rule 22

The Executive Secretary or his representative may at any meeting make either oral or written statements concerning any question under consideration.

Rule 23

The Executive Secretary shall direct the staff provided by the

Secretary-General and required by the Commission and any subsidiary bodies thereof.

Rule 24

The Executive Secretary shall be responsible for the necessary arrangements being made for meetings.

At the beginning of the session he shall present a report on the work programme of the secretariat during the period between the previous and current sessions.

In the periods between sessions, the Executive Secretary shall see that, in so far as possible, the member Governments are informed of the results of the work in progress and of the opinions expressed by the member Governments regarding such results.

Rule 25

The Executive Secretary in carrying out his functions shall act on behalf of the Secretary-General.

Rule 26

Before new proposals which involve expenditure from the United Nations funds are approved by the Commission, the Executive Secretary shall prepare and circulate to members an estimate of that part of the cost involved in the proposals which could not be met out of the resources available to the secretariat. It shall be the duty of the Chairman to draw the attention of members to this estimate, and invite discussion on it before the proposals are approved.

CHAPTER VI. CONDUCT OF BUSINESS

Rule 27

A majority of the members of the Commission shall constitute a quorum, except as provided in the third paragraph of rule 11 of these rules of procedure.

Rule 28

In addition to exercising the powers conferred upon him elsewhere by these rules, the Chairman shall declare the opening and closing of each meeting of the Commission, shall direct the discussion, ensure the observance of these rules, and shall accord the right to speak, put questions to the vote and announce decisions. The Chairman may also call a speaker to order if his remarks are not relevant to the subject under discussion.

Rule 29

During the discussion of any matter a representative may raise a point of order. In this case the Chairman shall immediately state his ruling. If it is challenged, the Chairman shall forthwith submit his ruling to the Commission for decision and it shall stand unless overruled.

Rule 30

During the discussion of any matter, a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proposer of the motion, one representative shall be allowed to speak in favour of and one representative against the motion.

Rule 31

A representative may at any time move the closure of the debate whether or not any other representative has signified his wish to speak. Not more than two representatives may be granted permission to speak against the closure.

Rule 32

The Chairman shall take the sense of the Commission on a motion for closure. If the Commission is in favour of the closure, the Chairman shall declare the debate closed.

Rule 33

The Commission may limit the time allowed to each speaker.

Rule 34

Draft resolutions, and substantive amendments or motions, shall be introduced in writing and handed to the Executive Secretary, who shall circulate copies to the representatives twenty-four hours before they are discussed and voted upon, unless the Commission decides otherwise.

This rule shall not apply to formal motions such as one for closure or adjournment.

Rule 35

Principal motions and resolutions shall be put to the vote in the order of their submission unless the Commission decides otherwise.

Rule 36

When an amendment revises, adds to or deletes from a proposal, the amendment shall be put to the vote first, and if it is adopted, the amended proposal shall then be put to the vote.

Rule 37

If two or more amendments are moved to a proposal, the Commission shall vote first on the amendment furthest removed in substance from the original proposal, then, if necessary, on the amendment next furthest removed and so on, until all the amendments have been put to the vote.

Rule 38

The Commission may, at the request of a representative, decide to put a motion or resolution to the vote in parts. If this is done, the text resulting from the series of votes shall be put to the vote as a whole.

CHAPTER VII. VOTING

Rule 39

Each member of the Commission shall have one vote.

Rule 40

Decisions of the Commission shall be made by a majority of the members present and voting, except as provided in rule 10 and the third paragraph of rule 11 of these rules of procedure.

Rule 41

The Commission shall normally vote by show of hands. If any representative requests a roll call, a roll call shall be taken in the Spanish alphabetical order of the names of the members.

Rule 42

All elections shall be decided by secret ballot.

Rule 43

If a vote is equally divided upon matters other than elections, a second vote shall be taken at the next meeting. If this vote also results in equality, the proposal shall be regarded as rejected.

CHAPTER VIII. LANGUAGES

Rule 44

The final text of the Commission's report to the Economic and Social Council and of its resolutions shall be prepared in Spanish, French, English and Portuguese, which shall be the official languages of the Commission. The first three languages mentioned shall be the working languages of the Commission.^a

^a Approved by the Economic and Social Council in resolution 301 (XI) of 7 August 1950.

Rule 45

Speeches made in any of the working languages shall be interpreted into the other working languages.

CHAPTER IX. RECORDS

Rule 46

Summary records of the meetings of the Commission shall be kept by the secretariat. They shall be sent as soon as possible to the representatives of members and to the representatives of any other government agency or organization which participated in the meeting concerned. Such representatives shall inform the secretariat not later than seventy-two hours after the circulation of any summary records of any changes they wish to have made.

Rule 47

The corrected version of the summary records of public meetings shall be distributed as soon as possible in accordance with the usual practice of the United Nations. This shall include distribution to associate members if and when admitted, to the Inter-American Economic and Social Council, and on appropriate occasions to Governments admitted in a consultative capacity.

Rule 48

The corrected version of the summary records of private meetings shall be distributed as soon as possible to the members of the Commission, to associate members if and when admitted, to any Government participating in a consultative capacity in the meeting concerned, to the specialized agencies, and to the Inter-American Economic and Social Council. They shall be distributed to all the Members of the United Nations if and when the Commission so decides.

Rule 49

As soon as possible the text of all reports, resolutions, recommendations and other formal decisions made by the Commission, its sub-commissions or other subsidiary bodies and its committees shall be communicated to the members of the Commission, to associate members if and when admitted, to all other Members of the United Nations, to the specialized agencies, to the Inter-American Economic and Social Council, to non-governmental organizations in category A and to the appropriate non-governmental organizations in category B and on the Register.

CHAPTER X. PUBLIC AND CLOSED MEETINGS

Rule 50

The meetings of the Commission shall ordinarily be held in public. The Commission may decide that a particular meeting or meetings shall be held in private.

CHAPTER XI. RELATIONS WITH NON-GOVERNMENTAL ORGANIZATIONS

Rule 51

(a) Non-governmental organizations in categories A and B and on the Register may designate authorized representatives to sit as observers at public meetings of the Commission.

(b) Written statements relevant to the work of the Commission or its subsidiary bodies may be submitted by organizations in categories A and B on subjects for which these organizations have a special competence. Such statements shall be circulated by the Executive Secretary to the members of the Commission, except those statements which have become obsolete—e.g., those dealing with matters already disposed of.

(c) The following conditions shall be observed regarding the submission and circulation of such written statements :

(i) The written statements shall be submitted in one of the official languages of the Commission ;

(ii) They shall be submitted in sufficient time for appropriate consultation to take place between the Executive Secretary and the organization before circulation ;

(iii) The organization shall give due consideration to any comments which the Executive Secretary may make in the course of such consultation before transmitting the statement in final form ;

(iv) A written statement submitted by an organization in category A or B will be circulated in full if it does not exceed 2,000 words. Where a statement is in excess of 2,000 words, the organization shall submit a summary which will be circulated or shall supply sufficient copies of the full text in the three working languages for distribution. A statement will also be circulated in full, however, upon the specific request of the Commission ;

(v) The Executive Secretary may invite organizations on the Register to submit written statements. The provisions of paragraphs (i), (iii) and (iv) above shall apply to such statements ;

(vi) A written statement or summary, as the case may be, will be circulated by the Executive Secretary in the working languages of the Commission.

Rule 52

(a) The Commission may consult with organizations in categories A or B either directly or through a committee or committees established for the purpose. In all cases, such consultations may be arranged on the invitation of the Commission or at the request of the organization. On the recommendation of the Executive Secretary and at the request of the Commission, organizations on the register may also be heard by the Commission.

(b) Subject to the relevant rules of procedure or financial implications, the Commission may recommend that an organization which has special competence in a particular field should undertake specific studies or investigations or prepare specific papers for the Commission. The limitations of rule 51, paragraph (c) (iv), shall not apply in this case.

CHAPTER XII. SUB-COMMISSIONS, COMMITTEES AND OTHER SUBSIDIARY BODIES

Rule 53

The Commission may, after discussion with any specialized agency concerned and with the approval of the Economic and Social Council, establish such sub-commissions or other subsidiary bodies as it deems appropriate for facilitating the carrying out of its responsibilities and shall define the powers and composition of each of them. Such autonomy as may be necessary for the effective discharge of the technical responsibilities laid upon them may be delegated to them.

Rule 54

The Commission may establish such committees and sub-committees as it deems necessary to assist it in carrying out its tasks.

Rule 55

Sub-commissions or other subsidiary bodies shall adopt their own rules of procedure unless otherwise decided by the Commission.

CHAPTER XIII. REPORTS

Rule 56

The Commission shall submit to the Economic and Social Council once a year a full report on its activities and plans, including those of any subsidiary bodies and shall make interim reports at each regular session of the Council.^b

CHAPTER XIV. AMENDMENTS AND SUSPENSIONS

Rule 57

Any of these rules of procedure may be amended or suspended by the Commission provided that the proposed amendments or suspensions do not attempt to set aside the terms of reference laid down by the Economic and Social Council.

^b Under the terms of its resolution 234 B (IX) of 12 August 1949, the Economic and Social Council decided to amend paragraph 12 of the Commission's terms of reference by deleting the requirement for the Commission to "make interim reports at each regular session of the Council".

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