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**ECONOMIC COMMISSION
FOR LATIN AMERICA**

Progress Report



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ECONOMIC COMMISSION FOR LATIN AMERICA

Progress report covering the period
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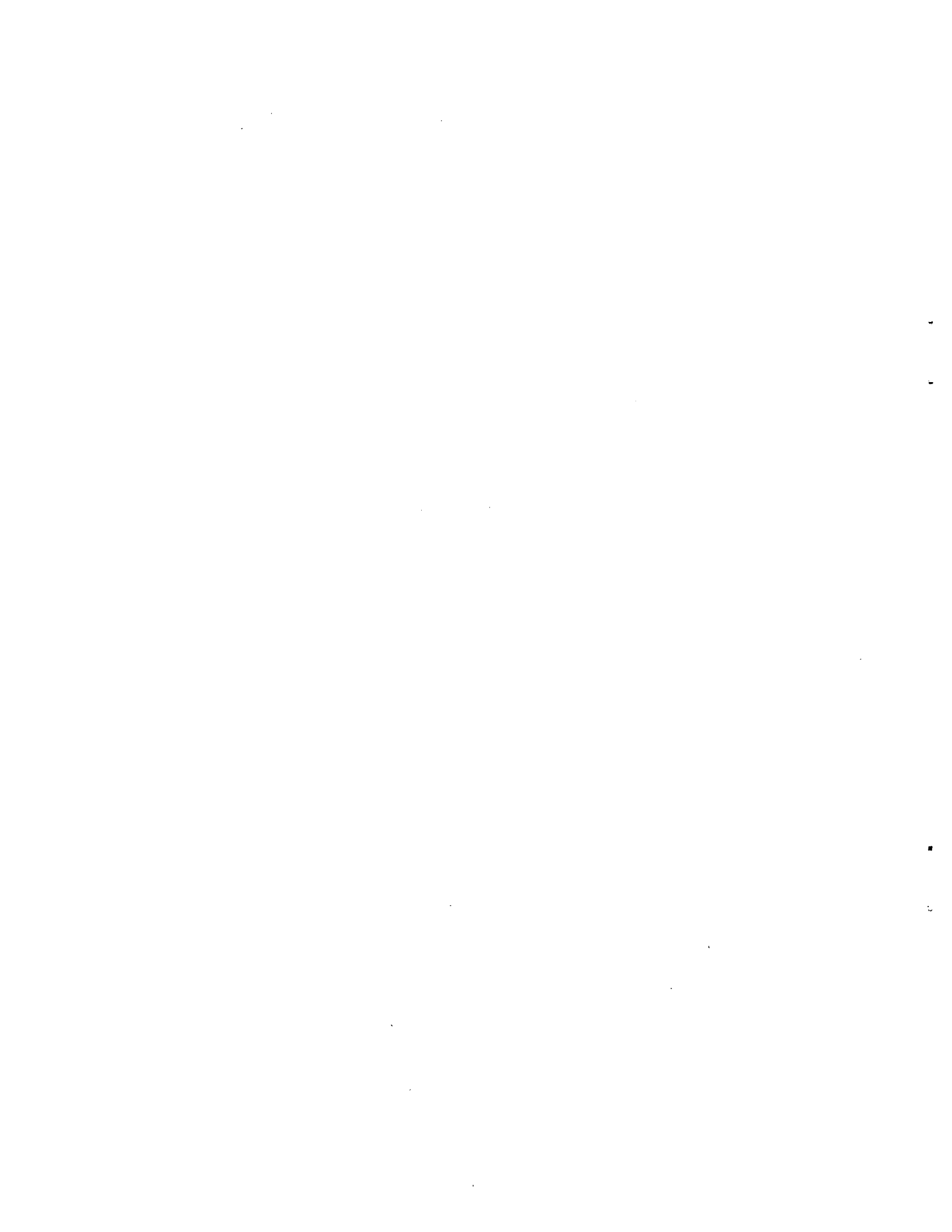
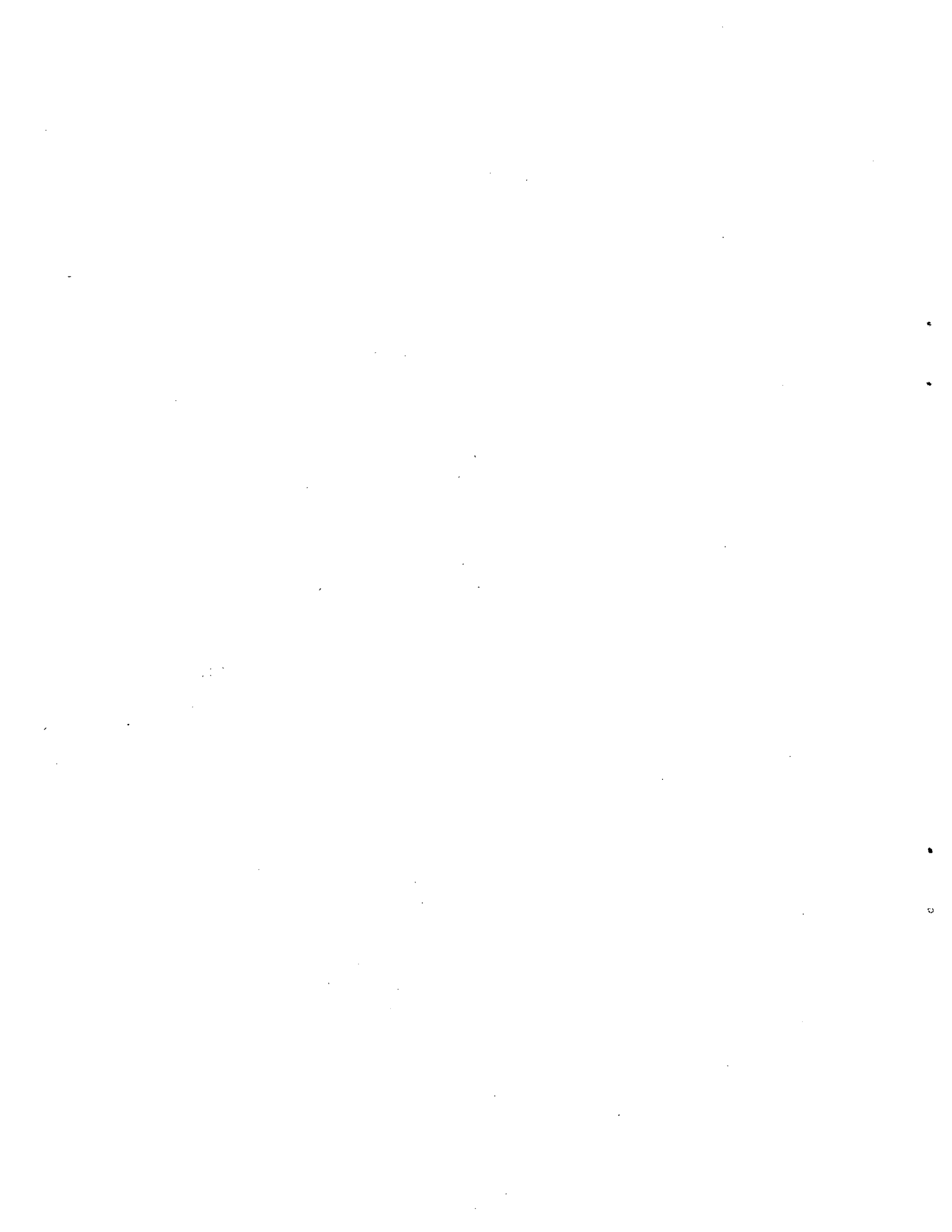


TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE OFFICE	1
MEETINGS AND SEMINARS	2-5
ECONOMIC DEVELOPMENT AND RESEARCH DIVISION	6-7
SOCIAL AFFAIRS DIVISION	8-11
TRADE POLICY DIVISION	12-13
JOINT ECLA/INSTITUTE/IDB PROGRAMME FOR THE INTEGRATION OF INDUSTRIAL DEVELOPMENT	14-16
JOINT ECLA/FAO AGRICULTURAL DIVISION	17-18
NATURAL RESOURCES AND ENERGY PROGRAMME	19-20
TRANSPORT PROGRAMME	21-24
STATISTICAL DIVISION	25-28
LATIN AMERICAN ECONOMIC PROJECTIONS CENTRE	29
PUBLIC ADMINISTRATION UNIT	30
TECHNICAL ASSISTANCE CO-ORDINATING UNIT	31
MEXICO OFFICE	32
WASHINGTON OFFICE	33-34
JOINT ECLA/BNDE CENTRE FOR ECONOMIC DEVELOPMENT	35
MONTEVIDEO OFFICE	36
OFFICE FOR THE CARIBBEAN	37-41
BOGOTA OFFICE	42

/OFFICE OF



ABBREVIATIONS

ADELA	Atlantic Community Development Group for Latin America
AID	Agency for International Development
ALALC	Latin American Free Trade Association (LAFTA)
ARPEL	Latin American State Petroleum Enterprises Mutual Aid Association
BCIE	Central American Bank for Economic Integration
BNDE	Brazilian National Economic Development Bank
BTAO	Bureau of Technical Assistance Operations
CADI	Comisión Asesora de Desarrollo Industrial
CAIPA	Central American Institute of Public Administration
CAFC	Advisory Commission of Trade Policy
CARIFTA	Caribbean Free Trade Area
CCE	Central American Economic Co-operation Committee
CECLA	<u>Ad Hoc</u> Committee on Latin American Co-ordination
CELADE	Latin American Demographic Centre
CENDES	Centro de Estudios del Desarrollo (Central University of Venezuela)
CEP	Permanent Executive Committee
CIDA	Inter-American Committee for Agricultural Development
CIDU	Inter-Disciplinary Committee on Urban Development
CMCA	Central American Monetary Council
CREFAL	Regional Fundamental Education Centre for Latin America
ECLA	Economic Commission for Latin America
ENAMI	Empresa Nacional de Minería
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
IASI	Inter-American Statistical Institute
IBRD	International Bank for Reconstruction and Development
ICAIFI	Central American Research Institute for Industry
ICAP	Inter-American Committee on the Alliance for Progress
IDB	Inter-American Development Bank
ILO	International Labour Organization
IILPES	Latin American Institute for Economic and Social Planning
IMF	International Monetary Fund,

INTAL	Institute for Latin American Integration
ISIC	International Standard Industrial Classification
OAS	Organization of American States
ODECA	Organization of Central American States
OECD	Organization for Economic Co-operation and Development
PASB	Pan American Sanitary Bureau
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
SITC	Standard International Trade Classification
SNA	United Nations System of National Accounts
SUDENE	Superintendency for the Development of the Northeast (Brazil)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
WHO	World Health Organization
WMO	World Meteorological Organization

OFFICE OF THE EXECUTIVE SECRETARY

During the period under review, Mr. Carlos Quintana, Executive Secretary, attended the LAFTA Fifth Extraordinary Session of the Conference of the Contracting Parties, held at Asunción, Paraguay, early in September.

After that meeting Mr. Quintana, accompanied by Mr. Manuel Balboa, Deputy Executive Secretary, and other high secretariat officials, visited Brazil for discussions with government officials, during which ECLA's programme of work relating to that country was reviewed.

Mr. Quintana paid a second visit to Brazil from 23 September to 4 October in order to attend the International Monetary Fund meeting, as well as a meeting of government representatives on the financial implications of Latin American integration.

Between 23 and 26 October, he attended the Meeting on the Problems of Regional Integration of the Relatively Less Developed Countries, held in Guatemala.

Between 6 and 9 December he held discussions in Montevideo, with LAFTA officials, relating to the co-operation with that organization and the adoption of joint programmes.

In the course of these missions, Mr. Quintana visited also other countries of the region, and the United States, where he held discussions with government authorities, Headquarters officials and officials of other international organizations. He also visited some of the ECLA field offices.

Staff movements

Mrs. Monica Barnett, Programme Officer, resigned at the end of the year. She was replaced by Mr. Jorge Ciancaglini.

MEETINGS AND SEMINARS

Meeting on the problems of Regional Integration of the Relatively Less Developed Countries, Guatemala City, 23-28 October 1967

This meeting was organized by ECLA in response to recommendations which the Latin American Governments had been making to the secretariat since 1965. In resolution 254 (XI), the Commission requested the secretariat to prepare a preliminary study on the problems of the relatively less developed countries and Latin American economic integration, to be submitted to the Governments of those countries, and to convene in due course a meeting to evaluate the study and take decisions on the proposals made.

The secretariat accordingly prepared a study entitled "The relatively less developed countries and Latin American Integration" (E/CN.12/774 and Add. 1 and 2), which was presented at ECLA's twelfth session in Caracas. The meeting was convened shortly afterwards.

Representatives of Bolivia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panamá, Paraguay, Trinidad and Tobago, and Uruguay attended the meeting. British Honduras (Belize) was also represented in its capacity as an associate member of the Commission.

The following international and regional organizations also sent representatives: the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) the Latin American Free Trade Association (LAFTA), the Organization of American States (OAS), the Inter-American Committee on the Alliance for Progress (ICAP), the Inter-American Development Bank (IDB), the Institute for Latin American Integration (INTAL), the Food and Agriculture Organization of the United Nations (FAO), the Latin American Institute for Economic and Social Planning, the International Labour Organization (ILO), the Inter-American Institute of Agricultural Sciences (IIAS) of the OAS, the Organization of Central American States (ODECA), the Central American Bank for Economic Integration (BCIE), the Central American Research Institute for Industry (ICAITI), the Central American Institute of Public Administration (CAIPA) and the Central American Monetary Council (CMCA).

The agenda included the following items: I. Development and regional integration problems of the economically relatively less developed countries with the following sub-items: Integration of infrastructure; agricultural integration; industrial integration. II. Integration instruments in relation to the situation of the economically relatively less developed countries with the following sub-items: Trade policy; sectoral agreements; multinational projects, and development programmes for border areas; fiscal incentives; regional and interregional co-operation, financing and technical assistance: (a) Co-operation and financing, (b) technical assistance; national and regional promotion mechanism; decisions and measures at the national level. III. Participation of the economically

/relatively less

relatively less developed countries in the economic integration process with the following sub-items: the economically relatively less developed countries within the framework of the Latin American Free Trade Association and the Central American Common Market; Relationship between the Latin American Free Trade Association and the Central American Common Market; other economically relatively less developed countries of the region; sub-regional agreements.

The meeting adopted decisions on the following subjects: bases for co-ordinating action by the relatively less developed countries; trade policy; sectoral agreements; establishment and development of an air transport and shipping network; economic co-operation between the countries of the Caribbean Basin; external financing; technical assistance; establishment of a regional centre for the development of small-scale industry; and foreign trade. The following documents were before the Meeting: Background information and provisional agenda (ST/ECLA/Conf.29/L.1), The economically relatively less developed countries and Latin American integration: approaches and proposals (ST/ECLA/Conf.29/L.2), Los países de menor desarrollo económico relativo y el sector agropecuario (ST/ECLA/Conf.29/L.3), Resumen de las principales disposiciones adoptadas en relación con los países de menor desarrollo económico relativo (ST/ECLA/Conf.29/L.4), Note on international co-operation in the development of small-scale industry in Latin America (ST/ECLA/Conf.29/L.5), Nota sobre el financiamiento externo público de los países de menor desarrollo relativo en el período 1961-66 (Presented by the Inter-American Development Bank) (ST/ECLA/Conf.29/L.6), The economically relatively less developed countries and Latin American integration (E/CN.12/774), La política de desarrollo regional en la Comunidad Económica Europea (E/CN.12/774/Add.1), Los países de menor desarrollo económico relativo y la integración latinoamericana (E/CN.12/774/Add.2), Informe del Secretario General de la SIECA sobre el estado del Programa de Integración Económica Centroamericana SIECA/CEC/VII-0/DT.2

Meeting of Latin American Experts on Industrial Development prior to the International Symposium, 16-19 October 1967, Santiago

This meeting was convened by ECLA to discuss a document prepared by the secretariat, América Latina y el Simposio Internacional sobre Desarrollo Industrial (E/CN.12/L.34). Participants from Argentina, Brazil, Chile, Guatemala, Paraguay, Trinidad and Tobago and Venezuela as well as a representative of ONUDI attended the meeting. The discussions centred on certain facts and conclusions relating to industrial development in Latin America in a world-wide context and to international co-operation for industrial development.

Working Group on National Accounts, Santiago, 30 October to 10 November 1967.

The working Group on National Accounts met under the joint auspices of the Economic Commission for Latin America (ECLA) and the United Nations Statistical Office.

/Participants from

Participants from Argentina, Bolivia, Chile, Colombia, Ecuador, Guatemala, Mexico, Trinidad and Tobago and Venezuela attended the meeting. Representatives of the Latin American Institute for Economic and Social Planning and the Development Centre of OECD also participated and IASI, the Universidad de Chile and the Universidad de Concepción sent observers. The list of participants is appended as annex I to this report.

The Group met as part of a world programme to consider recent progress in the revision and extension of the United Nations System of National Accounts (SNA). Its views were later submitted to the United Nations Expert Group, which met in Paris in November 1967 and in February 1968. They will be discussed at the fifteenth session of the Statistical Commission in New York.

The items discussed included the purposes, uses and structure of national accounts systems, including input-output tables; definitions and classifications; the concepts of production limits; treatment of the real state industry; income distribution; problems relating to the analysis of labour force; problems relating to information on capital and depreciation; capital formation; production and capital formation accounts by institutional sectors; administrative and similar expenditures; classification of economic activities; classification by institutional sector; indirect import taxes; classification of direct taxes and current transfers by households; balance of payments; treatment of bank services; used goods; capital finance accounts; standard accounts and tables; the public sector; priorities; estimates at constant prices; and sources of data and techniques for compiling national accounts in Latin America. Inter alia, the following documents were before the Working Group: The programme for the Revision of the United Nations System of National Accounts and its Discussion in Latin America (ST/ECLA/Conf.28/L.2), Características generales y disponibilidad de información en materia de cuentas nacionales en América Latina (ST/ECLA/Conf.28/L.3) and El tratamiento del sector público en los sistemas de cuentas nacionales (ST/ECLA/Conf.28/L.4).

Meeting on Economic Projections, Santiago, 13 to 17 November 1967

This meeting was convened by the Economic Projections Centre.

The meeting was attended by: Professor Jean Paelinck, Director of the Research Centre of the Faculty of Economics and Social Sciences, University of Namur, Belgium; Mr. Edward Holland, from the Agency for International Development, Washington, D.C., U.S.A.; Mr. Arturo O'Connell and Mr. Robert Fraenkel, from the Centro de Estudios del Desarrollo (CENDES), Universidad Central de Venezuela, Caracas; and several members of ECLA and ILPES. Taking as a basis for discussions the document presented by the Centre, different topics of long and medium term projections were examined with special reference to the advantages and disadvantages of pure econometric and judgement or opportunistic models; the meaning and practical aspects of numerical experimentation and simulation; the possibilities offered and the limitations of the global and sectoral models and the procedures for the consistent simultaneous use of both approaches; alternatives in the form of the individual relations intended to describe the economic behaviour, etc.

/Meeting of

Meeting of Government Experts of Developing Countries Members of the Commission, Santiago, 11-15 December 1967

This meeting was convened by the ECLA secretariat in compliance with resolution 264 (XII).

Participants from Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Panama, Peru, Trinidad and Tobago, Uruguay, and Venezuela attended the meeting.

The agenda included the following items:

1. Recent trends in Latin America's foreign trade
2. The main lines of international trade policy:
 - (a) The policies of the major centres in relation to their trade with Latin America.
 - (b) Fulfilment by developed countries of commitments assumed in relation to their trade with developing countries, and with Latin America in particular.
 - (c) Problems resulting from procedures for applying escape and possible solutions.
 - (d) Results of the Kennedy Round from the standpoint of the Latin American countries. Possible formulas and mechanisms for future action.
3. Latin America and the second session of UNCTAD:
 - (a) Objectives of the second session of UNCTAD.
 - (b) Commodities problems and policies.
 - (c) Expansion and diversification of exports of manufactures and semi-manufactures by developing countries.
 - (d) Financing of trade and development.
 - (e) Shipping.
 - (f) Trade expansion and economic integration among developing countries.
 - (g) Special measures in favour of the relatively less developed countries.
 - (h) Expansion of trade with the centrally planned economies.

The secretariat presented América Latina y la segunda UNCTAD as a working document (E/CN.12/803; ST/ECLA/Conf.31/L.2).

ECONOMIC DEVELOPMENT AND RESEARCH DIVISION

During the period covered by this report, work was concentrated on the following: the preparation of documents to be considered by the Meeting of the Economically Relatively Less Developed Countries; the preparation of a summary of the principal themes underlying ECLA's work since its inception; the completion of the preliminary draft of the studies on fiscal reforms and external official financing; the continuation of studies on income distribution, economic policy, employment and human resources, and the preliminary work on the Economic Survey of Latin America, 1967.

Projects

Relatively less developed countries. The Division prepared "The relatively less developed countries and Latin American integration: approaches and proposals" (ST/ECLA/Conf.29/L.2); together with the joint ECLA/FAO Agricultural Division it prepared "Los países de menor desarrollo económico relativo y el sector agropecuario" (ST/ECLA/Conf.29/L.3); together with the Division of Industrial Development it prepared "Notes on international co-operation in the development of small-scale industry in Latin America" (ST/ECLA/Conf.29/L.5).

Summary of the principal themes of ECLA. Work was begun on this project, which will summarize, for the twentieth anniversary of ECLA the most important contributions made during this period to Latin American development.

Income distribution. Revision of the final text of the study on Argentina was continued, and progress was made with the work on the final text of the chapters on Brazil and Mexico, and on a preliminary analysis of El Salvador and Venezuela.

Economic policy. The revised studies on Bolivia and Colombia were completed and will be published in the Economic Bulletin for Latin America.

Tax reforms and public financing. Work was completed on a preliminary draft of the study on the composition of public financing and the effects of some recent fiscal reforms.

External official financing. A preliminary draft was completed analysing the conditions and prospects of such financing and its co-ordination with development planning.

Employment and human resources. Research has continued on Latin American employment patterns and policies.

/Economic Survey.

Economic Survey, 1967. Preparatory work was begun, consisting mainly of drafting preliminary considerations on Latin American economic developments in 1967, and co-ordinating contributions from the ECLA units and the field correspondents.

Missions

From 7 to 12 October Mr. Vuskovic lectured in Buenos Aires at the INTAL Course on Integration, as a guest speaker.

Meetings

Mr. Pedro Vuskovic, Director of the Division, Mr. Max Nolff and Mr. Francis Silvert attended the Meeting of the Economically Relatively Less Developed Countries in Guatemala.

Mr. Pedro Vuskovic and Mr. Alfredo Eric Calcagno attended the meeting on long-term economic projections organized by the ECLA Secretariat.

Mr. Ismael Cárdenas took part in the Working Group on National Accounts.

Staff movements

Mr. Flavio Machicado left the Division on 7 December.

SOCIAL AFFAIRS DIVISION

During the period under review, the greater part of the work of the Social Affairs Division consisted in the completion of further stages in the research projects previously noted relating to social structural change, urbanization, demographic trends, and problems of policy and planning in the social sectors of education, housing, community development and social security. At the same time, ideas were discussed and preliminary work plans made in relation to the policy areas on which attention is to be focused in 1968: regional and local development, employment, and population.

Projects

General. The study "Social trends in Latin America", drafted earlier in the year for inclusion in the 1967 Report on the World Social Situation, was revised and amplified for inclusion in the 1967 Economic Survey of Latin America.

Within the Division's continuing project on techniques and planning in the various social sectors, a paper entitled "Social Security and Development: The Latin American Experience" was prepared. This paper was presented by Mr. Wolfe in November at the Seminar on Social Security Policy Related to Economic and Social Development, held at the University of Wisconsin under the auspices of the United States Agency for International Development.

The study entitled Education, human resources and development in Latin America was completed and submitted for printing. This project was carried out by Mr. Wolfe and Mr. Solari.

The Division continued its collaboration with the Division of Economic Development and Research on problems of income distribution. Mr. Solari was concerned with aspects relating to education and income distribution, and Mr. Rosenbluth with aspects relating to wage policy and income distribution.

Mr. Solari is currently preparing a study entitled "Social Aspects in Employment Problems in Latin America".

Housing. Work in this field was concentrated mainly on two studies: "The Housing Problem in Latin America", prepared by Mr. Utria, and "Housing Costs in Latin America", prepared by Mrs. Bulat with the collaboration of Mr. Utria and Mrs. Mihovilovic. Drafts will be circulated soon for comments.

Urbanization. Comparative research on urbanization problems in Brazil, Ecuador and Peru was completed. The reports on Peru and Ecuador are to be circulated soon. A comprehensive bibliography on urbanization in Latin America has been completed.

/In September

In September, Mr. Anibal Quijano prepared a paper on urbanization in Latin America Society, for presentation at the eight Latin American Congress of Sociology (El Salvador). In November an article was completed, entitled "Dependencia, Cambio Social y Urbanización en América Latina". This article will be included in an anthology on social change in Latin America, to be published early in 1968 by Editorial Siglo XXI.

Demography. Mr. César Pelaez has nearly completed the first stage of his study on population policies. This study will feature, inter alia comprehensive series of estimates of total population in every Latin American country in 1920-1960, plus projections broken down by sex and age-group, through 1980. As a basis for an analysis of population distribution by town size, an up-to-date list of all Latin American towns with 20 000 or more inhabitants has been compiled for nearly all countries of the region. CEADE is collaborating in this study.

Mr. Alberto Volpi prepared alternative proposals for a study on Population policies, which were submitted to the United Nations Special Fund and to the IDB.

Community Development. The Division has been considering the problems which will arise as it takes larger responsibilities for training and research in community and local development in the region as a result of the decision of UNESCO and ACC to reconvert CREEFAL into a training center for functional literacy specialists.

The Division has noted serious discrepancies between the concepts and content of community development training and the nature of the demands by Governments for skilled personnel in this field. Three aspects of this situation are now under study by the regional Community Development Adviser and other personnel of the Division. The first concerns the place of community and local development activities in the complex of regional and national development programmes. The second aspect turns on the reformulation of a concept of community and local development consistent with the trends of organizing comprehensive development projects on a regional or area basis. The third point is related to the provision of the kind of training which can contribute most effectively to these patterns of integral development at the local level while conserving valid approaches and methods of community development.

The Division will interrelate these three aspects of the problem of restructuring community development training in several ways. It will move towards the formulation of a work programme integrating the several sectoral and disciplinary fields involved during 1968, and it will gradually form a team for research and technical assistance in regional and local development. Community Development will be absorbed in this group. The Division is also making preparations for the Inter-Agency Regional Meeting on Community Development to be held January 23-26, 1968. Its purpose will be that of clarifying the roles of specialized agency personnel in the organization of co-ordinated projects, giving special

/attention to

attention to training. The work now being done in the Division therefore may be regarded fundamentally as the assimilation of community development as an essential element in the design and execution of integral regional development schemes.

The Division has prepared a working paper entitled "Notes on Conceptual Prerequisites for Training in Community and Local Development", and has drafted a related aide memoir on a proposed training programme for planners and administrators of regional and local development. This paper is now under study in several of the ECLA divisions. Another paper is being prepared, entitled "A Compendium of Programmes and Projects Employing the Community Development Approach in Latin America". Both of these papers will be studied and discussed at the Inter-Agency Meeting, along with a third, "Policy Issues Concerning the Future Evolution of Community Development", which was prepared at Headquarters.

Missions

Mr Anibal Quijano visited several Central American countries and Panamá from 30 August to 17 September. The purpose of his trip was to attend the eighth Latin American Seminar of Sociology, which was held at El Salvador, and to gather information on the urbanization process in the countries of that area.

Mr. A. E. Volpi attended the Meeting on Population Policies in Relation to Development in Latin America, which was held at Caracas from 8 to 16 September.

Mrs. Tatiana Bulat de León visited Rio de Janeiro, Brasília and Recife from 19 September to 14 October to gather information for the ECLA/IDB Survey on Housings Costs.

Mr. Rubén Utria undertook a similar mission to Rio de Janeiro, Brasília, Belo Horizonte and Sao Paulo from 22 September to 13 October 1967. In addition, Mr. Utria visited Valparaíso on 20-21 October to lecture on ECLA housing policies at the University of Chile.

Co-operation with other bodies

Mr. Solari lectured on the social aspects of development and basic problems of higher education programming and Mr. Volpi lectured on health planning and the planning of education at the Latin American Institute for Development and Planning. Mr. Solari lectured on the sociology of education also for one semester at the Escuela Latinoamericana de Sociología. Mr. Utria, lectured on Housing at the Latin American Institute and on Housing Programming at the Inter-Disciplinary Committee on Urban Development (CIDU), an organization sponsored by the Ford Foundation the Catholic University of Chile and the Ministry of Housing and Urbanism of Chile. Other staff members have lectured in several institutions.

The project of urbanization in Latin America is linked to the research currently undertaken by the CIDU in Santiago Mr. Quijano is advising one of the research teams in that Committee. Similarly, research on urbanism is being c-ordinated with that carried out by the Brazilian Federal Service of Urbanism and the Institute of Urban Development of the Federal University of Rio de Janeiro; and the National Planning Board of Ecuador and ECLA are now co-ordinating their studies and other activities relating to urban development.

Staff movements

Mr. Guillermo Rosemblúth, of Bolivia, joined the Division.

TRADE POLICY DIVISION

During this period the substantive work of the Division was centred on preparing the report Latin America and the Second Session of UNCTAD (E/CN.12/803), which was presented at the Meeting of Government Experts of the Developing Countries Members of the Commission, which met at ECIA's Headquarters in December. In the light of the expert's comments a final draft was prepared and distributed.

Projects

The final version of Latin America and the Second Session of UNCTAD (E/CN.12/803) constituted the last stage of the Trade Policy Division's work for 1967 in preparation for this session. The document, which was prepared in accordance with resolution 264 (XII), takes into account the comments, statements and recommendations adopted at the twelfth session of the Commission, the CECIA Meeting at the expert level (Bogotá, September 1967) and the meeting of Government Experts mentioned above. The report covers the following subjects: Recent Developments and Trends in Latin America Foreign Trade (mainly a summary of changes over the last three years); The Great Lines of International Trade Policies (an analysis of the policies pursued by the great industrial centres in relation with Latin America, the problems relating to the implementation of the obligations undertaken by the developed countries in their trade with the developing countries, the difficulties arising from the application of certain safeguard clauses, and the results of the Kennedy Round from the standpoint of the Latin American countries); Latin America and the Second Session of UNCTAD (an assessment of the fundamental themes of the second session, particularly those relating to: basic commodities; exports of manufactures and semi-manufactures; trade financing; maritime transport; trade expansion and economic integration between developing countries; special measures in favour of the less-developed countries, and the expansion of trade with the Socialist countries). This chapter contains the fundamental considerations and suggestions which will, in the secretariat's judgement, constitute the essential themes of the Second Session of UNCTAD.

Missions

Between 26 August and 16 September Mr. Santiago Macario, Director of the Division, attended the IAFITA Ministerial Meeting in Montevideo, a Meeting of the Trade and Development Board in Geneva; he also held talks with various officials in Asunción, Zurich, and Brussels. Accompanied by Mr. Nicasio Perdomo, he attended the CECIA Meeting in Bogotá and the Meeting of the 77 in Algiers. In Brussels and Geneva Mr. Macario and Mr. Perdomo held consultations with various officials. Mr. Macario also went to Montevideo for talks with IAFITA officials. Between 20 October and 1 November, Mr. J. P. Amestoy attended the Meeting of relatively less developed countries in Guatemala and held talks with officials in Panama.

From 17 to 30 September he attended the meeting of the LAFTA Advisory Committee of Trade Policy. He went again to Montevideo from 6 to 8 December to attend consultation meetings. Mr. S. N. Braithwaite, Chief of the Special Studies Section, visited Geneva between 2 and 5 September for talks with ILO officials. Between 11 and 15 December he attended the Brookings Institute Seminar in Asunción.

Mr. Bernardo Grinspun, Regional Adviser on Institutional Aspects and Formulation of Trade Policy, visited Mexico, Guatemala, Nicaragua and Honduras, to co-operate with the ECLA Mexico Office, the Permanent Secretariat of the General Treaty on Central American Integration (SIECA), and Governments officials, in the drafting of a document on the participation of the Central American countries in the second session of the UNCTAD and to assist in preparations for the XXIX meeting of the Central American Sub-Committee on Trade (Tegucigalpa, Honduras, 17-23 September 1967) the meeting of the 77 in Algiers and the second session of UNCTAD.

In addition, in Nicaragua and Honduras, Mr. Grinspun provided advisory services on institutional arrangements relating to trade policy. Mr. Grinspun also participated in the preparation of the SIECA document "Bases para la participación de Centroamérica en la Segunda UNCTAD". Later he visited the Dominican Republic for the purpose of drafting a programme of assistance in matters related to the organization of an External Trade Division in the Secretariat of Industry and Trade, and to establish the framework for the formulation of an external trade policy of the country. Mr. Grinspun visited also Guyana, to advise the government on matters related with the elimination of the Commonwealth's preferential system and its impact on the external trade of the country.

Mr. Frederick Glover, Regional Adviser on Export Promotion, visited Uruguay at the end of October, for the meetings of the LAFTA Advisory Commission on Trade Policy dealing with the promotion of exports. He also visited Peru, to advise the National Planning Institute on matters related to export promotion, and Bolivia where he discussed with officials of the Central Bank and the Ministries concerned, the creation of a national export promotion organization.

Mr. Felipe Salazar, Regional Adviser on Trade Policy, carried out a mission in Colombia, to advise the Government on sub-regional integration projects.

Staff movements

Mr. Felipe Salazar left the Division at the end of the year.

JOINT ECIA/INSTITUTE/IDB PROGRAMME FOR THE INTEGRATION
OF INDUSTRIAL DEVELOPMENT

Projects

Metal-transforming industries. During the period included in the report, the final versions of the studies on the metal-transforming industries in Colombia and Ecuador (E/CN.12/791 and 797) were published.

The draft report on the manufacture of machinery and equipment for basic industries in several Latin American countries has been delayed in order to take into account complementary information from some of the collaborating agencies. The draft report is now scheduled to appear at the beginning of 1968.

Progress in the study of the motor vehicle industry has been achieved mainly in the prediction of future demand patterns. Preliminary contacts have been established with the Automobile Manufacturer's Association in the United States with a view to obtaining background data for the study. Furthermore, several studies on automobile manufacture in developing countries have been analyzed.

Industrial economics. The industrial Economics Unit was represented at the Meetings of Latin American Experts on Industrial Development, held at Santiago, from 16 to 19 October, where the document Latin America and the International Symposium on Industrial Development (E/CN.12/L.34) was discussed.

Steel and non-ferrous metals. During the period in question, the Steel Unit drew up a plan for a study on the possibility of developing the steel industry in the relatively less developed Latin American countries where this industry does not exist.

A document entitled Influencia de las economías de escala en la metalurgia del aluminio y en la industria de transformaciones del metal y sus aleaciones (E/CN.12/793 and Add.1) was published.

A draft of a study entitled "La industria del cobre primario" was completed and will soon be published.

Forest industries. Through joint agreement between ECIA and FAO, the activities of the ECIA/BTAO/FAO Pulp and Paper Advisory Group were expanded to include those related to basic mechanical wood working industries, viz, lumber and panel products. Accordingly the name of the Group was changed to Forest Industry Advisory Group for Latin America. The Group now comprises three regional advisors and two associate experts, two working on mechanical industries and three on pulp and paper.

/The Group

The Group presented the document Latin America' Forest Industries and Prospects for their Development at the tenth session of the Latin American Forestry Commission, Port-of-Spain, December 4-9, 1967.

Furthermore, the following documents were released for limited distribution:

A Preliminary Survey of the Wood-based Panel Industry in Latin America
Preliminary Report on the Sawmilling Industry in Latin America

These three documents confirm the general deficiency of the sawmilling industry as compared with pulp and paper, and panel products industries in the region. They conclude that if the Latin American lumber industry is to cover the future demand for lumber - expected to more than double during the next two decades - and to expand exports outside the region it must be thoroughly reorganized in many countries.

The Group is now preparing two regional meetings on: (a) the newsprint situation, and (b) pulp and paper; the dates have not yet been decided upon.

Chemical industry. Work continued on the study of Latin America's chemical industry, 1959-65, which is designed to bring up to date the general analysis of the chemical industry based on the sectoral studies completed earlier. This study is scheduled to be completed in February 1968.

The study on sodium alkalis has been wholly revised and brought up to date. It will be published in January 1968.

The study on rubber in Latin America was presented at the nineteenth Assembly of the International Rubber Study Group in October 1967. A final version was distributed in December 1967 (E/CN.12/792).

Textile industry. During the period under review a report on the textile industry was practically completed. It is scheduled for publication during January 1968.

Missions

Mr. N. F. de Figueiredo, Director of the Division visited, from 24 September to 8 October New York to hold consultations regarding the project on the transfer of technology with UNITAR and the Department of Economic and Social Affairs, and Washington to discuss the work programme with IDB and the project on the transfer of technology. He visited Washington, New York and Buenos Aires from 17 October to 3 November to attend a meeting on the problems of financing for Latin America integration. From 6 to 8 December Mr. Figueiredo attended the IAPTA meeting in Montevideo.

/Mr. Pablo

Mr. Pablo Bifani visited Copiapó, El Salvador and Potrerillos (Chile) from 25 September to 5 October to look into the different aspects of copper mining in Chile, in relation with the study on copper. Mr. J.M. Izcué visited Sao Paulo and Rio de Janeiro from 22 September to 21 October in connexion with the Brazilian programme of exports of manufactures. Mr. A. Martijena, a consultant, visited Santiago from 11 to 14 November to prepare a mission to Central America for the study on prospects of the steel-making industry in the less developed countries. Mr. R. Matthews visited Washington and Athens from 25 November to 15 December; in Washington he attended a meeting with IDB on the motor vehicle industry, and in Athens he attended the World Symposium on Industrialization. The World Symposium was also attended by Mr. Marco Pollner and Mr. Bruno Leuschner and the latter attended also during this trip the eighth session of the Advisory Committee on Science and Technology, held in Paris. Mr. Isidro Parra visited Montevideo on 25-31 October to attend CADI's meeting, and from 14 to 28 October Mr. Yanno visited Sao Paulo to attend the meeting of the International Rubber Study Group, and Rio de Janeiro to collect data on the chemical industry in Brazil. From 1 to 22 September Mr. Max Nolff visited Ecuador, Panamá and Guatemala to discuss specific problems in relation to the meeting of the relatively less developed countries; in Washington he attended the Inter-Agency Meeting of Less Developed Countries; in New York, he discussed with Headquarters officials the subject of the aid to be provided by UNDP and UNIDO; in Mexico he held discussions with officials at the ECLA office. From 20 October to 1 November, Mr. Nolff attended the ECLA meeting of the relatively less developed countries.

Technical assistance

Mr. Sergio Salcedo, Regional Adviser on Pulp and Paper, participated in and presented a document at the tenth session of FAO's Latin American Forestry Commission, held at Port-of Spain, Trinidad, from 4 to 9 December. In addition, the expert made a brief stop in Panama, to discuss with government officials the development of the pulp and paper industry in that country.

Co-operation with other bodies

Mr. Luigi Spreafico lectured on planning in the textile industry at the Latin American Institute for Economic and Social Planning.

Staff movements

Mr. Benito Rama Souto completed his assignment in September.

Visitors

Mr. Ross, of ADELA, visited the Division in December 1967 to discuss investment possibilities in the countries whose metal-transforming industries have been studied by ECLA. Consultations at regular intervals have now been planned.

/JOINT ECLA

JOINT ECLA/FAO AGRICULTURE DIVISION

Projects

Agricultural integration

During the period under review the Division was mainly concerned with the compilation and analysis of information relative to prices and price policy for agricultural products and with other efforts connected with regional agricultural integration.

Five staff members visited nearly all the Latin American countries in order to collect data on prices, and foreign trade statistics. A substantial proportion of this information is already tabulated and is now being analysed.

One of the facets involved in this research is the comparative analysis of prices and foreign trade flows of given products in 1962-66. The aim is to prepare a paper on each product, covering the size of the crops by area, the zones of cultivation, the yields, the volume of output, the varieties, the marketing channels, the price levels and their changes, the peculiarities of foreign trade in each country by product, and the price policy pursued by the Governments. Also included in the study is a paper on each country and a regional analysis for each product. A first draft of the study will be ready in April 1968.

Agricultural inputs

The publication of the study on fertilizers in Peru (E/CN.12/795) signified a new step forward in the research that ECLA is undertaking, with the collaboration of the IDB, in the LAFTA countries. The main conclusions drawn in this study are the following: Although Peru stands out among the Latin American countries as the first to have introduced the practice of using fertilizers on crops, fertilizer consumption has stagnated in the last few years at around 90,000 tons of NPK, roughly the same figure recorded in 1963.

The supply of nutrients is to a large extent limited to domestic production; in 1964-65 nearly one half originated in guano from the islands and 22 per cent in domestic chemical fertilizers; the remaining 28 per cent was accounted for by imports, mainly from Western Germany, the United States, Belgium, Japan, Norway and Chile.

A little more than half of all fertilizers is used on crops in the Sierra; of the rest, 31 per cent is used in the Costa and 17 per cent in the Selva. The crops requiring the largest amount of fertilizers are cotton, sugar cane, maize, potatoes, rice, and fruit trees. However, no fertilizer is used on a large area of these and other crops, which is borne out by the fact that the real consumption of fertilizers in the whole country represents only one fourth of the optimal figure recommended by the technicians.

The low consumption of fertilizers in Peru stems from various causes, the most important of which are as follows: the small proportion (16.5 per cent) of the cultivated area in relation to the total arable land; the high concentration of land in a few large estates, combined with the fact that the intensiveness of the exploitation is in inverse ratio to the size of holding; the inadequacy of agricultural credit and the inefficiency in its distribution.

It is to be noted that the marketing arrangements or/and the price levels of fertilizers in Peru are satisfactory, a situation which compares favourably with that obtaining in other Latin American countries.

Missions

Mr. J. Schatan, Director of the Division, accompanied the Executive Secretary and other ECLA officials to Montevideo from 15 to 21 September to attend the session of the Agricultural Policy Council of LAFTA and to hold discussions related to co-operation with LAFTA. In December he returned to Montevideo to discuss his Division programme of co-operation with LAFTA in 1968. Between 20 October and 3 November he attended the Meeting on the Problems of Regional Integration of the Relatively Less Developed Countries, held in Guatemala.

In connexion with the study on price levels and price policy relating to agricultural products, missions were sent to several countries to collect information. Thus, Mr. C. Wirth, whose duty-station is Montevideo, went twice to Paraguay (on 20 October and on 12 December). Between 22 November and 1 December he worked in Santiago. Mr. L. Lopez Cordovez was in Buenos Aires from 22 to 31 October. Mr. L. Smith visited Mexico and Guatemala between 18 November and 8 December while in those countries, he also gathered information for the Economic Survey, 1967; Mr. Bernard Ortoló visited Bolivia and Peru from 24 September to 16 October; and Mr. F. Fuenzalida made a trip to Brazil lasting from 26 August to 16 September.

Collaboration with the Latin American Institute for Economic and Social Planning

Mr. J. J. Cañón, Deputy Director of the Division, gave a talk at the Institute.

NATURAL RESOURCES AND ENERGY PROGRAMME

During the last four months of 1967, activities were mainly centred on the study of water resources in the Federal District of Brazil and in the Central American countries. Contacts and collaboration with various international organizations were maintained in connexion with the planning of a preliminary study on the basin of the River Plate, which will be co-ordinated by the Latin American Integration Institute (INTAL).

Work continued on the study of petroleum in Latin America and research in the field of mining was increased.

The Programme helped in the preparation of the Latin American Seminar on the Planning of Electric Systems, held in Lima from 23 November to 3 December.

Projects

(a) Water resources

The collection of data in Central America and Panama continued during this period.

(b) Electric power

Two papers were prepared for the two meetings mentioned above.

Missions

Mr. Eduardo Garcia, Deputy Director of the Programme, represented the secretariat at the meeting convened by the Inter-Governmental Co-ordinating Committee of the River Plate Basin, which met from 27 to 30 November in Buenos Aires.

Mr. Yuri Roubtsov, mining expert, visited several mining and mineral processing establishments in Atacama (Chile), where he met with representatives of ENAMI (Empresa Nacional de Minería) between 27 September and 4 October.

Meetings

Mr. Adolfo Dorfman, Director of the Programme, attended the Latin American Seminar on the Planning of Electric Power Systems in Lima from 26 November to 3 December. The Programme prepared a paper for this Seminar, entitled La planificación del sector de la energía en América Latina, con especial referencia al desarrollo eléctrico.

/Mr. Dorfman,

Mr. Dorman, Mr. Garcia and Mr. Gopaliengar took part in the proceedings of Regional Survey Course on Prospects and Problems of Nuclear Power Applications in Developing Countries, organized by the International Atomic Energy Agency. For this meeting, which was held at ECLA headquarters from 4 to 8 December, the Programme prepared a document entitled Resumen de la disponibilidad de fuentes convencionales de energia en América Latina.

Co-operation with other organizations

The Programme co-operated with several institutions. It helped the World Meteorological Organization in its Regional Seminar for the Training of National Meteorological Instructors in Latin America, and it collaborated with the Pan American Sanitary Bureau and the World Health Organization in the study of water resources, and with INTAL and the Organization of American States in the study of the River Plate Basin.

Visitors

Among officials who visited ECLA headquarters in connexion with the Programme, the following may be mentioned: Mr. Luiz de Freitas Bueno, Vice-President of the Comissão Interestadual da Bacia Parana-Uruguai, with headquarters in São Paulo; Mr. Karl E. Hansson, of the Division of Natural Resources and Transport, Headquarters, New York; Mr. Walter Castagnino, of the Pan-American Sanitary Bureau; Mr. Ney Friedemann Drummond, of the Companhia Vale do Rio Doce; Mr. Javier A. Figueroa, Secretary-General of ARPEL, and Mr. Lucas Tortorelli, FAO Representative in Lima.

Technical assistance

Mr. Mario Valls, Regional Adviser on Legal and Institutional Aspects of Water Resources Development, has been carrying out an evaluation mission in Central America, which is a continuation of previous ones and is expected to continue throughout the first quarter of 1968.

TRANSPORT PROGRAMME

During the period under consideration, the work of the Transport Programme was concerned in the main with (1) the continuation of the study on maritime freight problems in the foreign trade of Latin America; (2) the examination of replies received to a questionnaire for the purpose of a study on national and international road transport in the region; (3) the continuation of a study on international railway transport; (4) activities related to transport and regional integration; and (5) missions and meetings related to several of the foregoing projects.

Projects

Economic Survey. Work was started in December for the collection, from various sources in Latin American countries, of data and information required for the preparation of the chapter on transport in the Economic Survey of Latin America 1967.

Maritime transport. Work in this field continued to be concentrated on the preparation of a study on freight rates, which was started earlier in the year as a part of a programme of basic studies in maritime transport agreed upon with the OAS. This study is concerned with an analysis of the various factors determining the level and structure of freight rates in the foreign trade, regional and world-wide, of Latin America, and the incidence of freight rates upon this trade. The empirical investigation in this field was centered upon the tabulation and analysis of freight rates on the exports of the Latin American countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru, Uruguay, and Venezuela), and on regional shipping routes and routes to North America, Europe and Japan. The analysis covers a sample of more than 130 commodities, including traditional exports and new potential exports. For the purpose of this extremely complex study, data were obtained from 120 Shipping Conference and Special Agreements in the foreign trade of Latin America. The final draft of the study is expected to be completed during the first quarter of 1968, and it will throw considerable light on matters related to the level and structure of freight rates in Latin America exports, and their significance for the development of exports of the region.

A chapter on maritime transport was prepared for the report "Latin America and the Second Session of UNCTAD" (E/CN.12/803), which was submitted to the Meeting of Governmental Experts of the Countries members of ECLA, (Santiago, 11-15 December).

Contacts continued to be maintained with (1) the secretariat of LAFTA in matters related to the regional LAFTA Convention on maritime transport and to proposals at present under discussion for the regulation of the Convention, and (2) shippers' councils established in eight Latin American countries.

/The final

The final draft of a preliminary study related to the modernization and unification of maritime law in Latin American countries will be completed in December.

Railway transport. Work continued on the preparation of the study on international railway transport in South America, and was concerned in particular with the preparation of drafts and the elaboration and analysis of statistical data on railway transport between Argentina, Chile and Bolivia.

Work was started on the preparation of the Seminar on Railway Statistics and Cost Accounting, which it is planned to convene in the latter part of 1968.

Road transport. Work was concentrated on the examination of the replies received from various Governments to the questionnaire on the economic regulation of national and international passenger and cargo road transport in Latin America; this questionnaire was transmitted earlier in the year to the responsible authorities in various countries of the region for the purpose of a study on national and international road transport now in preparation.

Following a request from ECAFE, a note was prepared on problems related to the development of road transport co-operatives in various Latin American countries.

Close contacts continued to be maintained with the secretariat of the OAS Pan American Highway Congress in connexion with the revision of the Geneva Conventions and Protocol of 1949 on road traffic and road signs and signals. The final revised drafts of the Convention on Road Traffic and the Convention on Road Signs and Signals and related documents prepared by the ECE Transport Division, Geneva, which are to be submitted to the United Nations Special Conference to be held at Vienna in the latter part of 1968, were transmitted to the OAS for examination at the tenth Pan American Highway Congress, meeting in Montevideo in December 1967.

Prior to the informal meeting on transport studies related to economic integration convened by the Inter-American Development Bank in November in Washington, preliminary research was undertaken on possible studies in this field, in particular as related to international roads in South America.

Missions

Mr. Jens Kindt of the Joint ECLA/OAS Transport Programme, travelled from 12 October to 8 November to seven countries (Argentina, Uruguay, Brazil, Venezuela, Colombia, Ecuador and Peru) to collect additional data and to verify data previously collected and tabulated, in connexion with the preparation of the study on ocean freight rates in the foreign trade of Latin America.

/Mr. Miguel

Mr. Miguel Díaz-Rey, official of the Shipping Branch of the Division for Invisibles of the secretariat of UNCTAD, Geneva, who is temporarily co-operating with the Transport Programme in the revision and completion of a number of UNCTAD studies in the field of maritime transport in Latin America, visited Buenos Aires, Argentina, from 8 November to 15 December.

Mr. Diego Feliú, regional railways adviser, travelled from 20 November to 22 December to Argentina, Uruguay, Brazil and Paraguay to collect information and make an on-the-spot study of international railway lines between these countries, in connexion with the study on international railway transport and regional integration in South America now being prepared.

Mr. Jules Dekock Director of the Transport Programme, accompanied the Executive Secretary and other officials in a mission to Montevideo, from 6 to 9 December, for discussions related to co-operation with LAFTA and the adoption of joint ECLA-LAFTA programmes in the field of transport. The programme of co-operation adopted in the fields of maritime transport and regional inland transport (roads and railways) follows the lines of programmes at present under way in the ECLA Transport Programme, and scheduled for the year 1968.

Mr. Robert Brown travelled to Buenos Aires, Argentina, from 14 to 16 December, for discussions with the Secretary General and officials of the Latin American Association of Railways (ALAF) related to the preparation of the seminar on railway statistics and cost accounting, which it is planned to convene in the latter part of 1968. Technicians of the Argentine, Uruguayan, Brazilian, Chilean and Spanish Railways also participated in these discussions.

Meetings

Mr. Jules Dekock, Director of the Programme, participated as ECLA observer in the third General Assembly of ALAF, which met in Buenos Aires, Argentina, from 25 to 30 September. Before returning to Santiago, he went to Montevideo for two days to examine with officials of the Transport Unit of LAFTA matters related to co-operation between ECLA and LAFTA in the field of transport.

Mr. Jules Dekock and Mr. Robert Brown participated in an informal meeting convened by the Inter-American Development Bank in Washington from 13 to 15 November to examine a proposed programme of work and studies of the Inter-American Development Bank and its Pre-Investment Fund in connexion with transport and regional integration. Officials of several other regional organizations participated in this meeting.

/Mr. Enrique

Mr. Enrique Arocena participated as ECLA observer in the tenth Pan American Highway Congress of the OAS which met in Montevideo, Uruguay, from 4 to 13 December. Mr. Arocena presented to the Congress a statement on ECLA's activities and programmes in the field of roads and road transport. After the Congress Mr. Arocena was on leave until the end of the year.

Co-operation with other organizations

Mr. Miguel Díaz-Rey of the Shipping Branch of the Division for Invisibles, was detached temporarily by the UNCTAD secretariat to co-operate with the ECLA Transport Programme in the final revision of shipping studies undertaken by three UNCTAD consultants in Argentina, Brazil and Colombia. Mr. Díaz-Rey arrived in Santiago at the beginning of October and until 8 November he examined, in co-operation with ECLA officials, the draft studies prepared by the UNCTAD consultants. From 8 November to 15 December, Mr. Díaz-Rey was in Argentina for discussions with the consultant and for the collection of additional data required for the completion of the study on the development of the Argentina merchant marine.

Staff movements

Mr. Robert Brown, who had been appointed to replace Mr. José Astelarra, - who left early in 1967 - joined the Transport Programme on the first of September.

STATISTICAL DIVISION

Projects

During the period of reference the Statistical Bulletin for Latin America, Volume IV, N° 2, was published. This is the second number printed entirely at ECLA headquarters. Special features of this number are non-recurrent tables of population statistics, transport statistics and external trade. The external trade section includes for the first time a matrix by economic use and industrial origin. This is a cross-classification of the ECLA Clasificación de Comercio Exterior según uso o destino económico (CUODE) and the ISIC.

Towards the end of the year work was concentrated on the preparation of the Economic Survey for Latin America, 1967 in collaboration with the Economic Development and Research Division.

The External Trade Statistics Section prepared special tables at the request of the Trade Policy Division. These tables refer to exports of twenty-three Latin American countries grouped according, first, to country of destination and, secondly, to regions of destination by products. The product classification was a special one requested by the Division concerned. The Section also continued its work on the change of external trade index numbers to a new 1963 base year.

Under the joint project with UNICEF, a special publication was issued on the situation of children and youth in Latin America. The publication was widely distributed to both national and international organizations, and comments are now being studied with a view to their use in the final publication. The Demographic and Social Statistics Section participated also in the preparation and organization of the first and second visits of the one-year sample study on the evaluation of the vital statistics in Valdivia (Chile), in collaboration with the Chilean Dirección de Estadística y Censos.

The first draft of series on mining production was finished. The publications in these series refer to the production in 1950 and 1958-1966 of twenty-four mining products in twenty-one countries of the region; quantum indexes are included, calculated on the basis of the thirteen main products and the eleven countries considered as main producers.

These data will be sent to the national Statistical Offices and other users for comment. They will be published towards the middle of 1968.

Long-term country information on national accounts was obtained and presented for internal use on a uniform standardized basis.

/Missions

Missions

Mr. Gustaaf F. Loeb, Director of the Division was, on the ECLA and of the Institute delegation to the fifth Inter-American Statistical Conference and the ninth session of the Committee on Improvement of National Statistics, of the OAS and the Inter-American Statistical Institute respectively, which were held in Caracas, Venezuela from 9 to 20 October.

Mr. Mario Movarec, Chief of the External Trade Statistics Section, was detached for an UNDP mission to La Paz, Bolivia (8 to 19 August) at the request of the Government to advise the Dirección General de Estadística y Censos on procedures and methods in external trade statistics, specially in view of the recent entrance of Bolivia into LAFTA. Mr. Movarec visited Montevideo (30 August to 8 September) where he had discussions with the LAFTA secretariat and participated in the fifth meeting of the Statistical Advisory Committee of LAFTA.

Mr. Andrés Klinger, Chief of the Demographic and Social Statistics Section, visited Valdivia, Chile, from 28 August to 9 September and again from 28 November to 4 December in relation with the project on the completeness of vital statistics. This project is being carried out in collaboration with the Chilean Dirección de Estadística y Censos. His work was concerned particularly with the first and second rounds of the planned one-year demographic sample survey.

Mr. Juan Sourrouille, Chief of the National Accounts Section, was invited by the International Association for Research in Income and Wealth to participate in its tenth session at Maynooth, Ireland, (20 to 26 August). On his way to Europe, Mr. Sourrouille visited the ECLA Mexico Office where he discussed the work being done on national accounts and aspects of co-ordination for work in Mexico and Central America. From 28 August to 1 September Mr. Sourrouille participated in the meeting on national accounts of Latin American countries which was organized by the OECD Development Centre in Paris.

Meetings

From 30 October to 10 November the Working Group on National Accounts met at Santiago, Chile, under the joint auspices of ECLA and the United Nations Statistical Office. For details, see under Meetings and Seminars, supra.

Preparations continued for the Latin American seminar on the organization and conduct of population and housing censuses, which will take place in Santiago, Chile, from 20 to 31 May 1968.

/Technical assistance

Technical assistance

Comments were prepared on seven reports presented by UNDP experts in national programmes. Two experts, assigned to Chile, visited the Division and discussed current problems.

The regional advisers undertook the following missions:

Mr. Ovidio de Andrade, Jr., Regional Adviser on Economic Statistics, visited Panama (15 to 31 October) in order to evaluate the first results of the new road transport census and to assist in the solution of problems encountered. He also advised on the work under way with respect to the preparation of an industrial production index. In September and November-December he worked at ECLA, preparing pending reports, and at the Dirección de Estadística y Censos of Chile, advising on the preparation of the industrial census, specially in the field of electricity and metallurgy.

Mr. Adolfo Gaete Darbó, Regional Adviser on Vital and Demographic Statistics, visited Valdivia (26 August to 11 September), to assist the Chilean Dirección de Estadística y Censos with the first round of the demographic sample survey. He travelled again to Valdivia (21 November to 5 December) for the second round of this survey. He also went on mission to Bogotá, Colombia (13 to 17 November), where he discussed with the President of the Republic, the Minister of Justice, and other authorities the financial implications and other points of the newly drafted bill on civil registration which will soon be presented to the Congress.

In the intervals between these missions, Mr. Gaete collaborated with the Chilean Statistical Office on the Valdivia project and also worked on his report.

Mr. J. Roe Goodman, Regional Adviser on Sampling, fulfilled the following mission. He travelled to Buenos Aires, Argentina (11 to 26 September), for assistance on technical problems in connexion with a multipurpose household sample survey of CONADE, and specially with the Employment and Unemployment Survey. Afterwards he collaborated in Chile (15 October to 17 November) with the Dirección de Estadística y Censos, Office of Industrial Census, in the selection of a small establishments sample for the 1968 manufacturing industry census. He then went to Bogotá, Colombia (27 November to 10 December), where he continued to assist in the sample survey for commercial establishments. He also passed through Caracas (11 to 12 December) to advise on some pending points raised in connexion with the household sample survey of CENDES.

Mr. Horacio Santamaría, Regional Adviser on National Accounts, went on mission to Lima, Peru (30 November to 14 December), where he advised the Instituto Nacional de Planificación on problems related to the preparation of their national accounts and to possible co-ordination with the Banco Central de Reserva. He also participated in the meeting of the Working Group on National Accounts (30 October to 10 November) and in the preparation of a document for this meeting.

/Collaboration with

Collaboration with other organizations

Mr. César A. Molestina, Deputy Director of the Division, presented comments on several projects of the United Nations Statistical Office, i.e. on the revision of the methods on current industrial statistics, on the revision of the International Standard Industrial Classification of all Economic Activities (ISIC) and on a new paper on construction statistics. He also participated in a meeting of the Chilean Consejo Técnico de Estadística.

Mr. Andrés Klinger, Chief of the Demographic and Social Statistics Section, collaborated with CELADE and CIENES in the preparation of a new project, to be executed by CIENES, for a special three-month course in population and housing census methods.

Several staff members of the Division collaborated with ILPES. For instance, Mr. Molestina and Mr. Mario Movarec lectured in the basic courses on industrial statistics and on external trade statistics respectively. Mr. Movarec collaborated also in the second regional course on trade policy. Miss Eliana Barraza assisted the professor of statistics in the educational planning course of the Institute.

Staff movements

Mr. J. Sourrouille, Chief of the National Accounts Section, and Mr. A. Gaete, a regional adviser, completed their contracts at the end of the year.

Visitors

The Division received a visit from Mr. Oscar Pastore, of the Statistical Services of LAFTA, Montevideo, who discussed methodological problems and procedures of external trade statistics. Mr. Hans Podersen, United Nations Statistical Office, New York, visited the Division before attending the meeting of the Working Group on National Accounts. Other participants in this meeting visited the Division during and after the meeting. Other visitors include: Mr. Adolfo Arteaga, after his mission to Panama as UNDP expert on civil registration; Mr. Sergio Chaparro, Director of the Chilean Dirección Nacional de Estadística y Censos and other staff members of that Bureau; Mr. Eduardo Miranda, Director of CEOEM; Mr. Luis Cabrero, UNDP expert on labour statistics in Chile; Mr. Einar Jensen, UNDP expert on industrial statistics in Chile; Mr. Adrian de Leede, UNDP expert on investment statistics in Chile; and Mr. Joseph Steinberg, Office of Research and Statistics, United States Social Security Administration.

LATIN AMERICAN ECONOMIC PROJECTIONS CENTRE

At present, the separate estimates for the country projections on the basis of different assumptions as to the basic relations of the system are being reconciled and the results completed by the introduction of the long-term financial aspects of the model.

Projects

In the previous stage of the country projections, separate estimates were obtained for the net inflow of foreign capital, the "savings gap" and "trade gap", deriving from the two sub-models into which the complete model is broken down when growths targets are established for gross domestic product or national income. A reconciliation is now in progress for each of the countries studied, starting from unified models after suitable changes in some of the parameters of the previous model have been introduced.

The results obtained are being completed by projecting the interest payments on the external debt and by making allowances for the depreciation of capital. A description of the financial aspects of the model is presented, thus permitting a more detailed study of the financial implications of the assumed economic structure for the countries considered.

Collaboration with the Institute

Mr. Eligio Alves gave a series of lectures on linear programming for the students following the general programming and planning course at the Institute.

Staff movements

Mr. Takao Fukuchi from the Economic Planning Agency and the International Christian University, Tokyo, joined the Centre in November of this year.

PUBLIC ADMINISTRATION

The main objectives of this Unit, established last July, are to further the modernization of public administration in Latin America and the Caribbean; to assist the Governments of the region in adapting their administrative structures to the requirements of development plans; and to guide and support the services of United Nations regional technical assistance experts on public administration to Governments.

Projects

During the period under review, the Unit has given top priority to preparations for the Seminar on Administrative Aspects of Plan Implementation, scheduled to be held at ECIA headquarters from 19 to 28 February 1968. Invitations have been extended to all Governments of the region, and a limited number of highly qualified experts has been asked to participate as discussion leaders and to prepare papers. The basic documentation has been prepared by the staff of the Unit with the active co-operation of the Public Administration Divisions of United Nations Headquarters and the Latin American Institute for Economic and Social Planning.

Missions

Mr. José M. Jácome undertook a mission to Sao Paulo in November, jointly with Mr. Chi-Yuen Wu, Director of the Headquarters Public Administration Division. Mr. Jácome later visited Peru and Ecuador to discuss with Government officials various questions relating to the Seminar on Central Services to Local Authorities, to be held in May 1968 at Santiago. Mr. Sven Hilding undertook a mission to Brazil from 17 December to 31 January in order to collect basic data for a meeting on Government Decentralization and Administration of Public Enterprises, to be held in Santiago in November 1968.

Staff movements

Mr. Newton Correa Ramalho, of Brazil, joined the Unit in September.

TECHNICAL ASSISTANCE CO-ORDINATING UNIT

Work has mainly centred on the preparation of country and regional programme proposals for 1969-70.

In November and December, Mr. Nessim Arditi, Chief of the Unit, accompanied Miss Julia Henderson and Mr. Kai Mortensen, Programme Officer of OTC, during their visits to Colombia, Peru, Chile, Brazil, Venezuela and Mexico, as well as during their talks with ECLA officials in Santiago. Discussions were held with high Government officials and UNDP resident representatives concerning future technical assistance requirements, including Special Fund projects and the countries' participation in regional projects.

Collaboration with the Latin American Institute for Economic and Social Planning

Mr. Nessim Arditi, visited Bolivia from 3 to 12 October on behalf of ECLA and the Institute. The main purpose of this mission was to discuss with the Minister of Planning and Co-ordination and the Minister of Economy technical assistance requirements especially in the field of planning.

The Unit co-operated with UNITAR in connexion with the Regional Seminar on Techniques and Procedures of Technical Assistance to be held at Santiago from 3 to 21 June 1968.

Seminars

Organizational arrangements continued for the Seminar on Administrative Aspects of Plan Implementation (Santiago, 19-28 February 1968), the Third Inter-Regional Seminar on Development Planning (Santiago, 18-9 March 1968), the Seminar on Organization and Conduct of Population and Housing Censuses (Santiago, 20-31 May 1968), and the Seminar on Central Services to Local Authorities in Latin America (Rio de Janeiro, 20-28 May 1968).

MEXICO OFFICE

To be included in the next Progress Report.

WASHINGTON OFFICE

During September and December 1967, the work of the Washington Office was largely concentrated upon three types of activities, namely, attending a series of meetings throughout the period under review, assisting visitors from Santiago and elsewhere, and taking care of requests for documents and for other specialized economic and statistical information.

Meetings

At the request of ECLA headquarters, the Washington Office participated on a full-time basis as ECLA representative in the 1967-1969 cycle of CIAP country-review meetings which took place almost continuously from September onwards. These meetings covered eleven countries 1/ and about one week was spent on each country. The published documents and a separate report on each country were forwarded to the Executive Office.

Other meetings in which the Washington Office participated from September onwards included those convened twice monthly by the CIDA, attended by Mr. Pollock and Miss Norwood; the ICAP's Inter-Agency Committee on Public Information, attended by Miss Norwood; and the Committee of Government Experts on the Inter-American Export Centre, the Inter-Agency Meeting on the Economically Relatively Less Developed Countries, and the tenth session of the Governing Council of the Institute, attended by Mr. Pollock.

Other Activities

Over and above the matters already mentioned, the Office devoted considerable time to assembling and transmitting documents and other types of economic and statistical information to and from the ECLA Headquarters. Thus a series of mail distributions of ECLA and Institute publications were made in Washington, and the Office continued to fill requests from outside agencies for publications. Similarly it located a number of specialized economic and statistical materials for the Statistical, Development and Research, Industry, Transport, Agricultural and Trade Policy Divisions in Santiago, and for the ECLA offices in Mexico, Rio de Janeiro, Bogotá and the Caribbean. As in the past, the Office sent regularly-issued Washington documents to Santiago every week. It should be noted that the above, as well as the preparation of certain special reports and memoranda, were on occasion prepared also for the Institute and UNCTAD.

1/ Bolivia, Brazil, Costa Rica, Chile, El Salvador, Honduras, Mexico, Panama, Paraguay, Trinidad and Tobago and Venezuela.

Visitors

The facilities of the Office, and additional special assistance as required, were made available to the Executive Secretary and to many other visitors from ECLA and the Institute on their missions to Washington. In addition, the Office provided assistance during visits by the Secretary-General and other officials of UNCTAD, by other staff members from the United Nations Secretariat and the secretariats of the specialized agencies, and by others visiting the office from universities and research organizations in the United States and elsewhere.

JOINT ECLA/BNDE CENTRE FOR ECONOMIC DEVELOPMENT

In the last quarter of 1967 the Joint ECLA/BNDE Centre for Economic Development continued its training programme and research activities.

In the field of research it placed special emphasis on its study of the financing of the Brazilian economic development. A series of papers on this subject were completed during the period under review

- (1) Current characteristics of the Brazilian financial system;
- (2) The financing of development in Brazil - financial intermediaries (1952-66);
- (3) Presentation of analytical tables of the financial behaviour of the Brazilian public sector;
- (4) Notes on the problem of financing in a developing economy - the case of Brazil;
- (5) An approximation to an elaboration of a capital account for the Brazilian public sector;
- (6) Evolution and changes in the composition of external financial flows in Brazil.

These studies were presented to the Seminar on Short-term Monetary and Financial Programming that took place in Santiago, Chile in November under the auspices of the Institute. Mr. Daniel Bitrán, Director, Mrs. Tavares and Mr. Mangoletsis attended the Seminar.

In a second area of research, the study on the structure of income distribution in Brazil was continued. The work is in its final stage and is expected to be published by ECLA at the beginning of next year, together with similar studies being prepared for other Latin American countries.

A first draft of the study on the Brazilian economy in 1967 was prepared and transmitted to ECLA headquarters for inclusion on the first version of the annual Economic Survey of Latin America.

Besides these research activities, the Joint ECLA/BNDE Centre participated in various lectures, seminars and advisory missions, of which the most important were the following:

Mr. Bitrán attended the twelfth plenary meeting of CICYP in São Paulo, from 18 to 22 September. He gave a talk, on the subject: The role of private enterprise in the future industrial development of Latin America. Mr. A. Castro, economist of the Institute assigned to the Centre, took part in the Institute mission which went to SUDENE to advise in the elaboration of the fourth master plan.

Mr. Ruiz de Gamboa, Mr. C. Marinho, Mr. F. Figueiredo and Mr. W. Cano, economists, participated in a series of lectures on economic development given by the Faculty of Philosophy of the University of Araraquara, in São Paulo.

MONTEVIDEO OFFICE

The Montevideo Office continued to represent ECLA in LAFTA. During the period under review, the office (1) gave assistance to representatives of LAFTA member countries accredited to the Permanent Executive Committee (CEP) during the seventh Regular Session of the LAFTA Conference, one of whose principal themes was the negotiation of the Common List; (2) kept ECLA headquarters abreast of LAFTA developments; and (3) took part in the various meetings convened by LAFTA.

Meetings

Mr. José Peñafiel, Acting Chief of the Office, and Mr. Frederick Glover, of the Trade Policy Division in Santiago, attended the third session of the Advisory Commission of Trade Policy (CAPC), held from 2 to 20 October. Special attention was paid to the question of harmonizing fiscal incentives for exports. A draft prepared by the ECLA secretariat on the co-ordination of trade policies in the process of economic integration was presented for comment at this meeting.

Mr. Peñafiel represented ECLA at the seventh regular session of LAFTA, held between 20 October and 18 December. From 4 to 8 December Mr. Carlos Quintana, Executive Secretary of ECLA, and Mr. Gustavo Margarifios, Executive Secretary of LAFTA, discussed, and agreed on, a programme of ECLA/LAFTA collaboration, in response to resolution 199 (CM-II/VI-E) of LAFTA requesting the collaboration of international organizations advising LAFTA. On 7 December the Permanent Executive Committee of LAFTA held a special meeting to welcome Mr. Quintana and to hear the details of the collaboration agreed upon by the Executive Secretaries. Mr. Quintana's aides in the discussions included Mr. Juan Amestoy, Mr. Jules Dekock, Mr. Nuno F. de Figueiredo, and Mr. Jacobo Schatan.

OFFICE FOR THE CARIBBEAN

This report covers the period from 1 September to 31 December 1967. By 1 December 1967 the ECLA Office for the Caribbean had been in operation for one year, a year which was understandably characterized by problems of administration, mainly of staffing and accommodation. Even now, these problems have not been solved, and this has had an adverse impact on some substantive functions of the Office.

Parallel with this there has been, since mid-year, a considerable intensification of inter-governmental negotiations. The Heads of Government of the Commonwealth Caribbean countries met at Barbados from 23 to 28 October and adopted the major recommendations from the Guyana meeting of officials on trade liberalization and proposals for the establishment of a regional development bank. The ECLA Office for the Caribbean participated actively in all these negotiations.

There were no staff movements during this period.

Projects

Since September, the Office's substantive work was divided between the negotiations leading up to the creation of a free trade area in the Commonwealth Caribbean, collaboration with UNDP and Governments on the charter of the proposed regional development bank, and the collection of data for inclusion in the annual Economic Survey.

Integration

The Office's top priority project is work towards an economic integration programme in the Caribbean. At the Guyana meeting of Commonwealth Caribbean officials, certain proposals were formulated as recommendations to the Heads of Government who met at Barbados in October. The Prime Ministers and Premiers adopted some of these proposals and approved a tentative programme for economic integration in resolutions that authorized:

1. The establishment of the Regional Development Bank by 1 May 1968; in this connexion officials were instructed to collaborate with ECLA and UNDP in drafting the Bank's charter.
2. The creation of a free trade area by 1 May 1968; all items circulating in intra-regional trade will be freed of trade restrictions, except those on the reserve list. In this regard, a programme of meetings was authorized at which the various preliminary problems consequent on the decision to create a free trade area would be negotiated.

/In connexion

In connexion with preparatory work for the Regional Development Bank, the Office supplied Governments with background material relevant to the Central American Bank for Economic Integration and with the regulations governing the operation of the Special Fund.

With regard to the free trade area, the major negotiations on the modification of the existing CARIFTA Agreement to widen its geographical coverage have been concluded. The provisions of the Agreement will now include special arrangements to meet the particular needs of the smaller territories, e.g., longer phasing-out periods for some tariffs in intra-regional trade, and transitional arrangements for incentives pending completion of the studies requested from ECLA.

Work on the harmonization of incentives and on feasibility studies for industry, requested in the resolutions adopted by Commonwealth Caribbean Governments, is to begin as soon as the specially assigned staff arrive at Port-of-Spain. A preliminary paper on industry has been prepared by Mr. K. Vyasulu and Mr. G.C. Gouri.

Economic Survey

Material is being collated for the Economic Survey of Latin America. The proposed coverage is as follows: Jamaica and Trinidad and Tobago would be included in the main Survey, while country notes on Barbados and Guyana would be included in the Summary. None of the countries in the sub-region was included in the last Survey, although notes on Jamaica and Trinidad and Tobago were included in the Summary.

Missions

Mr. S.St.A. Clarke, Director of the Office, carried out a mission to Mexico and Central America, from 11 to 21 September. The main purpose was to obtain detailed information on the experience, operations and progress of the CACM, and the specific role of the Mexico Office in its evolution. He also discussed some policy matters with officials of ECLA's Mexico Office. Later he visited Jamaica for discussions with senior Government officials in connexion with the Guatemala Meeting of Relatively Less Developed Countries, proposals for the Caribbean Free Trade Area, and the Seminar on Administrative Aspects of Plan Implementation.

The Regional Community Development Adviser, Mr. T. Balakrishnan, served on the World Food Programme Evaluation Mission to Guyana (October-December). The mission's terms of reference included appraisal of the school construction programme assisted by the World Food Programme in that country. The Adviser acted as leader of the team.

Meetings

Meetings

Mr. S.St.A. Clarke, Director, and Mr. G. Rampersad, Deputy Director, attended as representative and alternate representative of the Secretary-General of the United Nations and ECLA, at the nineteenth session of the WHO Regional Committee of the Americas and the seventeenth meeting of the Directing Council of the Pan American Health Organization, held in Port-of-Spain from 2 to 13 October 1967.

Mr. G. Rampersad represented the ECLA secretariat at the meeting of the West Indies (Associated) States Council of Ministers held in Sta. Lucia on 19 and 20 October. ECLA was specially invited to send a representative to this meeting to discuss the possibility of a formal relationship between the West Indies (Associated) States and ECLA.^{1/} Mr. Rampersad also took the opportunity to hold discussions on substantive matters with some officials of these States.

Mr. S.St.A. Clarke and Mr. J. Moscarella, Director of the Mexico Office, represented the Executive Secretary at the meeting of the Heads of Governments of the Commonwealth Caribbean held in Barbados from 23 to 29 October. The recommendations from the Guyana meeting of officials on a programme for economic integration were examined, and firm decisions were taken in respect of creating a Free Trade Area and establishing the proposed Regional Development Bank by 1 May 1968.

Mr. S.St.A. Clarke represented ECLA at the Commonwealth Caribbean Conference of Officials on the Establishment of a Regional Development Bank, held in Jamaica from 4 to 7 December 1967. He was accompanied by Mr. Martinez Ostos, consultant, whose services had been made available through the Mexico Office. The Conference made a detailed examination of the principles to be incorporated in the charter, using as preliminary draft working papers prepared in New York by UNDP in conjunction with the United Nations.

Mr. Clarke also represented ECLA at the Commonwealth Caribbean Conference of Officials on the Creation of a Free Trade Area held in Jamaica, from 8 to 12 December 1967. This Conference agreed the specific modifications to the text of the existing Caribbean Free Trade Area Agreement and the lists of reserved items, basic materials and rules of origin.

^{1/} The possibility of the West Indies (Associated) States joining ECLA as a group of territories with the status of a single Associate member has been the subject of consultations for some months. They recently decided to seek Associate membership jointly.

Technical Assistance

Throughout the period under consideration, technical assistance activities have been limited to those of the Regional Adviser on Community Development, Mr. T. Balakrishnan. These included missions to Dominica, Grenada, Guyana, Jamaica and Sta. Lucia.

The Guyana mission was in response to an urgent request from the Government to examine the organizational and administrative aspects of its Community Development Division and make recommendations for its further strengthening and streamlining. It was subsequently learnt that the expert's recommendations had been accepted by the Government in principle. The Sta. Lucia mission was undertaken at the invitation of the West Indies (Associated) States Council of Ministers to attend their regular meeting to discuss proposals for the establishment of sub-regional youth camps.

During the mission to Jamaica, at the request of the Government, the Adviser followed up work on the North Clarendon integrated development project, an outline of which he had suggested on an earlier visit. He also took the opportunity to discuss the approaches to community development in the country's next five year plan, which is now in preparation.

The work on the harmonization of incentives among the West Indies (Associated) States, which had been initiated by the previous Regional Economic Adviser, has not continued since his departure. In the absence of a replacement, this Office has not been able to give the continuing ECLA advisory assistance towards formulating new approaches which those States expected. Similarly, the Office has not been able to act on the outstanding requests for advisory assistance in the establishment of small planning offices in some of the West Indies (Associated) States.

In view of the impetus in the sub-region towards formulating programmes of closer economic co-operation, the resumption of work on these projects has become a matter of great importance.

Visitors

Mr. James Hlett, United Nations Centre for Development Planning, Projections and Policies, leader of the UN Survey Team to Guyana and Mr. Gamal Eleish held discussions on 3 October with the Director of the Office on the purposes of their mission and the possibility of ECLA participation. The terms of reference of the team included a study of the Guyana Government's development priorities, and assistance to the Government in assessing its technical assistance needs. They also took this opportunity to examine in some detail the possibilities of appraising the problems of the agricultural sector, a task which the team had been informed that Mr. Clarke would undertake but he could not do so because of other previous commitments. On their return from Guyana, on 30 November, the team members held further discussions with the Director of the Office.

/Mr. G.C. Gouri,

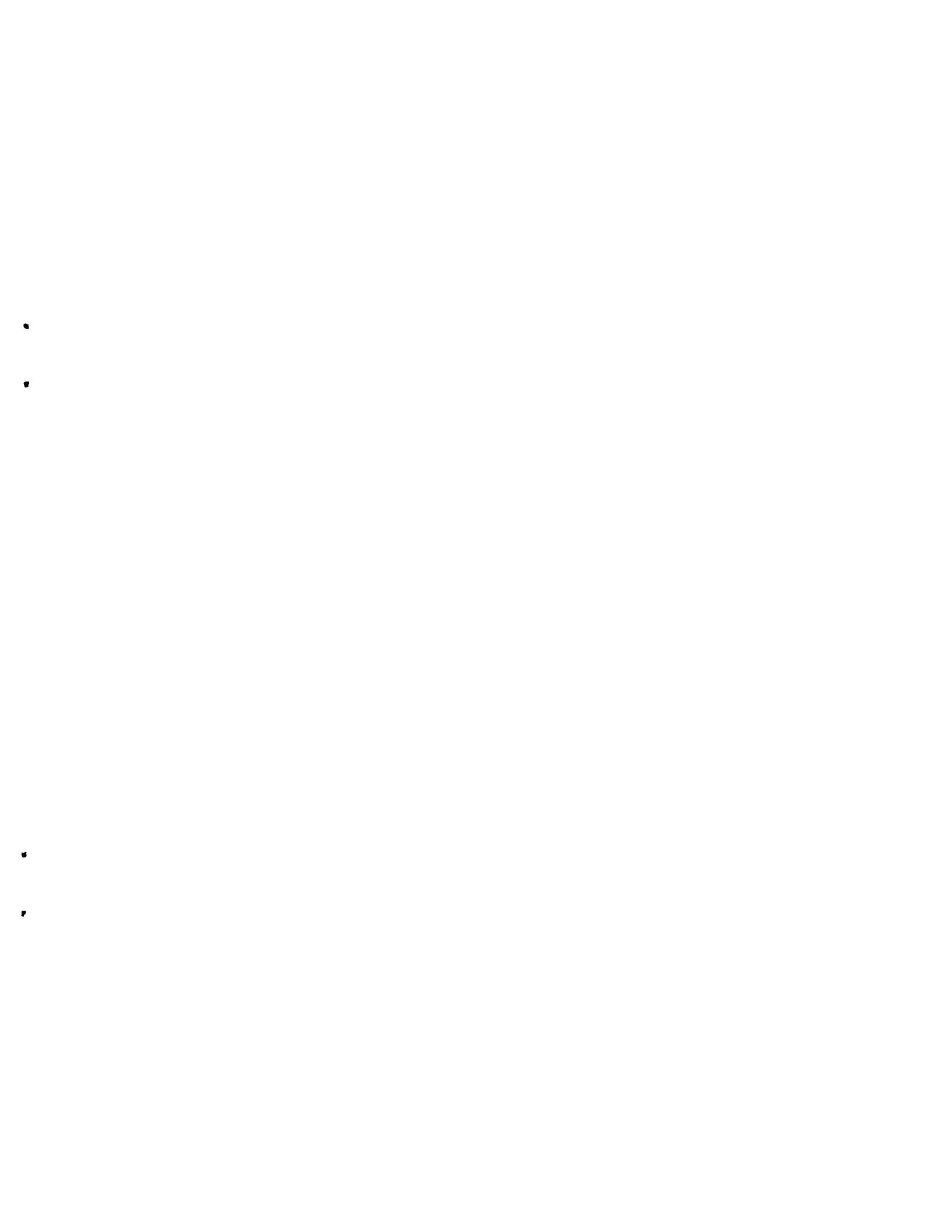
Mr. G.C. Gouri, UNIDO Representative for Mexico and the Caribbean, had a series of discussions with officials in this Office from 14 to 17 November. His visit was mainly in connexion with the resolutions adopted at the Heads of Government meeting requesting ECLA to undertake studies on industrial development in the sub-region. These discussions followed consultations between Mr. Carlos Quintana, the Executive Secretary, and Mr. Abdel-Rahman, Executive Director of UNIDO.

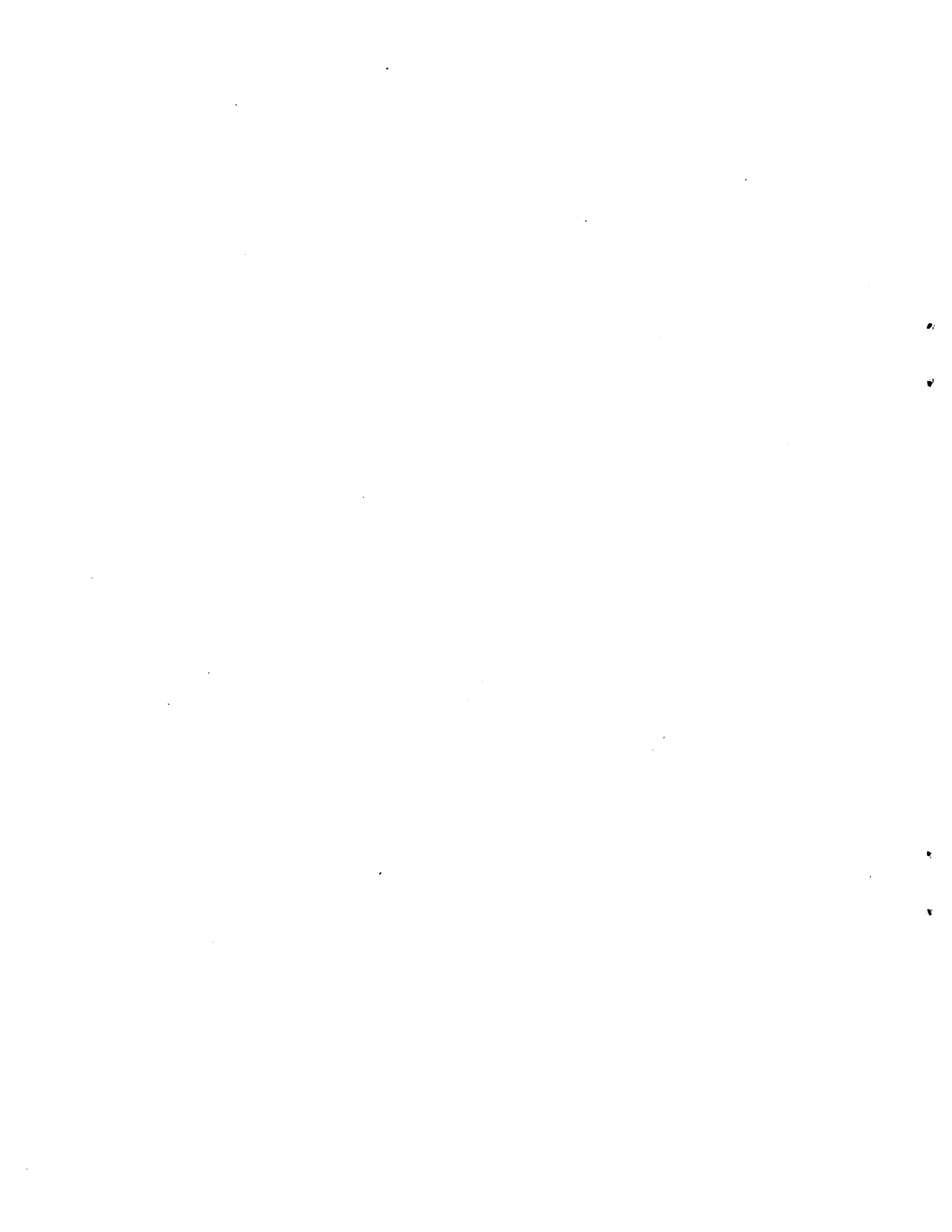
Some members of the United Nations Plan Appraisal Team to Jamaica (October-December), which had been instructed to carry out a comprehensive analysis and assessment of progress made in the implementation of the 1963-68 Development Plan, had discussions with Mr. S. Clarke, Director of this Office, on 8 and 13 December, at Kingston. Following these discussions, Mr. N.T. Wang, Chief, Economic Survey Section, United Nations Centre for Development Planning, Projections and Policies, the team leader, reviewed the body of recommendations that had been tentatively formulated.

Mr. Oscar Bardeci, of the Latin American Institute for Social and Economic Planning, held discussions during his mission to Jamaica in December with Mr. Clarke, and with Mr. Alistair McIntyre, Director of the Institute of Social and Economic Research, University of the West Indies. They explored the possibilities of extending the Institute's activities to cover this sub-region, and, in particular, the organization of intensive training courses.

BOGOTA OFFICE

To be included in the next Progress Report.





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