



**ECONOMIC COMMISSION FOR LATIN AMERICA**

**ANNUAL REPORT**

**(9 May 1971 - 30 April 1972)**

**ECONOMIC AND SOCIAL COUNCIL  
OFFICIAL RECORDS: FIFTY-THIRD SESSION**

**SUPPLEMENT No. 6**

**UNITED NATIONS**

THE UNITED STATES OF AMERICA

DEPARTMENT OF THE ARMY

OFFICE OF THE CHIEF OF STAFF

WASHINGTON, D. C.

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**NOTE**

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

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#### NOTE

Article 12 of the Terms of Reference of the Commission states that:

"The Commission shall submit to the Economic and Social Council once a year a full report on its activities and plans, including those of any subsidiary bodies. For those years in which the Commission does not hold a session, the Executive Secretary shall submit to the Economic and Social Council a full report of its activities and plans, including those of any subsidiary bodies, after approval by the Chairman of the Commission and circulation to Governments of member States for their comments and any necessary modifications."<sup>1</sup>

During the period covered by the present report, the Commission has not held a session, and accordingly the provisions of the above-mentioned article have been applied.



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## ABBREVIATIONS

ALAF	Latin American Railways Association
SCIE	Central American Bank for Economic Integration
BTN	Brussels Tariff Nomenclature
CARIFTA	Caribbean Free Trade Association
CCE	Central American Economic Co-operation Committee
CECLA	Special Committee on Latin American Co-ordination
CELADE	Latin American Demographic Centre
CEMLA	Centre for Latin American Monetary Studies
CEPIS	Pan American Sanitary Engineering Centre
CIAP	Inter-American Committee on the Alliance for Progress
CICOM	Inter-American Marketing Centre
CIDA	Inter-American Committee for Agricultural Development
CLADES	Latin American Centre for Economic and Social Development
CRNE	Regional Committee on Electrical Standards
ECCM	East Caribbean Common Market
ECLA	Economic Commission for Latin America
EEC	European Economic Community
FAO	Food and Agriculture Organization of the United Nations
GAFICA	FAO Advisory Group on Central American Economic Integration
IASI	Inter-American Statistical Institute
IBRD	International Bank for Reconstruction and Development
ICAITI	Central American Research Institute for Industry
ICAP	Central American Institute of Public Administration
ICIRA	Training and Research Institute for Agrarian Reform
IDB	Inter-American Development Bank
ILPES	Latin American Institute for Economic and Social Planning

IMCO	Inter-Governmental Maritime Consultative Organization
ITC	International Trade Centre (UNCTAD/GATT)
LAFTA	Latin American Free Trade Association
OAS	Organization of American States
OTC	United Nations Office of Technical Co-operation
PASB	Pan American Sanitary Board
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
SITC	Standard International Trade Classification
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
WHO	World Health Organization
WISCO	West Indies Shipping Corporation
WMO	World Meteorological Organization

## WORK OF THE COMMISSION SINCE 9 MAY 1971

1. This twenty-third annual report of the Economic Commission for Latin America (ECLA) covers the period from 9 May 1971 to 31 December 1971 <sup>1/</sup>. It is submitted to the Economic and Social Council for consideration at its fifty-third session in accordance with paragraph 12 of the Commission's terms of reference.

### A. ACTIVITIES OF SUBSIDIARY BODIES

2. The list of meetings held by subsidiary bodies during the period under review appears in annex I.

### B. OTHER ACTIVITIES

#### 1. Activities of the secretariat

3. This and the following sections deal with the activities of the secretariat that are not directly related to the proceedings of the Commission's subsidiary bodies.

### ECONOMIC DEVELOPMENT AND RESEARCH DIVISION

4. During the period covered by this report, and as part of its research relating to the International Development Strategy, the Division completed a number of studies on economic trends and structures in selected Latin American countries, a study on regional development, and a comparative study of income distribution in certain major Latin American cities which is to be included as a special study in the Economic Survey of Latin America, 1971. Work has also begun on the preparation of the Survey.

#### Trends and structures of the Latin American economy

5. Work continued on studying development trends and structures in nine Latin American countries. In each case the approach was based on the four categories

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<sup>1/</sup> For the twenty-second annual report of the Commission see Official Records of the Economic and Social Council, Fifty-first Session, Supplement N°4 (E/5027).

used in the study of the region as a whole, namely the dynamism and stability of economic growth; structural changes; the social implications of development; and external relations. The studies completed cover Argentina (E/CN.12/S18); Brazil (E/CN.12/S27); Chile (E/CN.12/S29); Colombia (E/CN.12/S15); Ecuador (E/CN.12/S26); Guatemala (E/CN.12/S16); Mexico (E/CN.12/S21); Peru (E/CN.12/S25) and Venezuela (E/CN.12/S30).

Some regional development problems in Latin America linked to  
metropolitanization 2/

6. Metropolitanization is one of the most important regional development problems affecting Latin America. Various historical, economic and social factors have led to the increasing concentration of the population and of economic activities in specific urban areas. This involves two types of interrelated problems: first, the intrinsic significance of the process and, secondly, its implications for other regions in view of its interdependent character.

7. This study was prepared in co-operation with the Social Affairs Division and, after discussing general trends, looks in detail at two Latin American countries - Chile and Colombia - one having a single dominant urban centre and the other a number of major urban centres.

8. The conclusion drawn from the analysis of the general data and the two specific cases is that the process of urban concentration is extremely vigorous, even in countries such as Chile that have introduced policies for decentralization. Moreover, even in countries such as Colombia that formerly had a fair degree of regional balance there is a trend towards concentration in a single metropolitan area.

9. The study goes on to consider a number of issues connected with the maintenance of external economies, the control of urban land use, the economic and social relations between urban and rural areas, and the distribution of income within certain major cities.

10. With respect to external economies, the study considers whether it would not be more beneficial for the national economy to locate new enterprises in development centres of smaller scale, where they would help in the process of modernization, rather than in major conglomerations where the cost of expanding the infrastructure and providing additional public services is greater.

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2/ See Economic Bulletin for Latin America, vol. XVI, second half of 1971 (in the press).

11. It also points out that uncontrolled metropolitan growth has led to a worsening of urban living conditions and has made it necessary to invest huge sums to enable the metropolitan area to function and to correct the faults deriving from uncontrolled growth. It would appear that the major urban centres absorb resources generated in the periphery owing, inter alia, to the terms of trade and the need to supply various services. The study concludes with a comparison of income distribution in selected major cities and in the respective countries as a whole, and shows that in the same fractile groups absolute incomes are higher in the major cities, mainly because they do not have a primitive-type rural sector.

#### Economic Survey of Latin America, 1971

12. During the period under review, work began on the preparation of material for publication in the Economic Survey for 1971. The first part of the Survey will contain a study of the main changes and trends in the world economy over the past two decades. The second part will review over-all economic trends in the region and in the individual countries; while the third part will contain three special studies discussing income distribution in selected major Latin American cities; strategy for the export of manufactures; and recent trends in Latin American agriculture.

#### Income distribution in selected major cities of Latin America and in their respective countries

13. This study covers the metropolitan areas of Caracas (Venezuela), the Federal District (Mexico), Greater Santiago (Chile), Rio de Janeiro and Sao Paulo (Brazil) and San José (Costa Rica). It discusses demographic and economic concentration in these cities, the general characteristics of income distribution, the structure of the economy and employment, the geographical distribution of average income, and the distribution of income by functional categories and by families. It also includes estimates of the distribution of average income in absolute terms in the cities and in their respective countries, and discusses some indicators of the level of living, savings and production in metropolitan areas.

14. One of the conclusions reached in the study is that income distribution in the major cities tends to be less skewed than in the respective country taken as a whole. Contributory factors are the smaller size or absence of the primitive rural sector - which is the reason why the lower strata have a greater share in income - and the fact that the major cities are administrative centres where the concentration of salaried employees, professionals and technicians helps to swell the intermediate strata. This, coupled with the larger size of the modern sector, which in turn implies that a larger group of the population shares in its benefits, makes for less concentration of income at the top end of the scale.

Principal changes and trends in the world economy  
over the past two decades

15. This study discusses the relations between developed and developing countries (especially the Latin American countries) by means of comparisons based on the concept of centre-periphery relationships expounded in the Economic Survey of Latin America, 1949. It examines the changes that have taken place in these relationships as a result of a number of factors, namely development and the emergence of new groupings (EEC, EFTA, the socialist countries); the expansion of world trade, the polarization of trade into centre and periphery, and internal differentiation at the centre; the marginalization of the periphery, especially in Latin America, through trade and the inflow of capital, which has led to technological dependence and indebtedness; the emergence of the socialist countries as a new economic centre, and internal differentiation on the periphery; and Latin America's declining share in the world economy; and concludes by constructing a number of hypotheses regarding the impact of all these factors on the system of centre-periphery relationships.

Other work

16. For the twelfth session of the Special Committee on Latin American Co-ordination (CECLA), held at Lima (18-22 October 1971), the Division prepared notes on trade relations between countries having different economic and social systems (E/CN.12/L.65); financial resources for development (E/CN.12/L.68); and the probable implications for Latin America of the new economic policy of the United States (E/CN.12/L.67).

17. Work is under way on the following topics: the application of a model for comparing styles of development; the distribution of income, and policies for income distribution and redistribution; and economic trends and structures in selected Latin American countries and the task of fiscal and tax policy, in co-operation with the Public Finance Division of the Department of Public Finance of the Organization of American States (OAS), for presentation to the conference on taxation scheduled for mid 1972. The Division has also prepared monographs on regional development in Argentina, Chile, Colombia and Mexico, in co-operation with the Social Affairs Division.

## SOCIAL AFFAIRS DIVISION

18. During the period covered by this report, the Division prepared a number of studies and notes, the most important of which was a study on secondary education, social structure and development in Latin America. It also provided technical co-operation to a number of Latin American countries.

### Secondary education, social structure and development in Latin America

19. This study (E/CN.12/924), which was prepared jointly with the Latin American Institute for Economic and Social Planning (ILPES) for the Conference of Ministers of Education and those responsible for the promotion of science and technology (Venezuela, 6-15 December 1971), analyses the development of education, particularly secondary education, in the light of the different interpretations of the educational process, with a view to identifying the special features of educational structure in Latin America - which is taken to mean the whole constellation of levels of education in the region. It accordingly compares the structure of education in Latin America with the educational structure, past or present, of countries which are now more developed, thereby providing a more comprehensive basis for consideration of the relationship between education and development.

### Other work

20. A study was prepared on migration, urban marginality and sociological stratification which analyses the available information, formulates hypotheses and describes research requirements and sources of information on the specific relationships between these three variables.

21. A note was completed on internal migration in Brazil between 1890 and 1970, summarizing data on population movements between the various Brazilian states and on the share in demographic growth attributable to the migratory process.

22. A study was completed containing an estimate of Latin America's urban growth between 1950 and 1970 and a systematic compilation of data on the urban growth of all Latin American countries over the past two decades, for future use in a comprehensive country by country analysis.

23. A note was prepared entitled "Problems in the measurement of development: the Latin American experience", for submission to the Inter-American Statistical Institute (IASI) at its 38th session (Washington, D.C., 10-20 August 1971).

24. A study was completed on the impact on development strategy of demographic growth and manpower absorption in Latin America, containing a critical appraisal of the application of conventional economic theory to the analysis of demographic growth as a basis for studying the effects of a declining growth rate on the absorption of manpower, given that manpower is a key variable in national production and structural change.

25. A study on regional development problems in Latin America and their effect on the training of Latin American economic planners sponsored by European countries was presented to the Symposium on European Co-operation in the Training of Regional Planners from Developing Countries (Stockholm, 5-11 September 1971).

26. The Division prepared studies on the determinants of the participation of women in the labour force and on the family and family planning in Latin America.

27. A study was completed on the use of demographic data and studies in regional development planning (ST/ECLA/Conf.41/L.7) for the Seminar on the Use of Demographic Data and Studies for Planning Purposes (Santiago, Chile, 23-29 August 1971), which was sponsored by ECLA and various other international agencies.

28. The Division prepared a note on an integrated policy for the social aspects of development for the Seminar on Social Development programming and the Integrated Formation of Children and Youth (Santiago, Chile, 18-20 October 1971).

29. A study of the concept of the region, originally prepared in 1970, was revised and substantially enlarged for the Course on Regional Development Planning.

30. The Division collaborated with the Latin American Demographic Centre (CELADE) on a study on the use of research conducted by the Centre in improving family planning programmes in Latin America. It also assisted the Centre in completing a preliminary breakdown of data obtained from a survey on family planning.

31. The Division is currently engaged in studies dealing with a unified approach to development analysis and planning; the third stage of the examination of the demographic situation and its policy implications; and organizations in new conurbations.

#### Technical co-operation

32. A secretariat official gave a course on population estimates and projections at CELADE.

33. At the request of a Latin American country, the Adviser on Regional Planning assisted the National Planning Institute in regional programming activities connected with the city system, on which he is currently preparing a report, and in the formulation of a planning project for the northern region. He also collaborated with the National Planning Institute and with the United Nations Development Programme (UNDP) in formulating a technical assistance project for the development of the eastern region.

34. At the request of the Government of another Latin American country, he assisted the Central Co-ordinating and Planning Office of the Office of the President of the Republic in preparing a study on regional policy; he also collaborated with this Office and with UNDP in formulating a technical assistance programme in accordance with the new country programming procedures. He gave a series of lectures at a course on regional development held at Puerto Ordaz and sponsored by the National Training and Applied Research Centre for Community Development and the Central Co-ordinating and Planning Office.

35. The Regional Adviser on Social Aspects of Regional and Local Development Policy and Planning assisted the Central Co-ordinating and Planning Office of the same country in formulating a social policy. He also gave lectures at the course on regional development in Puerto Ordaz and, at the request of the National Training and Applied Research Centre for Community Development, organized a course on regional development at which he gave most of the classes. He also attended the Sixth Interregional Seminar on Development Planning (Quito, 20 September to 2 October 1971). At the request of another Latin American Government, he provided advisory services on the training of personnel in the social and planning aspects of regional development.

#### TRADE POLICY DIVISION

36. During the period under review, the Trade Policy Division continued to provide advisory services on a permanent basis to the Special Committee on Latin American Co-ordination (CECLA), and also prepared studies and organized the Sixth Regional Course on Trade Policy.

#### Co-operation with CECLA

37. The Tenth Extraordinary Meeting of CECLA was held at Bogotá, Colombia, from 2 to 7 August 1971. Members of the Trade Policy Division were present in their capacity as technical advisers on matters relating to the position of the CECLA member countries with regard to the agenda for the third session of the United Nations Conference on Trade and Development (UNCTAD) and relations between Latin America and the European Economic Community (EEC).

38. The Eleventh Extraordinary Meeting, called to analyse the effect on Latin America of the dollar crisis and the measures taken by the United States, was held at Buenos Aires, Argentina, from 3 to 6 September 1971. The Division presented a document on the implications of the measures taken by the United States (E/CN.12/L.55), which analysed (a) the impact of the import surcharge, in so far as it restricts the market access of current export flows and discourages or hinders the creation of new flows; and (b) the 10 per cent reduction in the volume of resources earmarked for aid to developing countries. The document also contains a number of conclusions on trade, financial and monetary matters connected with these measures.

39. For the Twelfth Meeting of CECLA (Lima, Peru, 18-22 October 1971), which preceded the meeting of the Group of 77, the Division prepared three documents on matters directly related to the agenda for the third session of UNCTAD, since the basic purpose of the CECLA meeting was to improve upon the joint position to be adopted by the Group of 77 at UNCTAD. The document on commodity problems and policies (E/CN.12/L.61) pointed out the need for a determined effort to achieve substantial progress in implementing policy measures on which general agreement had already been reached in principle, and identified possible lines of action with regard to (a) access to markets and price policy; (b) the competitive possibilities of natural commodities; (c) diversification; and (d) marketing and distribution systems and other aspects of commodity policy. A document on manufactures and semimanufactures (E/CN.12/L.62) analysed the progress achieved and the obstacles encountered with respect to the generalized system of preferences in favour of exports from the developing countries; the liberalization of non-tariff barriers; adjustment assistance measures; and restrictive business practices, and concluded that the action of the developing countries in this respect should be directed towards providing the firmest possible support to the work programme of the UNCTAD secretariat, towards closer co-operation in such research as may be required, and towards collaboration in applying such domestic and international measures as are decided upon. The document contains an annex giving the final list of the products in chapters 1-24 the Brussels Tariff Nomenclature (BTN) that are included in the general systems of preferences of the EEC and Japan and are of special interest to Latin America. A document on the policy of the EEC and its implications for Latin America (E/CN.12/L.63) describes two recent developments which may have a favourable effect on relations between Latin America and the EEC: namely the implementation by the EEC of the generalized system of preferences, and the agreement establishing permanent machinery for consultations. The document also reviews problems outstanding with respect to the common agricultural policy, the common commercial policy, the entry of the United Kingdom into the Community, financial co-operation between Latin America and the Community, and the transfer of technology, and suggests possible lines of action for Latin America.

### Other work

40. Two notes were prepared in collaboration with the Latin American Economic Projections Centre. One analyses and provides a preliminary quantification of the economic effects of the integration of the Andean Group on the growth of the domestic market, changes in the structure of production, and the average size of enterprises. The other note considers the production in the manufacturing industry in Latin America, and undertakes a structural and comparative analysis of manufacturing production in the region. A study of the effects of the new measures adopted by the United States on trade and financial relations between Latin America and Japan discusses the continued economic recession in Japan, which may result in a slackening in the growth of demand for products of interest to Latin America, particularly certain industrial raw materials (copper, iron, textiles) which account for a large proportion of Latin America's exports to Japan.

41. For the Meeting of Experts on the Formulation and Implementation of Strategies for the Export of Manufactures (Santiago, 26 July to 4 August 1971), the Division presented three documents. A document on the formulation of incentive programmes within the framework of an export strategy (ST/ECLA/Conf.37/L.10) offers a framework for the preparation of programmes of direct export incentives as part of overall strategy for the development of the external sector, suggests criteria for the formulation, preparation and application of such programmes, and undertakes a cost/benefit analysis of direct export incentives. A document entitled "Export strategy: formulation and implementation" (ST/ECLA/Conf.37/L.11), develops an integrated approach to the formulation and implementation of export strategy, based on systems analysis and a number of export strategy models. A document on integrated marketing enterprises in Japan (ST/ECLA/Conf.37/L.20) discusses the origin and operation of these companies; how their formation can be stimulated; and the role they play in the marketing of products manufactured by small and medium-sized companies.

### Third session of UNCTAD

42. For the third session of UNCTAD (Santiago, Chile, April and May 1972), a review is being prepared in collaboration with other Divisions, of problems and policies relating to commodities and manufactures; some aspects of export promotion; the implications of the policies of the major centres on their relations with Latin America; the expansion of trade; economic co-operation and regional integration among developing countries; the special situation of the relatively less developed countries and the land-locked countries; and Latin America's trade relations with the socialist countries.

### Technical co operation

43. The Regional Adviser on Export Promotion and the Regional Adviser on Institutional Aspects and Formulation of Trade Policy took part in an interdisciplinary mission, in co-operation with the Industrial Development Division and the Public Administration Unit, which advised the Mexican Foreign Trade Institute on matters relating to exports of manufactures and semi-manufactures.
44. They also participated in another mission, at the request of the Government of Honduras, to evaluate the external aspects of the 1972-1977 national development plan as regards exports of manufactures, development policy and export financing, the functions of an export promotion institution and the services it should provide, export incentives, the balance of payments, and future trade policy for the agricultural and industrial sectors.
45. The Adviser on Export Promotion took part, at the request of the Government of Brazil, in the Seminar on Export Strategy, (Sao Paulo, 25-28 October 1971). He also provided advisory services to the Universidad Nacional del Sur in Bahía Blanca, Argentina.
46. The Adviser also participated in an exploratory mission to the Institute for Foreign Trade and Integration of Ecuador; and collaborated in the formulation of the curriculum for a course on export promotion for the English-speaking Caribbean countries, organized jointly by ECLA and the UNCTAD/CATT International Trade Centre (ITC).
47. The Adviser on Export Promotion also prepared notes on the state of export development, and on future priorities for technical assistance in a number of Latin American countries.

## INDUSTRIAL DEVELOPMENT DIVISION

48. During the period covered by the present report, technical co-operation services were furnished to several of the Latin American countries (in particular members of the Andean Group), several studies that were under way were completed and the Division co-operated and took part in various seminars.

49. Three papers entrusted to consultants were completed on the sectoral aspects of the transfer of technical know-how in Brazil's industrial sector. They were carried out in collaboration with the Inter-American Development Bank (IDB) and the United Nations Division of Public Finance and Financial Institutions. The papers deal with the following topics: the transfer of technical know-how in the steel industry in Brazil; the transfer of technical know-how in the machine-tool industry in Brazil; and the transfer of technical know-how in the textile and clothing industries in Brazil. Work has also been concluded on the preliminary version of a document on the transfer of technology in the industrial development of Brazil, which completes the series of papers planned on this topic.

### The transfer of technical know-how in the textile and clothing industries in Brazil

50. The first part of this study (E/CN.12/S.10) deals with the main changes that have taken place in the textile industry over time, as a result of technological progress which has only taken on real impetus over the past two decades. The progress of technology, which was aimed at adapting the textile industry to new market demands, the supply of new raw materials, etc., created a new attitude on the part of entrepreneurs which inevitably led to sweeping structural changes in a traditional industry whose production practices had remained unchanged for more than a century. At present, given all the progress achieved in the use of new synthetic fibres and automatic spinning, the manufacture of textiles has become so complex that it is now possible to speak of a technical know-how specific to the industry. The paper examines the most notable features of production processes and classifies them by type of fibre used on the basis of specific examples, and it analyses the prospects for a radical change in those processes. Some success has been achieved in eliminating certain operations in simplifying others, and especially in increasing the level of automation of operations, but the continuous process has yet to be developed.

51. On the basis of the categories of technical know-how that are common to all industrial projects (feasibility study and pre-investment analysis, selection of production process, definition of the product, plant design, construction and operation, staff training, quality control and preventive maintenance of machinery), an analysis is then made of the peculiar features of the textile industry and the most common forms of transfer of know-how in this sector, according to whether the know-how is needed to establish new mills, for re-structuring and modernizing out-of-date mills, or to take advantage of special processes or synthetic raw materials.

52. Next, an analysis is made of the cost to the textile industry of the transfer of technical know-how. This cost is not easy to estimate because the price paid for technical know-how frequently forms part of a complete operation which includes the sale of equipment, the provision of instructions and permission to use the trade mark concerned, or it may be included in the price of the raw material that the entrepreneur finds himself obliged to purchase, a common occurrence in the case of synthetic fibres. However, the approximate cost of certain fabric improvement processes is known to the textile industry, as is the cost of training staff to operate a machine. Also in the case of transfer of know-how through contracts granting licences and in the form of complete plants or groups of machines, it is possible to determine the cost of the transfer fairly accurately. In the first case, payment is made through a royalty or rate charged per metre of fabric produced (between 0.25 and 1 dollar cent per metre of fabric plus a lump sum), and in the second case, the price paid for technical assistance is only what it costs the manufacturer to supply skilled personnel to assist the customer, which is estimated at between 4 and 6 per cent of the cost of the equipment.

53. Lastly, on the basis of the analysis made in the study, some suggestions are put forward regarding the formulation of a policy to regulate imports of know-how and to enable the region to evolve its own technology.

54. In regard to the first point, the study considers it important to distinguish between a genuine contribution of know-how that will help to raise the standards of efficiency in the industry or to introduce new production processes, and something that is no more than the collection of royalties on the use of a trade mark or a production process that has already been superseded but is protected by patents. It affirms that the most advanced technology available should be adopted, so that the imported know-how will play an important role for a long period of time, and that, when new manufacturing processes that combine know-how with equipment are imported, the price that

is paid for the know-how is not only fully justified but is also reasonable. It also advises that the use of imported patented processes for the finishing of textiles should be discouraged or restricted if their only merit is the reputation of the trade mark, or if they encourage consumption of imported raw materials. Lastly, as regards the replacement of natural fibres by synthetics, the study concludes that special guidelines must be laid down for each sector, and adds that, as a general rule, the consumption of synthetic fibres in the Latin American countries is at present uneconomic, and should therefore be restrained, at least over the short term. However, bearing in mind that in the long run synthetics will dominate the market, it suggests that the countries that are capable of establishing a petrochemical industry and of producing synthetic fibres at competitive prices should consider installing synthetic fibre plants, and at the same time should prepare the branch of agriculture concerned with the production of textiles for crop substitution.

55. With regard to the second point, the study finds that it is not only advisable but feasible for the Latin American countries to develop their own technology or adapt imported technology to suit their own conditions. However, in the present circumstances, and given the amount of resources that would have to be devoted to research to enable them to develop their own technology in the broadest sense of the term, the best course of action for the time being would be to study technological problems that are peculiar to the Latin American countries relating to the use of natural fibres and their slow but inexorable replacement by synthetic fibres. As regards natural fibres, studies should be carried out with a view to making better use of raw materials; improving the finished product; finding alternative uses for certain types of fibres; studying new ways of combining natural fibres with synthetic fibres, with a preponderance of the former. The existing technological institutes, many of which have first-class equipment and facilities, could play an important part in this respect.

The transfer of know-how in the machine-tool  
industry in Brazil

56. It is pointed out in this paper (E/CN.12/S20) that, when the machine-tool sector began to operate in Brazil, it copied certain types of machine and concentrated exclusively on the manufacturing side, somewhat neglecting the process of invention. With some exceptions, this explains the current incapacity of the sector to satisfy the average level of demand, since it does not have enough know-how to react spontaneously to changes in the market situation.

57. The shortage of supply has a special feature, namely, the small average size of manufacturing enterprises, which limits the possibility of developing internal know-how to permit a greater variety in supply. The structure of demand calls for a wider range of types and models of machines, for machines with a larger unit weight, more power and a better performance per kilogramme, and for a greater number of semi-automatic machines as opposed to all-purpose machines. Thus, specific measures must be taken to ensure that the technological gap between domestic supply and consumption remains within reasonable bounds.

58. It has been estimated that it would be necessary to spend roughly 1,160 million dollars in order to cover machine-tool requirements between 1969 and 1980, corresponding to an addition of 270,000 units with a total weight of 457,000 tons.

59. The transfer of technological know-how might, through a form of demonstration effect, help to accelerate the development of national know-how. But as the sector uses know-how that places it about forty years behind prevailing world levels, the options open to it with regard to the transfer of know-how are somewhat limited. Moreover, it will not be able by itself to sustain a high rate of growth and attain the ambitious targets it has set itself simply by relying on the transfer of technological know-how.

60. The transfer of know-how must have clearly defined characteristics: it must complement the sector's own capacity, improve the domestic technological level as much as possible, and put manufactures in a position to replace out-orn technologies. To do this efficiently, it is important to choose the kind of know-how which starts with simple models, but can easily be developed into more sophisticated types at a later stage.

61. Lastly, it may be said that, in Brazil's case, the transfer of technical know-how will be a help and even a determining factor in its development, provided that, it goes hand in hand with an equal, and subsequently a greater determination to build up local capacity for the development of all types of know-how.

The transfer of technical know-how in the steel  
industry in Brazil

62. This paper (E/CN.12/922) examines the most modern technology currently in use at the various stages of steel manufacturing in the world, and describes the present state of technology used in Brazil, the dissemination of technological innovations, and the technical structure of the steel plants operating in Brazil in 1969.

63. A thorough analysis is made of technology transfer patterns in Brazil and the types of know-how transferred are classified. The pattern of assistance for the initial project of a plant depends to a great extent on where the initiative to build it comes from. Of the six principal integrated steel plants operating in Brazil, the Mannesmann and Belgo-Mineira plants were established on the initiative of foreign investors, Volta Redonda and USIMINAS were the result of Government initiative, and ACESITA and COSIPA were started by private initiative.

64. In the foreign-owned plants, planning, feasibility studies, and the organization of construction and plant operations were carried out abroad; while in the case of the Government-built plants, a consulting firm was hired to advise the national group, and the whole operation of transfer of technology was completed without undue delay. In the case of the two plants built by the private sector, there was a long interval between the commencement of planning and the start of operations, and on several occasions plans had to be altered and consultants changed owing to scarcity of funds.

65. Apart from technical assistance for the planning and construction of new plants, the following forms of foreign technical know-how are normally used by the industry: (a) technical assistance for expansion and modernization, including investments of varying size; (b) technical assistance to introduce innovations that require little or no investment; (c) technical assistance in the manufacture of new products; and (d) technical assistance for the improvement of quality.

66. A review is also made of the various means of transferring technology and their relative efficiency. As most of the information available comes from the two Government-owned steel works (Volta Redonda and USIMINAS), the processes of planning, feasibility studies, construction and start of operations in these two plants are described and compared. Emphasis is placed on the important role played in both cases by COBRAPI, a governmental consulting firm, and it is concluded that, by pooling talent from the various steel plants in Brazil, it would be quite possible to have a modern plant planned entirely by Brazilians, except if recent processes or innovations had to be used that involved the payment of royalties on the use of licences or patents.

67. A study is also made of the methods employed to obtain different types of technical assistance for the various steel plants.

68. Other problems are analysed, such as the purchase of foreign technology versus the creation of local research capacity. As there are no restrictions on the purchase of foreign technology in Brazil, the industry is free to make its own choice. An attempt was also made to determine what factors influence the tendency of the steel industry to introduce technological innovations, and it was found that plants initially established with foreign capital were very alert to any possible innovation, however small the current level of participation of foreign capital. It was also noted that the level of competition on the market exerted little influence, a more important factor being the attitude of the technical staff of the plant, and - even more important - the presence of progressive-minded men on the board of directors.

#### Other work

69. A preliminary study was prepared on the use of wood in housing and construction, which was presented at the World Consultation on Wood, Housing and Structures (Vancouver, 5-16 July 1971).

70. For the Meeting of Experts on the Formulation and Implementation of Strategies for Exports of Manufactures, held in Santiago from 26 July to 4 August 1971; documents were prepared on methodological criteria and bases for the selection of exportable manufactured goods (ST/ECLA/Conf.37/L.13); markets in the developed countries for Latin American manufactures

(ST/ECLA/Conf.37/L.24); and recent trends in Latin America's exports of manufactures and some of the contribution factors (ST/ECLA/Conf.37/L.26), (see also paragraphs 232 to 234).

71. The Division is currently preparing a study on the prospects and possible forms of regional integration in the automotive industry in Latin America and a study on the food industry in the countries of the Andean Group. Work is under way on specific programmes and projects for the Latin American section of the World Plan of Action for the Application of Science and Technology to Development; and a methodological scheme is being drawn up for the appraisal of industrial development during the Second Development Decade.

72. Under the terms of the co-operation agreement between ECLA/ILPES and the Board of the Cartagena Agreement, the Division collaborated in the analysis of development plans for the metal-transforming industry in the Andean Group, and is preparing a study on the fertilizer industry in the countries of the Andean subregion.

73. Two papers are being prepared for the third session of UNCTAD (Santiago, Chile, April and May 1972), one on the transfer of technology and another on trade in manufactures and semi-manufactures.

74. A paper on the transfer of technology (E/CN.12/L.66) was prepared for the meeting of CECLA held at Lima (18-22 October 1971).

75. The Division collaborated with the United Nations Industrial Development Organization (UNIDO) in the organization of the following meetings: Meeting on Industrial Management and Consulting Services (Santiago, Chile, 5-9 July 1971); Workshop on Standardization (Santiago, Chile 27 September to 2 October 1971); and Seminar on Industrial Services (Santiago, Chile, 23 November to 2 December 1971). The Division also took an active part in the organization of the first Congress on the Metallurgical Industry in the Andean Area (Santiago, Chile, 16-21 August 1971), organized by the metallurgists' associations of the countries of the Andean Group.

### Technical co-operation

76. A member of the secretariat is advising the Committee set up to carry out a feasibility study on the exploitation and export of cokable coal in a Latin American country. This is a multinational project sponsored by the Andean Development Corporation.

77. The Regional Adviser on the Chemical Industry took part in a meeting on the chemical industry organized by the Board of the Cartagena Agreement and held at Lima (5-11 September 1971). He is also collaborating in a study on the fertilizer industry in the countries of the Andean subregion, which is being carried out under the co-operation agreement between ECLA/ILPES and the Board of the Cartagena Agreement. At the request of a Latin American Government, he collaborated in the work of drawing up chemical industry projects for the subregion.

78. The ECLA/FAO/UNIDO Forest Industries Advisory Group provided advisory assistance to the Government of a Latin American country on the use of work in housing construction. The Group visited the Andean countries to gather additional information on the state of the pulp and paper industry in the subregion and on projects under way, with a view to preparing a report for the Board of the Cartagena Agreement.

79. The Regional Adviser on the Supply Aspects of Exports of Manufactures co-operated in the activities of the Export Promotion Programme (see paragraphs 232-242).

## TRANSPORT PROGRAMME

80. During the period covered by this report, the study on international railways in South America and regional economic integration (E/CN.12/914/Rev.1) was prepared for the printers 3/.

### Latin American development and the United Nations/IMCO Conference on International Container Traffic

81. This study (E/CN.12/912/Rev.1) reviews the various items on the provisional agenda for the Conference in connexion with customs questions; the combined transport contract; safety requirements; standardization of sizes and weights; inspection, testing and certification; identification and markings; documents; and the facilitation of customs formalities. The study was submitted to the Governments of the Latin American countries for their consideration in order to help them with their analysis of the administrative, technical and legal problems related to international container traffic, especially the economic impact of the conventions, proposals and recommendations which have been circulated.

### Other work

82. At the inter-secretariat meetings held in Geneva in July, the Programme collaborated in the preparatory work for the United Nations/IMCO Conference on International Container Traffic, particularly in the preparation of the plan and outline for a study on the economic impact of the draft Convention on combined international transport of goods, with particular reference to developing countries.

83. A document was prepared entitled "Structure and flexibility in classification schemes for documentation: a proposal for Latin America" (CLADES/WG.1/L.13) which explains the need to balance two objectives - structure and flexibility - in preparing a classification scheme for economic and social documentation in Latin America. This document was presented at the Third Regional Congress on Documentation (Lima, Peru, 20-24 September 1971) and the Meeting on Modern Documentation and Information Techniques (Santiago, Chile, 27-30 September 1971).

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3/ See summary in Official Records of the Economic and Social Council, Fifty-first Session, Supplement No.4 (E/5027), paras. 91-99.

84. Work was completed on the final version of the sections on industry, forestry and transport forming part of the socio-economic survey of the Santa Cruz de la Sierra region in Bolivia, which was prepared in accordance with the agreement concluded between ECLA and the Inter-American Development Bank (IDB).
85. A note was prepared on transport in relation to problems of the human environment development in Latin America for the Latin American Regional Seminar on Problems of the Human Environment and Development, which took place at Mexico City (6-11 September 1971).
86. Three studies were prepared for the CECLA meeting at Lima (18-27 October 1971), covering the fields of shipping (E/CN.12/L.64), tourism (E/CN.12/L.69) and insurance (E/CN.12/L.70).
87. The Programme took part in the seventh regular General Assembly of the Latin American Railways Association (ALAF), held at Asunción, Paraguay, (17-23 October 1971).
88. A note was prepared on transport and communications in relation to the World Plan of Action for the Application of Science and Technology to Development.
89. Activities in progress include collaboration in the document which ECLA is presenting at the third session of UNCTAD. In accordance with the ECLA/ILPES agreement with the Board of the Cartagena Agreement, data are being gathered on the LASH (lighter-aboard-ship) system which it is planned to introduce on the west coast of South America in 1972.
90. The documents prepared by the United Nations and ECLA in connexion with the evaluation of the progress made in Latin American transport during the Second Development Decade have been reviewed, and appropriate statistical series and indicators for the transport sector are at present being devised.

#### Technical co-operation

91. At the request of the Higher Economic Planning Council of a Central American country, a staff member visited that country in May/June 1971 and prepared a study on land transport.
92. In July and August 1971 a staff member of the Programme participated for three weeks in an ECLA/ILPES/UNDP mission in Peru, which co-operated with the authorities responsible for the preparation of a development plan for the area affected by the earthquake.

93. Three staff members gave lectures at a seminar on transport planning organized by the Ministry of Public Work and the Catholic University of Chile (3 September to 30 November 1971).

#### JOINT ECLA/FAO AGRICULTURE DIVISION

94. During the period under review, the Division prepared a study on the situation and prospects of agriculture in Latin America, continued to co-operate with the secretariat of the Latin American Free Trade Association (LAFTA) and the Board of the Cartagena Agreement and provided technical assistance to several countries in the region.

#### Situation and prospects of agriculture in Latin America

95. This study, which will form part of the Economic Survey of Latin America, 1971, deals with the salient features of the state of Latin American agriculture. It reviews in broad outline the trends in agriculture over the past decade, identifying which sectors of production developed satisfactorily and which did not, and which countries achieved rates of agricultural growth in line with the population's needs. It also analyses agriculture's contribution to the development of the regional economy, from the standpoint not only of its capacity to absorb the natural growth of the labour force in productive activities, but also of its basic role in the operation of other economic activities; and studies the prospects for agriculture and possible options for its development.

96. What is the most suitable type of development for Latin American agriculture will largely depend on the growth rate of the agricultural population. At present it is still growing in absolute terms in the region as a whole; therefore, the process of bringing more land under cultivation will have to continue and it will be necessary to adopt selective mechanization policies. Once the agricultural population begins to decrease, it will be time to start using labour-saving techniques. Since the rural population is decreasing in only a few countries, future agricultural development policies will have to ensure that the area under cultivation is rationally expanded to support the rural population.

#### Other work

97. The Division helped to prepare the provisional agenda for the twelfth FAO Regional Conference for Latin America, and is preparing a study on the situation and prospects of agriculture in Latin America for the Conference.

98. The study on the current situation, problems and prospects of the rice trade in the LAFTA countries (E/CN.12/857) was brought up to date and presented at the Seminar on Rice Policy which was held at Cali, Colombia (10-14 October 1971) under the sponsorship of the Inter-American Centre for Tropical Agriculture, and the study on the current situation, problems and prospects of the beef trade in the LAFTA countries (E/CN.12/894) was also updated and presented at the Meeting of the LAFTA Joint Advisory Group on Meat (Bogotá, Colombia, 6-9 October 1971).

99. The Division collaborated with FAO in the preparation of part of the Latin American section of the World Plan of Action for the Application of Science and Technology to Development.

100. Work in progress includes a study on agricultural mechanization and employment and the Chilean agrarian reform programme, in co-operation with the Chilean Training and Research Institute for Agrarian Reform (ICIRA), which will be incorporated in the FAO perspective study on agricultural development in South America. Continuing the commodity studies for the LAFTA secretariat, the Division is preparing studies on beans, bananas, and dairy products.

#### Technical co-operation

101. Staff members co-operated with the Board of the Cartagena Agreement. The Division also collaborated with the FAO Advisory Group on Central American Economic Integration (GAFICA) in the preparation of the Perspective Plan for the Development and Integration of Agriculture in Central America (PACA), and participated in the IDB seminar on agricultural integration which took place in Washington.

102. At the request of a Latin American Government, data were collected for activities connected with UNDP country programming.

103. Several Latin American countries were visited in connexion with the FAO mission on the perspective study, and also in connexion with the studies on commodities.

104. At the request of another Latin American Government, issues relating to agricultural employment were studied and a preliminary note was prepared.

## NATURAL RESOURCES AND ENERGY PROGRAMME

105. During the period under review a document was prepared on the human environment and economic development in Latin America and technical co-operation was furnished to several countries in the region.

### The human environment and economic development in Latin America

106. In this study (ST/ECLA/Conf.40/L.2), prepared with the collaboration of ILPES and the FAO Regional Office, a first attempt is made to present an overall view of environmental problems in Latin America, analyse their main causes and explore some lines of action. The document is divided into four sections: development and human environment in Latin America; economic aspects; the human environment situation in Latin America; the human environment in national development policy; and some international effects of problems of the human environment.

### Other Work

107. A note on Latin America's experience in rural electrification was prepared and presented at the fourth Latin American Conference on Rural Electrification which was held at Belo Horizonte, Brazil (23-29 May 1971).

108. Work was completed on the studies on water resources in El Salvador, Costa Rica and Guatemala (see paragraph 171).

109. A study was prepared on Latin America's experience in rural electrification (E/CN.12/L.58) and presented at the seminar on Rural Electrification held at New Delhi (2-12 December 1971).

110. A report was prepared on Latin America's experience in the management of water resources (E/CN.12/L.72) for the Interregional Seminar on current problems related to water resources management, held at New Delhi (7-16 December 1971).

111. A brief note on the organization of a system of operational research applied to mathematical models of water basins (CLADES/WG.1/L.16) was prepared and presented at the Meeting on Modern Documentation and Information Techniques (Santiago, Chile, 27-30 September 1971).

112. The Programme collaborated with ILPES in the preparation of guides for the preparation of water supply projects, and a staff member gave lectures on the utilization of water resources and regional development during the ILPES Regional Planning Course.

113. Work in progress includes a study on the interconnexion of electric power systems, a forecast of Latin America's crude petroleum requirements, and studies on water resources in Paraguay, mining in Latin America and its development prospects in the 1970s, and petroleum resources and their utilization in Latin America.

#### Technical co-operation

114. The Regional Adviser on Hydrometeorology collaborated in the preparation of a climatological atlas of Latin America and in the compilation of data for the preparation of a meteorological atlas of Latin America.

115. The Regional Adviser on Hydroelectricity participated in the Conference on Rural Electricity held at Belo Horizonte (20-31 May 1971) under the joint sponsorship of the Land Settlement and Agrarian Reform Institute, ELETROBRAS and the Ministry of Mines and Energy of the state of Minas Gerais. At the request of the Government of a Caribbean country, he furnished advisory assistance to the Public Utilities Commission in the preparation of a study on the feasibility of pumped-storage hydro-electric power plants. He took part in an ECLA/ILPES mission which advised the Reconstruction and Rehabilitation Committee of a Latin American country in matters related to short-term electricity programming. At the request of the Government of a Central American country, he provided advisory assistance to the authorities in connexion with hydro-electric resources.

116. The Regional Adviser on Legal and Institutional Aspects of Water Resources Development furnished a National Planning Office with advisory assistance in questions relating to water resources management. He gave several lectures on subjects within his competence at the Seminar on Water Resources Legislation in Central America, which took place in El Salvador (2-11 October 1971). He also took part in the meeting of Latin American Specialists in Agrarian Law, which was organized by FAO at Santiago, Chile (2-7 August 1971).

117. At the request of the Government of a Latin American country, the Regional Adviser on Sanitary Engineering was one of a group of United Nations experts which explored possible solutions to problems connected with water supply and sewerage in the areas affected by the earthquake of July 1971. He also collaborated in this country in the overall study of water basins, the organization and conduct of an intensive course on the planning and control of sanitation works, and in the preparation of a short course on water resources development. Furthermore, he gave lectures on the PERT and CPM methods in a course on programming and control of sanitation works held at Santiago, Chile, from 26 April to 8 May 1971, under the sponsorship of the World Meteorological Organization.

118. In response to a request from the Pan American Sanitary Engineering Centre (CEPIS), he gave lectures on the preparation of water supply projects at the International Seminar on Programming Investment in the Health Sector (Lima, Peru, 7 June to 2 July 1971).

119. The Regional Adviser on Irrigation attended the International Congress on Arid Regions which was held at Arica, Chile (22-30 August 1971) and the sixth Latin American Congress on Irrigation which took place at Montevideo (19-26 September 1971).

120. At the request of the Government of one Latin American country, he collaborated with the United Nations (OTC/ECLA and WHO/OPS) group of experts in exploring ways of repairing aqueducts damaged by the earthquake of July 1971. He collaborated with a technical commission of the School of Engineering of the same country in the preparation of a report on emergency measures for supplying a town with water.

121. He advised the authorities of a Central American country on questions relating to water resources, at the request of the Government.

122. The Regional Adviser on the Development of Mining Resources gave advisory assistance to a Central American country in studies connected with his particular field. At the request of the Government of one Latin American country, he furnished advisory assistance to the Geology Department of the Ministry of Mining and Hydrocarbons.

123. The Regional Adviser on Hydroelectricity and the Regional Adviser on Hydrometeorology collaborated in the establishment of a national centre for the co-ordination of hydrological activities in a Latin American country.

124. A mission composed of the Regional Advisers on Hydroelectricity, Hydrometeorology and the Development of Mining Resources co-operated with the authorities of a Central American country in questions connected with irrigation, flood control and hydroelectric power.

## STATISTICAL DIVISION

125. During the period under review the Division prepared the Statistical Bulletin for Latin America, vol. VIII, Nos. 1 and 2. The Working Group on Statistics of the Distribution of Income, Consumption and Wealth was organized jointly with the Statistical Office of the United Nations. Two papers were prepared for the meeting of the Working Group, one on sources of information on statistics of income distribution, consumption and wealth in Latin America, and the other on guidelines for the use of statistical sources in calculations of income distribution in Latin America.

### Statistical Bulletin for Latin America, vol. VIII, Nos. 1 and 2

126. The Bulletin contains regional and national statistics. The national statistics relate to population, agriculture and livestock, mining, manufacturing, construction, electricity, prices, transport and foreign trade. Special attention is devoted to national accounts in the first part of this volume and to foreign trade and mining in the second.

### Sources of information on statistics of the distribution of income and consumption in Latin America

127. This document (ST/ECLA/Conf.42/L.4) is aimed at presenting the fullest possible range of information on existing statistical sources in the region for calculations of the distribution of income and consumption and discusses the information that is available on this subject, with a comparison of its chief characteristics.

128. In particular, it contains an exhaustive review of all the surveys including information on family income and expenditure or on income only, carried out from 1950 to date that it was possible to identify, particularly those carried out in the 1960s and later, the population censuses of 1950 and 1960, and the census surveys of 1970, which included questions on income and tabulated the results.

129. The statistical material included in the document is divided into two main categories: one devoted exclusively to household surveys and another covering all other sources of data.

Guidelines for the use of statistical sources in calculations  
of income distribution in Latin America

130. This document (ST/ECLA/Conf.42/L.5) analyses the main sources of information available in the region for calculations of income distribution and their possible uses.

131. The sources are examined with a view to the compilation of the information required for the projected Complementary System of Statistics on the Distribution of Income, Consumption and Wealth, and also as a means of evaluating the order of priorities or stages in which the different aspects of the System could be developed.

Other work

132. Documents were prepared on statistics of the metal-transforming industry in Latin America (E/CN.12/L.63) and on principal indicators in industrial inquiries and censuses in Latin America (E/CN.12/L.45/Add.1).

133. The following projects are under way: promotion of population statistics, studies on the growth industries and the Statistical Bulletin for Latin America, vol. IX.

Technical co-operation

134. At the request of the Government of a Latin American country, the Regional Adviser on Sampling collaborated with the Statistics and Census Office in the selection of a national household sample and the sampling framework for the economic census of 1973.

135. At the request of its Government, he visited a Caribbean country to co-operate with the Statistical Office in the preparation of a demographic sampling survey. He also visited another Caribbean country to collaborate with the Statistical Institute in connexion with the sample surveys of population and housing for 1971.

136. He co-operated with the authorities of the Statistics and Census Office of one Central American country in the preparation of a sample household survey.

137. At the request of the Government of a Latin American country, the Adviser co-operated with the National Statistical Institute in the preparation of the programme of work for the design of a permanent multi-purpose sample survey of family households.

138. A staff member visited one Latin American country for discussions with Central Bank officials on matters relating to national accounts.

#### LATIN AMERICAN ECONOMIC PROJECTIONS CENTRE

139. During the period under review, the Centre revised its document containing macroeconomic projections of Latin America in the 1970s <sup>4/</sup> for the printers, and also provided technical co-operation to a number of countries in the region.

140. The Centre prepared a document on analytical models for studying imbalances in income distribution; a study of evaluation criteria and methods, and a general list of economic and social indicators.

141. Work is under way on a technical analysis of a number of national development plans with a view to obtaining data for comparative studies and examining conceptual aspects; a system of economic projections applicable to Jamaica; a study of basic data for projections, and a study on alternative methods of identifying the relatively less developed countries.

142. A new version has been prepared of the systematic table of development indicators.

#### Technical co-operation

143. A member of the secretariat co-operated with ILPES in an advisory mission on short-term planning to a Central American country.

#### PUBLIC ADMINISTRATION UNIT

144. During the period under review, most of the Unit's activities were concerned with co-operation with the ECLA Export Promotion Programme. Through its regional advisers, it also provided technical co-operation to a number of Latin American countries.

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<sup>4/</sup> See summary in Official Records of the Economic and Social Council, Fifty-first Session, Supplement N°4 (E/5027), paras. 168-174.

145. For the Meeting of Experts on the Formulation and Implementation of Strategies for the Export of Manufactures (Santiago, Chile, 26 July to 4 August 1971), the Unit prepared documents on the institutional aspects of exports of Latin American manufactures (ST/ECLA/Conf.37/L.12) and on the institutional structures of Latin American integration and exports of manufactures (ST/ECLA/Conf.37/L.23). In this connexion see paragraphs 232 to 242.

146. A note was prepared on the use of computers in government in Latin America (E/CN.12/L.62) for the United Nations Interregional Seminar on Electronic Data Processing in Government (Bratislava, Czechoslovakia, 22-30 November 1971).

147. The Unit co-operated with the Natural Resources and Energy Programme in the preparation of a report on the organization of a system of operational research applied to mathematical models of water basins (CLADES/WG.1/L.16), which was presented to the Meeting on Modern Documentation and Information Techniques (Santiago, Chile, 27-30 September 1971).

148. The Unit co-operated with ILPES in the preparation of the draft joint United Nations Headquarters ECLA-ILPES regional programme on administration for development.

#### Technical co-operation

149. The Senior Regional Public Administration Adviser took part in an interdisciplinary mission, organized in conjunction with the Industrial Development Division and the Trade Policy Division, which advised the Mexican Institute of Foreign Trade on matters relating to exports of manufactures and semi-manufactures. He also participated in a mission to advise the Economic Planning Board of a Central American country, on matters relating to the organization of the external sector.

150. He participated in a joint ECLA/ILPES mission that advised the Government of a Latin American country on work in connexion with a medium-term plan for reconstructing areas affected by an earthquake.

151. At the request of the Brazilian Government, he co-operated in the Seminar on Export Strategy, held at Sao Paulo, Brazil, from 25 to 28 October 1971.

152. The Regional Public Administration Adviser gave classes on the use of modern techniques in local government during the Course on Local Government organized by the Bolivian Institute for Higher Studies in Public Administration, held at Cochabamba, Bolivia, from 2 to 12 November 1971.

153. The Associate Expert on Public Administration prepared teaching material for the Seminar on Concepts, Methodology and Administration of Government Analysis, held at Mexico City from 21 July to 15 August 1971.

#### LATIN AMERICAN CENTRE FOR ECONOMIC AND SOCIAL DOCUMENTATION (CLADES)

154. During the period covered by this report, the foundation stone of the future CLADES building was laid. The building and its equipment are to be financed out of a grant of 500,000 dollars from the Government of the Netherlands. Though the Centre is still at an organizational stage, it prepared studies on the use of descriptors and thesauri and on the CLADES reference library which were submitted to the Meeting on Modern Documentation and Information Techniques (Santiago, 27-30 September 1971) which it organized. Other studies connected with the Centre's main fields of interest are also under way.

#### MEXICO OFFICE

155. During the period under review, the Mexico Office devoted most of its time to the following: studying economic trends in Central America, Panama and Mexico; continuing studies on various aspects of Mexico's economic and social development and Central American economic integration; collaborating with regional integration agencies in their efforts to resolve the crisis of the Central American Common Market; providing substantive supervision of technical assistance provided by United Nations regional experts for Central America, and collaborating with UNDP representatives in Central America, Panama and Mexico in formulating national technical co-operation programmes. As in the past, close co-ordination was maintained with the Permanent Secretariat of the General Treaty on Central American Integration (SIECA), the Central American Bank for Economic Integration (BCIE) and other regional institutions.

#### Economic Survey of Latin America

156. The Office prepared the chapters on economic trends in Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama during 1970, and a set of notes on the development of the area's agricultural, industrial, electric power and transport sectors, for inclusion in the Economic Survey of Latin America, 1970.

### The industrial policy of Mexico

157. In collaboration with Nacional Financiera S.A. and ILPES, a study was prepared on Mexico's industrial policy (CEPAL/MEX/71/11) which analyses the role the industrial sector has played in the development of Mexico's economy, discusses industrial policy instruments and the way they have been used, describes some of the sector's major problems and outlines a possible future strategy for the development of the manufacturing sector.

### Livestock in Mexico

158. The preliminary version of a study on livestock in Mexico (CEPAL/MEX/72/3) was completed. This document analyses the operation of the beef industry, with special attention to the factors affecting supply at the production and distribution levels. It examines the various features of production in the major stock-breeding areas and the conditions and methods of marketing, and suggests economic guidelines to promote more rapid growth in the sector. It also contains an analysis of demand, slaughtering rates and prices, ecological conditions, and the contribution of beef stock-breeding to the growth of the agricultural sector and of the economy as a whole.

### Regional development in Mexico

159. A monograph was completed on the regional development of the Mexican economy (CEPAL/MEX/71/28), which analyses the origin and effect of regional development. This study will be expanded into a more comprehensive research project, covering regional development in several Latin American countries, which will be carried out in 1972 in collaboration with the Mexican Government, UNDP and ILPES.

### Statistics

160. Overall and sectoral statistics were compiled and processed for the Economic Bulletin for Latin America, Statistical Bulletin for Latin America and the Economic Survey of Latin America, 1971. Current economic data on Mexico, Central America and Panama were revised and brought up to date for use in research conducted or completed during the year. Progress was made in transferring the data onto punched cards and magnetic tape.

### Structural reorganization of the Central American Common Market

161. The Office produced a document containing guidelines for the structural reorganization of the Central American Common Market (CEPAL/MEX/71/15), which was submitted to an inter-agency meeting of Central American economic integration bodies (San José, Costa Rica, 10-14 May 1971). It also prepared comments on studies submitted by the Central American Monetary Council and SIECA on this subject.

### Central American customs union

162. The Office prepared a corrected version of certain chapters of a preliminary study, drafted in 1970, dealing with definitions, requirements, components and characteristics of a customs union for Central America. It also collaborated with an UNCTAD regional expert in preparing an analysis of the structure and relative importance of Central American trade (CEPAL/MEX/71/8).

### Improvement of the Central American Common Market

163. The Office collaborated with an UNCTAD regional expert on a study with a view to bringing the Central American common external tariff into line with the Brussels Tariff Nomenclature (BTN) (CEPAL/MEX/71/21; TAO/LAT/114). The document contains data which will be used in studies connected with the modification of the existing tariff nomenclature and revision of the Central American common external tariff.

### The labour market in Central America

164. A study (CEPAL/MEX/71/12) was completed on employment and youth in Central America which examines the evolution and characteristics of the young active population (10 to 24 years of age) and the trend of demand for employment in the various sectors, and describes the dynamic effect that better education and sectoral and geographical mobility have on the region's labour market. The document also contains a number of recommendations regarding the employment of youth.

### Social aspects of rural development

165. The draft version of a study on the use and distribution of land in Costa Rica (GTT/6) was completed. This document sets out to find out what role agriculture has played in the country's economic development as regards both exports and production for domestic consumption. It goes on to analyse the

characteristics of the agricultural population in terms of availability of manpower, mobility and productivity; the structure and forms of land ownership as it relates to the utilization of resources, productivity and absorption of manpower; agrarian legislation and the activities and achievements of the national agrarian reform agency, and services directly connected with rural development. It concludes by offering a number of measures and suggestions for solving the problems of land tenure and for accelerating the development of the agricultural sector.

#### Transport in the Central American Common Market

166. A study was completed on alternative means of transport in Central America (E/CN.12/CCE/SC.3/30). The document describes the most efficient way of moving products intended for intra-regional trade from the standpoint of each mode of transport, includes projections for Central America's goods trade up to 1975 as a basis for determining the future utilization of means of transport and their requirements, costs and results under a number of assumptions; and considers the possibility of developing alternative means of transport to complement the network of roads that currently serves the Common Market.

#### Electricity costs in Central America

167. The Office collaborated with an expert from the United Nations Office of Technical Co-operation (OTC) in preparing a manual for estimating the cost of hydroelectric projects which will serve as a useful guide for pre-feasibility studies of national and regional hydroelectric projects (E/CN.12/CCE/SC.5/GRIE/II/2).

#### Standardization of electrical materials and equipment

168. The Office supervised the work of the Central American Expert on Electrical Standards with particular reference to standard specifications for concrete posts (CRNE/13B); standard voltage regulation equipment for distribution systems (CRNE/14); electrical design criteria for subtransmission networks (CRNE/15), and mechanical design criteria for transmission and subtransmission networks (CRNE/16). The Office collaborated with an OTC expert in preparing a study on the possibility of joint purchases of materials and equipment for electrical systems (CCE/SC.5/CRNE/VII/4). These studies and the Office's report on work carried out during the year were examined and approved by the Regional Committee on Electrical Standards (CRNE) at its seventh meeting in Panama City, 23-27 September 1971.

### Coding of electrical materials and equipment

169. Documents were prepared enlarging and modifying the coding standards for materials and equipment for Central American electrical enterprises (CRNE/GTC/IV/2). They were approved at the fourth meeting of the CRNE Working Group on Coding Standards for Electrical Materials and Equipment (Panama City, 20-22 September 1971).

### Development of the electricity sector in Central America

170. A document was completed on electric power statistics for Central America covering the year 1969 (E/CN.12/CCE/SC.5/81). Two other documents were produced summarizing the main achievements of electricity development and regulation agencies, institutions and enterprises during the second half of 1970 and the first half of 1971, as regards control, planning and investment in the electricity sector (CEPAL/MEX/71/6 and CEPAL/MEX/71/18).

### Water resources

171. The Office collaborated with an OTC expert in producing documents on water resources in El Salvador, Costa Rica and Guatemala (E/CN.12/CCE/SC.5/70, 71 and 72). They contain an appraisal of present and future water uses and their attendant problems, and an analysis of economic, financial, legal and institutional questions. The documents were examined by two national working groups on water resources (El Salvador, 27 and 28 July 1971, and Costa Rica, 29 and 30 July 1971).

### Ground water and hydrometeorological studies

172. In response to the request submitted to UNDP by the Government of Guatemala, an OTC expert prepared a project for conducting a series of ground water studies in various parts of the country. He also collaborated with the countries of the area regarding the implementation of a second phase of the Central American hydrometeorological project, based on the guidelines and recommendations contained in ECLA's water resources programme.

### Energy resources

173. The Office co-operated with an OTC expert in preparing statistics on Central America's power consumption from 1950 to 1970, including commercial energy resources (petroleum products and electricity) and non-commercial resources (firewood, cane bagasse, etc.) (E/CN.12/CCE/SC.5/82). This study, together with an information document (CEPAL/MEX/71/12) containing a provisional

appraisal of the energy sector that was produced for SIECA, will form the basis of a study of the energy sector in Central America that is to contain an appraisal of the national and regional market, the potential supply of resources and their possible future development, and a set of policy guidelines.

#### Other work

174. Studies are under way on the following: development financing in Central America; the relatively less developed countries and the third session of UNCTAD; the assessment of the water resources of Central America; tariffs and services in Central American port terminals; and the Panama Canal and its importance for the economies of North America and Panama, on which a preliminary study (CEPAL/MEX/71/29/Add.1) was completed in 1971 containing an estimate of the economic benefits which the Canal affords to those who use it and an analysis of products, costs, alternative routes, size and type of ship, operating costs, effective tolls, etc.

#### Technical co-operation

175. Three staff members advised Costa Rica's Ministry of Industry and Trade on industrial policy, petroleum products and an investment corporation.

176. Two staff members advised the National Agrarian Institute of Honduras on the preparation of agricultural development projects for inclusion in its six-year investment programme.

177. Two staff members advised El Salvador's Planning Office on the preparation of a community development plan and a national programme of technical assistance for economic planning.

178. A staff member advised the Ministry of Foreign Affairs of Panama on the technical implications of constructing a sea-level canal.

179. Two staff members advised the Secretariat of the Office of the President of Mexico on the formulation of requests for UNDP technical assistance, in connexion with a study of economic development by geographical area and the establishment of a national system of economic and social information.

180. Several members of the staff collaborated with the UNDP Resident Representatives for Mexico, Central America and Panama in formulating country programmes for United Nations technical assistance. Comments were prepared on the economy of Honduras and a number of preliminary drafts containing sectoral data on Guatemala and El Salvador were distributed.

181. The Regional Adviser on Industrial Programming (UNIDO) attached to the Mexico Office furnished the following with advisory services: the Planning Office of Honduras, in connexion with the preparation of a diagnosis of the industrial sector and the formulation of guidelines for the industrial development plan; the Planning Offices of Panama, Nicaragua and Guatemala, in connexion with specific questions relating to industrial programming, and the Planning Office of El Salvador in connexion with the preparation of a work plan for the 1973-1977 industrial development programme. He also provided technical assistance to SIECA on industrial matters relating to a study of the economic and social development prospects of Central America over the next ten years; to GAFICA on regional agro-industrial problems, and to BCIE on specific manufacturing projects.

182. The Regional Expert on Port Development and Navigation (UNCTAD) attached to the Office assisted the following in formulating their programmes: the Central American Shipowners Association, the Central American Shippers Association, the National Foreign Trade Shippers Council of Mexico, and the Central American Port Authorities Commission. He also provided technical assistance to SIECA and BCIE and to port authorities and shipping enterprises in Guatemala, El Salvador Honduras, Nicaragua and Costa Rica. He furnished the Ministry of Industry and Trade of Panama with advisory services in connexion with the establishment of a national ports and shipping committee. He also co-operated with the Chilean Planning Office in a technical assessment of the damage to port installations caused by the 1971 earthquake.

183. The Regional Expert on Electrical Development (OTC) attached to the Office furnished the following with advisory services: the National Light and Power Enterprise of Nicaragua and the Costa Rican Electricity Institute in connexion with the project for the interconnexion of the central electricity systems of the two countries: the Institute of Water Resources and Electrification of Panama in connexion with a draft contract with the Panamanian Light and Power Company. He also collaborated with the Public Utilities Projects Department of the International Bank for Reconstruction and Development (IBRD) of the Honduras-Nicaragua and Nicaragua-Costa Rica electricity interconnexion projects and with the Central American Electrical Standardization Programme.

184. The Regional Expert on Technical Aspects of the Electricity Sector (OTC) attached to the Office advised electrification institutions and the authorities of the electricity sector on the regional electrical standardization programme, with specific reference to design and coding standards for materials.

105. The Regional Expert on Multipurpose Water Use (OTC) attached to the Office advised the National Geographic Institute of Guatemala on the preparation of a request to UNDP for a study of ground water in the Guatemala Valley, and also advised the six Central American Governments on the implementation of the second phase of the Central American hydrometeorological project (UNDP/WMO).

106. The Regional Expert on Energy Resources (OTC) attached to the Office advised SIECA on the revision of a study of petroleum and petroleum product prices in Central America, and the Ministry of Industry and Trade of Costa Rica on a study of the production and distribution of petroleum products.

107. The Regional Expert on Economic Development (OTC) attached to the Office advised the Governments of Honduras and El Salvador in connexion with studies of economic trends in 1970, and the Central American capital market programme on various aspects relating to the mobilization of resources.

108. The Regional Expert on Budget Programming attached to SIECA advised the following countries on the introduction of programme budgeting and on administrative reorganization: Guatemala (Technical Budget Office, Central Municipality, Agricultural Marketing Institute); El Salvador (Treasury and Ministry of Transport) and Costa Rica (Tobacco Protection Board). He also collaborated with the Planning Office of El Salvador in preparing a national development plan for 1973-1977.

109. The Regional Expert on Fiscal Policy (OTC) attached to SIECA advised a number of Governments and the Central American Monetary Council on a number of tax problems and on their effect on intraregional trade, and SIECA on fiscal aspects of standardization within the Central American Common Market, with particular reference to domestic taxes on production, distribution, sales and consumption of goods and their regional administration.

110. The Regional Experts on Industrial Programming and Development (UNIDO) attached to SIECA advised that body on the pharmaceutical, assembly, textile and petroleum products industries, and the Municipality of Guatemala City on a plan for the promotion of industrial estates. They also assisted in a regional analysis and inventory of industrial projects in Central America, the revision of industrial integration agreements and in studies relating to the future prospects of multinational enterprises.

111. At the request of the national electrification agencies and the authorities of the Central American electrical industry that had recruited him, members of the Office and the two regional experts on electrical affairs (seconded by OTC) supervised the work of the Expert on Electrical Standards who is responsible for the regional standardization programme during the first four months of 1971.

#### WASHINGTON OFFICE

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

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

194. The Washington Office represented the secretariat at a number of meetings and undertook liaison work in connexion with the activities of IDB, OAS, CIAR and CIDA, the Inter-American Development Bank (IDB), the Organization of American States (OAS), the Inter-American Committee on the Alliance for Progress (CIAP) and the Inter-American Committee for Agricultural Development (CIDA). It also represented ECLA at the country review meetings convened periodically under the auspices of CIAP.

195. Since 1971 this Office has represented ILPES as well as ECLA and has ILPES staff members on its permanent staff. This measure was adopted to enable the Washington Office to participate more fully in CIAP meetings and to carry out studies in greater depth on balance of payments, foreign investment and other related subjects on which a wealth of information is available in Washington.

#### RIO DE JANEIRO OFFICE

196. This Office continued to co-operate with Brazilian Government officials in research and advisory activities. Work is going ahead on an analysis of the system of state planning in Brazil, with the purpose of describing, evaluating and suggesting changes in the system and the state planning process in force, on the basis of a study of a small number of states. Another study is in progress on industrial productivity and wages from the regional standpoint, which examines the industrial productivity changes in each state and the extent to which these changes are due to the transfer of manpower or technological innovations. This study will cover the period 1966 to 1969.

## MONTEVIDEO OFFICE

197. The Office, which represents ECLA in its dealings with the organs of LAFTA, continued to participate in LAFTA meetings and studies, particularly in the work of the Standing Executive Committee and the Conference of the Contracting Parties. It also fulfilled its co-ordination and liaison function between the ECLA and LAFTA secretariats and assisted the delegations of member countries in the study of technical problems.

198. During the period under review its most important task was to collaborate in reviewing the implementation of the LAFTA Plan of Action regarding the compilation of updated information to help the Contracting Parties to identify the sectors of greatest importance in the LAFTA area.

### Sectoral meetings

199. The Office took part in meetings of entrepreneurs concerned with the following branches of industry: ceramics, plastics, non-plastic toys, agricultural machinery, alcoholic beverages, chemicals, pharmaceuticals and the ship-building industry.

### LAFTA secretariat studies on sectors of industry

200. A critical review was made of the following work presented by the secretariat during the year: textile industry machinery; bases for a study of trends in area shipping services and the use of containers; preliminary studies to establish the bases for an area industrial policy; the industrial development policies of the Contracting Parties, and the basic criteria for the identification of the industrial sectors of greatest area importance.

### Other work

201. The compiling of information on trends in exports of manufactures by various LAFTA countries continued, with a view to evaluating the extent to which area trade preferences have favoured the diversification of the trade among the Contracting Parties. The Office continued to collect statistics showing the progress of the complementarity agreements in force.

202. Steps were taken with the assistance of Resident Representatives to modify the approach taken in the draft on non-tariff barriers.

203. The Office took part in the following technical meetings: meeting of experts on value-added taxes, third meeting of directors of internal revenue departments, first meeting of government experts on non-tariff barriers.

### Technical co-operation

204. A staff member took part in the Ninth Meeting of the LAFTA Advisory Commission on Statistics and co-operated in the analysis and updating of LAFTA's external trade statistics system. Another staff member led a seminar on economic integration in Latin America under the auspices of the Inter-American Marketing Centre (CICOM).

### OFFICE FOR THE CARIBBEAN

205. During the period covered by this report the Office continued collaborating with Caribbean area Governments in analysing the problems arising out of their intensified efforts towards economic co-operation and in the solution of the concomitant social problems. It continued collaborating in the preparation of common external tariffs and in studies aimed at achieving wider participation in the subregional trade liberalization process.

### Transport

206. The draft version of the study on maritime transport in the Caribbean Basin was revised and the basic statistics brought up to date. The conclusions of this study will serve as a basis for recommendations on future action with respect to maritime transport. In connexion with the IDB/ECLA inventory of transport infrastructure projects, the Office prepared a draft outline of transport studies suitable as follow-up to the inventory and trade statistics of countries covered by the inventory (ECLA/POS.71/9). A brief note was also prepared analysing the problems which might arise if the subregion adopted common transport policies or positions, as a contribution to the United Nations/IMCO Conference on International Container Traffic.

### Other work

207. Notes were prepared on the following: harmonization of fiscal incentives to industries (ECLA/POS/71/5); functioning and organization of development corporations in St. Vincent (ECLA/POS.71/7); local control of business and tax treatment of interest (ECLA/POS.71/8); draft banking act for the Associated States and Montserrat (ECLA/POS.71/15); considerations concerning the foreign trade policy of the English-speaking Caribbean countries (ECLA/POS.71/11).

208. A statistical key was prepared for converting from the East Caribbean Common Market (ECCM) tariff code (based on the BTN) to the SITC classification (original version) using the range of products included in the St. Lucia trade statistics classification (ECLA/POS.71/6).

209. Notes were prepared on the activities of ECLA for the Caribbean (ECLA/POS.71/16) and on some special problems of development in the Caribbean (ECLA/POS.71/17) for the Subregional Seminar on Techniques and Procedures of United Nations Technical Assistance in the Caribbean, organized by the United Nations Institute for Training and Research (UNITAR) (Bridgetown, Barbados, 22 November to 3 December 1971).

210. A staff member attended the sixth meeting of the ECCM Council (St. Lucia, 6-10 December 1971).

211. A note is being prepared on the harmonization of banking and financial policies for East Caribbean territories. Basic material is being compiled for economic projections covering four Caribbean countries. A document is being prepared on problems of statistics in the West Indies Associated States, together with a cost estimate for securing paper print-out of trade statistics on a current basis.

212. A work programme is being prepared for a proposed trainers' training programme on local government.

#### Technical co-operation

213. The Adviser on Community Development provided advisory services to the countries of the subregion covering a wide field, including advice on community development programming, youth policies and programmes, rural development human resources development and social sector planning.

214. He also collaborated with the United Nations Children's Fund (UNICEF) in preparing a youth development project for the East Caribbean and Jamaica and a water supply project for Dominica. He also participated in preparing a project request for the World Food Programme Aid for a school feeding programme in Surinam.

215. Another part of the Adviser's missions involved following up the recommendations of the Caribbean Regional Seminar on Central Services to Local Authorities, held in 1971.

216. The Adviser on Maritime Transport collaborated with the West Indies Shipping Corporation (WISCO) and the Commonwealth Caribbean Regional Secretariat in an assessment of the future employment of the WISCO fleet in a joint study analysing steps for the reorganization of the West Indies Shipping Service (ECLA/POS.71/14).

217. At the request of the Government of a country in the subregion, he prepared a pre-feasibility study on the provision of shipping facilities for the food and vegetable trade (ECLA/POS.71/10). He also gave assistance to the Legal Sub-committee set up to draft a constitution for the Regional Shipping Council and WISCO. He collaborated with the Commonwealth Caribbean Regional Secretariat on the establishment of machinery for holding consultations with the Association of West Indies. Trans-Atlantic Steamship Lines.

218. He was present at the Meeting of Officials on Regional Shipping (Georgetown, Guyana, 12-13 November 1971).

219. The Regional Economic Adviser collaborated in reviewing the working of the Development Board of one Caribbean country, and also advised the Regional Development Agency on technical matters relating to the successor institutions. At the request of the Government of another Caribbean country, he assisted the Planning Department in the formulation of its five-year plan 1971-1976. At the request of the Commonwealth Caribbean Regional Secretariat he gave advisory assistance on some technical aspects of the harmonization of fiscal incentives in the Caribbean countries. At the request of the Government of another Caribbean country, he advised on the selection of the survey of establishments to be undertaken to determine contribution to local value added.

220. He attended the Ninth Meeting of the Council of Ministers of the Caribbean Free Trade Association (CARIFTA) (Georgetown, Guyana, 6-7 October 1971) and the meeting of the ECCM Working Group on Harmonization of Incentives (St. Lucia, 10-11 December 1971).

221. The Adviser on Trade Policy and Integration assisted Governments in their negotiations on the outstanding controversial points relating to the ECCM Common External Tariff, especially the exemptions list. He also assisted Governments regarding the implementation of the Tariff in legal form. He took part in the Second Training Course for CARIFTA Customs Officials (Trinidad, 19 April to 11 June 1971).

222. The Adviser was also present at the Second Meeting of the Advisory Panel on the CARIFTA Common External Tariff (Georgetown, Guyana, 7-12 October 1971).

223. The Office provided advisory assistance to the Advisory Panel on the CARIFTA in the Common External Tariff, and furnished short-term advisory assistance to the Governments of two countries of the subregion on port administration (ECLA/POS.71/12 and ECLA/POS.71/13).

224. Advice was given to the Governments of the subregion on the planning and conduct of training programmes in the fields of community and rural development.

225. The Office assisted an UNCTAD expert in discussions with the Caribbean Development Bank and the Commonwealth Caribbean Regional Secretariat regarding implementation of Trade and Development Board resolution 53(VIII), on institutional arrangements for trade expansion, economic co-operation and regional integration among developing countries.

#### BOGOTA OFFICE

226. During the period covered by this report, the Bogota Office continued to concern itself with analysing economic trends in the countries within its area (Colombia, Ecuador and Venezuela) and the main policy measures adopted by these countries. It also continued to examine developments relating to the participation of these countries in the integration movements to which they belong, especially the Cartagena Agreement as regards Colombia and Ecuador, and also studied certain issues relating to the possibility of Venezuela's acceding to the Agreement.

227. Continuing the study of specific sectoral aspects of the Colombian economy, a document was prepared on current industrial policy.

228. The Office collaborated in the preparation of several studies and notes for use by the Andean Group, including notes on background material for studying the development problems of the Andean subregion, and on bases for a treaty establishing a Latin American economic community.

229. In recent months, there has been an intensification of relations and collaboration with the Andean Development Corporation in connexion with studying investment projects, providing continuing advisory services to the Sectoral Committee on the Coal Industry, and studying projects on the development and integration of border areas.

230. The Office was represented at the meeting of the Ministers of Economy and Industry of the Andean Group (Bogota and Cartagena, 24-29 May 1971); the Seminar on the Industrial Development of the Countries of the Andean Group (Bogota, 17-21 May 1971), for which it prepared a note on the industrial development of the countries of the Andean Group; the first meeting of the Sectoral Committee on the Coal Industry (Bogota, 9-15 September 1971); the Fifth Panary Assembly of the Latin American Parliament (Caracas, 23-27 August 1971); the Symposium on Patents, Trademarks and Copyright (Bogota, 24-27 November 1971), for which it prepared a note on the transfer of technology and economic development, and the fourth meeting of the LAFTA Joint Group on Meat Advisers (Bogota, 6-8 October 1971).

## MULTI-DIVISIONAL PROGRAMMES

### Development of the River Plate Basin

231. During the period covered by this report, the socio-economic survey of the Santa Cruz de la Sierra region was completed under the agreement concluded by ECLA with IDB 4/, and will be submitted to the Bolivian Government for its consideration.

### Export Promotion

232. The Meeting of Experts on the Formulation and Implementation of Strategies for the Export of Manufactures was held at Santiago, Chile, from 26 July to 4 August 1971, with the collaboration of the Trade Policy Division, the Industrial Development Division and the Public Administration Unit.

233. The studies prepared for this meeting include: "Reflections on the international company and its role in the development of Latin American exports of manufactured products" (ST/ECLA/Conf.37/L.5), in which the contribution of international enterprises to Latin American development is examined and strategies are suggested for the negotiations by Latin American Governments with multinational enterprises and for the promotion of foreign investment, while the international company is analysed as an agent for the transfer of technical know-how; "Conceptual models for export promotion strategy at the national and enterprise level" (ST/ECLA/Conf.37/L.6), in which the experience of an Asian country is studied as a model strategy for the marketing of exports; and a study of the elements involved in formulating strategies for the export of manufactures (ST/ECLA/Conf.37/L.21), which reviews international economic relations, flows of capital goods, international enterprises, the transfer of technical know-how, the international movement of capital, import strategy, participation of the public sector, industrial policy, trade policy and statistical questions.

234. Other documents prepared for the meeting covered the following topics: The formulation of incentive programmes within the framework of an export strategy (ST/ECLA/Conf.37/L.10); Export strategy: formulation and implementation (ST/ECLA/Conf.37/L.11); Institutional aspects of exports of Latin American manufactures (ST/ECLA/Conf.37/L.12); Methodological criteria and bases for the selection of exportable manufactured goods (ST/ECLA/Conf.37/L.13); Integrated marketing enterprises in Japan (ST/ECLA/Conf.37/L.20); Institutional structures

4/ See Official Records of the Economic and Social Council, Forty-ninth Session, Supplement No. 4, E/4806, paras. 314-318.

of Latin American integration and exports of manufactures (ST/ECLA/Conf.37/L.23); Markets in the Developed countries for Latin American manufactures (ST/ECLA/Conf.37/L.24); and recent trends in Latin America's export of manufactures and some of the contributory factors (ST/ECLA/Conf.37/L.26).

235. On the basis of the most important documents presented at this Meeting, a special study on strategy for the export of manufactures was prepared for inclusion in the Economic Survey of Latin America, 1971.

236. The Programme co-operated in the preparation of the chapter on export promotion for the document to be presented by ECLA to the third session of UNCTAD.

237. The 1971 Regional Course on export promotion was organized in collaboration with the UNCTAD/GATT International Trade Centre and with the participation of Chile, Colombia and Venezuela; the first part of the course was held at Santiago, Chile (20 August to 10 September 1971).

238. At the request of the Governments of the English-speaking Caribbean countries, an export promotion course is being organized to take place early in 1972.

239. Co-operation was furnished to the Government of Brazil for the Seminar on Export Strategy held at Sao Paulo (25-28 October 1971).

240. An interdisciplinary multi-divisional mission was organized to provide advisory assistance to the Mexican Foreign Trade Institute on matters relating to exports of manufactures and semi-manufactures. Another mission was organized at the request of the Government of a Central American country to furnish advisory assistance in the evaluation of the external aspects of the 1972-1977 national development plan as regards industrial policy, industrial development for export, products identification and ways of developing an export supply, balance-of-payments problems, and future trade policy for agriculture and industry.

241. Advisory assistance was furnished to one Latin American country on questions related to export promotion, to another on foreign trade policy issues and to a third on export strategy.

242. The Regional Adviser on Export Development Planning gave advisory assistance to the Board of the Cartagena Agreement and participated in the meeting of experts organized by the Board to examine the draft statutes for multinational enterprises. He also collaborated in the ITC mission on country programming activities (export promotion sector) in one Latin American country.

UNITED NATIONS HEADQUARTERS AND OTHER OFFICES

243. The secretariat prepared a note on the use of computers in government in Latin America (E/CN.12/L.62) for the United Nations Interregional Seminar on Electronic Data Processing in Government (Bratislava, Czechoslovakia, 22 to 30 November 1971).

244. In accordance with the new system of country programming, the secretariat co-operated with the UNDP in the preparation of technical assistance programmes for a number of Latin American countries.

245. The secretariat also collaborated with the UNCTAD/GATT International Trade Centre in the organization of the Sixth Regional Course on Trade Policy, held in Santiago, Chile in August 1971. Secretariat officials took part in a mission organized by the Centre to collaborate in the programming activities of a Latin American country.

246. A paper is being prepared in connexion with the Latin American section of the World Plan of Action for the Application of Science and Technology to Development.

247. The secretariat co-operated with UNIDO in the organization of the following meetings: Meeting on Industrial Management and Consulting Services (Santiago, Chile, July 1971); Workshop on Standardization (Santiago, Chile, September 1971); and the seminar on Industrial Services (Santiago, Chile, November 1971).

248. The secretariat collaborated in the preparatory work for the United Nations/IMCO Conference on International Container Traffic, and prepared a paper for the Conference (E/CN.12/912/Rev.1). (See paragraph 81.)

249. In collaboration with the Statistical Office of the United Nations, a Working Group on Statistics of the Distribution of Income, Consumption and Wealth was organized.

250. The Office for the Caribbean collaborated with UNICEF in the preparation of a project on Youth Development for the East Caribbean and Jamaica and in a school feeding programme in Surinam.

251. The Office for the Caribbean also prepared two notes for the Subregional Seminar on Techniques and Procedures of United Nations Technical Assistance in the Caribbean, organized by the United Nations Institute for Training and Research in Barbados (November 1971).

## 2. Meetings and seminars

252. The list of meetings and seminars held during the period under review appears in Annex II below.

## C. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

### Specialized agencies

253. The secretariat of FAO continued to provide the services of five of its staff to the ECLA secretariat, and both institutions continued to co-operate through the ECLA/FAO/UNIDO Forest Industries Advisory Group.

### Latin American Institute for Economic and Social Planning

254. Co-operation between ECLA and ILPES is too wide-ranging to be reviewed in detail. A few of the activities in which they have co-operated are mentioned below.

255. The secretariat collaborated in the preparation of the Regional Development Planning Course, which took place in August 1971. A member of the secretariat lectured on the use of regional water resources.

256. The secretariat also collaborated in the preparation of guides for drawing up water supply projects.

257. ECLA and ILPES collaborated in preparing the draft ECLA/ILPES programme on administration for development.

258. The ECLA Mexico Office also co-operated with OTC, UNDP, ILPES and national and regional organizations in Mexico and Central America in the organization of the Eight Intensive Course on Planning for Central America, which was concerned with the management and evaluation of electricity projects.

### Organization of American States

259. A member of the ECLA secretariat led the Seminar on the Economic Integration of Latin America, sponsored by the OAS Inter-American Marketing Centre (CICOM).

260. For the 38th session of the Inter-American Statistical Institute, held at Washington D.C., a note was prepared on problems in the measurement of development: the Latin American experience.

### Inter-American Development Bank

261. The socio-economic survey, of the Santa Cruz de la Sierra region, undertaken in co-operation with IDB, was completed, as was also the study on the transfer of technical know-how in Brazilian industry, carried out with the co-operation of IDB and the United Nations Division of Public Finance and Financial Institutions.

### Central American Common Market

262. During the period covered by the present report the Mexico Office continued to provide secretariat services and basic documentation to the Central American Economic Co-operation Committee and its auxiliary agencies.

263. ECLA kept up its collaboration with SIECA in studies on the standardization and re-structuring of the Central American Common Market, and in research projects in connexion with integrated agricultural development, industry and the infrastructure, and also trade policy and export promotion.

264. The Mexico Office co-operated with SIECA in determining the scope of the study on the restructuring of the Central American Common Market, and on development prospects and strategies for the period 1971-1980. It also collaborated in establishing the group of United Nations experts who will undertake the study, and in preparing the work programme.

265. The Mexico Office maintained close relations with SIECA, BCIE, the Executive Secretariat of the Central American Monetary Council, the Central American Research Institute for Industry (ICAITI) and the Central American Institute of Public Administration (ICAP).

266. At the request of the national electrification and electricity authorities in Central America, for the fourth successive year the Office supervised the work of the Expert on Electrical Standards, who is recruited directly by the above bodies and is a member of the Mission of Electrification and Water resources resources in Central America.

### Latin American Free Trade Association (LAFTA)

267. The secretariat collaborated with LAFTA in the appraisal it is carrying out, and took an active part in LAFTA secretariat meetings and studies, specially in the activities of the Standing Executive Committee, and in a number of specialized meetings (see Montevideo Office).

### Cartagena Agreement

268. Under the ECLA/ILPES co-operation agreement with the Board of the Cartagena Agreement, the secretariat collaborated in the analysis of development plans schemes for the metal-transforming industry in the Andean Group, and is preparing a study on the fertilizer industry in the countries of the Andean subregion.

269. Data are being gathered on the LASH system which it is planned to introduce on the west coast of South America in 1972. The secretariat took part in the meeting of experts organized by the board to review the draft statutes for multinational enterprises, and collaborated in the first Congress on the Metallurgical Industry in the Andean Area (Santiago, Chile, August 1971), organized by the metallurgists' associations of the Andean countries.

### Caribbean Free Trade Association (CARIFTA)

270. The Office for the Caribbean provided the services of a regional adviser to assist in the work of the Advisory Panel on the CARIFTA Common External Tariff. It also collaborated in the Second Training Course for CARIFTA Customs Officials, which took place in Trinidad from April to June, 1971. (See the Office for the Caribbean.)

### Special Committee on Latin American Co-ordination (CECLA)

271. During the period covered by this report, the secretariat continued to collaborate with the Special Committee on Latin American Co-ordination, for which purpose it prepared technical studies and sent representatives to CECLA meetings (see paragraphs 37-39).

Annex I

LIST OF MEETINGS OF SUBSIDIARY BODIES DURING THE  
PERIOD UNDER REVIEW

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Body and officers	Session	Symbol of report <u>a/</u>
Regional Committee on Electrical Standards <u>Chairman:</u> Mr. Antonio Chin Checa <u>Rapporteur:</u> Mr. Alcalá Bolaños	Seventh session Panama City 23-27 September 1971	E/CN.12/CDE/SC.5/85
Working Group on Coding Standards for Electrical Equipment and Materials <u>Discussion leader:</u> Mr. Antonio Chin Checa	Fourth session Panama City 20-22 September 1971	E/CN.12/CDE/SC.5/85 Annex B
Working Group on Water Resources in El Salvador <u>Discussion leader:</u> Mr. Hernán Tenorio Laguardia	First session San Salvador, El Salvador 27-28 July 1970	E/CN.12/CDE/SC.5/83
Working Group on Water Resources in Costa Rica <u>Discussion leader:</u> Mr. Fernando Rojas	First session San José, Costa Rica 29-30 July 1970	E/CN.12/CDE/SC.5/84

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a/ Copies of reports that are not available through the normal distribution channels at United Nations Headquarters or at the Geneva Office may be obtained from the Regional Commissions Section of the Department of Economic and Social Affairs at United Nations Headquarters.

Annex II

LIST OF MEETINGS AND SEMINARS

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Title	Place and date	Symbol of report <u>a/</u>
Inter-Agency Meeting of the Working Group on Institutional Matters	San José, Costa Rica 10-14 May 1971	
Sixth Regional Course on Trade Policy	Santiago, Chile 28 June to 13 August 1971	
Meeting of Experts on the Formulation and Implementation of Strategies for the Export of Manufactures	Santiago, Chile 26 July to 4 August 1971	ST/ECLA/Conf.37/L.37
Meeting on the Co-ordination of Regional Technical Assistance in Central America	Guatemala City Guatemala, 19-20 August 1971	
Regional Course on Export Promotion, 1971	Santiago, Chile 20 August to 10 September 1971	
Seminar on the Use of Demographic Data and Studies for Planning Purposes	Santiago, Chile 23 to 29 August 1971	ST/ECLA/Conf.41/L.7
Latin American Regional Seminar on Problems of the Human Environment and Development	Mexico City, 6-11 September 1971	ST/ECLA/Conf.40/L.5/ Rev.1
Meeting on Modern Documentation and Information Techniques	Santiago, Chile 27-30 September 1971	CLADES/WG.1/L.24

Annex II. (Conclusion)

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Title	Place and Date	Symbol of report <u>a/</u>
Eighth Intensive Course on Development Planning Techniques for Central America	Mexico City, 4-23 October 1971	CEPAL/MEX/71/25
Working Group on Statistics of the Distribution of Income, Consumption and Wealth	Santiago, Chile 8-12 November 1971	ST/ECLA/Conf.42/L.6

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a/ No symbol is given where the report is not available.









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