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**SECOND ANNUAL
MEETING OF THE
INTER-AMERICAN
ECONOMIC AND
SOCIAL COUNCIL
AT THE
EXPERT LEVEL**

Held in São Paulo, Brazil
from October 29 to November 9, 1963

FINAL REPORT

PAN AMERICAN UNION
WASHINGTON, D.C.

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INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

FINAL REPORT

SECOND ANNUAL MEETING OF THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL AT THE EXPERT LEVEL

Held in São Paulo, Brazil, from October 29 to November 9, 1963

PAN AMERICAN UNION

General Secretariat of the Organization of American States
Washington, D.C.

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INTRODUCTION

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level (Article 11 of the Statutes) was held from October 29 to November 9, 1963, at Cidade Universitaria, São Paulo, Brazil.

The place and date of the meeting were decided on by the Council of the Organization of American States at its meeting of September 4, 1963,^{1/} following the kind invitation issued by the Government of Brazil at the First Annual Meeting of the IA-ECOSOC at the Ministerial Level in Mexico City, ^{2/} as well as the note from Brazil dated July 10, 1963.^{3/}

Part I

SUMMARY OF THE SECOND ANNUAL MEETING OF THE IA-ECOSOC AT THE EXPERT LEVEL

A. PRELIMINARY SESSION

The Chairman of the preliminary session, held on October 30, 1963 at Cidade Universitaria, was Mr. Jesús Rodríguez y Rodríguez, Chief of the Delegation of Mexico and former chairman of the First Annual Meeting of the Inter-American Economic and Social Council at the Expert Level; Mr. Rodríguez y Rodríguez acted as Provisional Chairman until Mr. Diogo Adolpho Nunes de Gaspar, Chief of the Delegation of Brazil, was elected Chairman of the meeting at the first plenary session.

At the preliminary session agreement was reached on the following:

1. Election of Chairman, First Vice Chairman and Second Vice Chairman
2. Agenda of the meeting
3. Appointment of the Style Committee and the Credentials Committee
4. Working committees
5. Deadline for presentation of proposals by the delegations
6. Approximate duration of the meeting

1. Doc. OEA/Ser.G/III/C-sa-508 (6), Decisions of the Council taken at the regular meeting held on September 4, 1963.

2. Resolution E-2/M62, Final Report of the First Annual Meeting of the IA-ECOSOC at the Ministerial Level.

3. Doc. OEA/Ser.G/IV/C-i-635 Rev., Report of the Committee on Inter-American Conferences on the place and date of the Second Annual Meetings of the IA-ECOSOC.

At the preliminary session the following order of precedence was established by lot: Panama, Venezuela, Dominican Republic, Argentina, Guatemala, United States of America, Colombia, Costa Rica, Haiti, Uruguay, Ecuador, Chile, Bolivia, Paraguay, Mexico, El Salvador, Honduras, Peru, Nicaragua, and Brazil.

B. OPENING SESSION

The opening session was also held at Cidade Universitaria on October 30, 1963; the speakers were Mr. João Augusto de Araújo Castro, Minister of Foreign Affairs of Brazil; Mr. Jesús Rodríguez y Rodríguez, Provisional Chairman of the Meeting and Chief of the Delegation of Mexico; and Mr. Walter Sedwitz, Acting Executive Secretary of the IA-ECOSOC.^{1/}

C. FIRST PLENARY SESSION

At the first plenary session, held on October 31, 1963 the decisions taken at the preliminary session were ratified.

D. SECOND PLENARY SESSION

During the second plenary session, held on November 9, 1963, the meeting approved the following:

1. The resolutions appearing in Section A of Part III of this report.
2. The draft resolutions to be transmitted to the Second Annual Meeting of the IA-ECOSOC at the Ministerial Level for consideration, included in Section B of Part III of this report.

During the session it was also agreed to transmit to the Meeting at the Ministerial Level for consideration the document "The Alliance for Progress: Its Second Year, 1962/63".^{2/} This report is divided into two parts: Part one contains the following chapters: I. The economic and social situation in Latin America in 1962; II. Advances made and problems encountered in specific aspects of development; III. The ideological and political advance of the Alliance for Progress and dissemination of information on its principles; IV. Recommendations approved by the Special Committees of IA-ECOSOC.^{3/} Part two consists of the resumes of the National Reports presented by the member states in compliance of Article 19 (d) of the IA-ECOSOC Statutes.^{4/}

1. The respective texts were published as documents CIES/391, CIES/388, and CIES/382 (Spanish only).

2. Published during the meetings as document CIES/335.

3. See Part IV of this report.

4. Published during the meeting as documents CIES/337; CIES/338, and CIES/388, Add.; CIES/339; CIES/341; CIES/342 and CIES/342, Add., and CIES/343 (Spanish only).

E. CLOSING SESSION

The closing session was held on November 9. During this session, addresses were made by the Chairman, Mr. Diogo Adolpho Nunes de Gaspar, and by Mr. Aureliano Aguirre, Chief of the Delegation of Venezuela, who spoke on behalf of the attending delegations.^{1/}

F. PARTICIPANTS

The meeting was attended by representatives of the governments of the following member states of the OAS: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru, United States of America, Uruguay, and Venezuela.^{2/}

The following countries that are not members of the OAS sent observers to the meeting: Belgium, Canada, France, India, Israel, Italy, Japan, Netherlands, Portugal, Spain, Switzerland, Trinidad and Tobago, and the United Kingdom of Great Britain and Northern Ireland.

Representatives of the Economic Commission for Latin America (ECLA) and the Inter-American Development Bank (IDB) took part in the discussions as special participants.

Observers from the following specialized organizations of the Organization of American States attended the meeting: the Inter-American Commission of Women (IACW), the Inter-American Indian Institute (IAII), the Inter-American Institute of Agricultural Sciences (IAIAS), the Inter-American Children's Institute (IACI), the Pan American Institute of Geography and History (IPGH) and the Pan American Health Organization (PAHO).

Observers from the following specialized agencies of the United Nations were also present: The United Nations Educational, Scientific, and Cultural Organization (UNESCO), the General Agreement on Tariffs and Trade (GATT), the International Bank for Reconstruction and Development, the International Development Association (IBRD) and (IDA), the International Monetary Fund (IMF), the Latin American Institute for Economic and Social Planning, the International Civil Aviation Organization (ICAO), the International Labour Organization (ILO), and the Food and Agriculture Organization of the United Nations (FAO).

The Meeting was also attended by the following members of the Panel of Experts: Raúl Sáez, Coordinator, Hernando Agudelo Villa and Rômulo Almeida.

The names of other national and international organizations represented at the meeting may be found in the List of Participants, Appendix A, of the Spanish version of this report.

1. See Doc. CIES/513 (Spanish only).

2. See Appendix A of the Spanish version of this report.

Part II

ORGANIZATION OF THE WORK

A. OFFICERS

At the first plenary session, the meeting elected the following officers:

Chairman:	Diogo Adolpho Nunes de Gaspar	(Brazil)
First Vice Chairman:	Hugo Vigorena	(Chile)
Second Vice Chairman:	William D. Rogers	(United States)

B. AGENDA OF THE SECOND ANNUAL MEETING OF
THE IA-ECOSOC AT THE EXPERT LEVEL
(Approved October 30, 1963)

ANNUAL REVIEW OF THE ALLIANCE FOR PROGRESS

TOPIC I: PLANNING, REFORMS, AND FINANCING

- A. The economic and social situation in Latin America
 - 1. Recent trends in the economic and social development of the countries of Latin America
 - 2. Resources for development, public and private:
 - a. Domestic
 - b. External (including financial resources and technical assistance provided by the Latin American countries)
 - 3. Public information
- B. Specific aspects of economic and social development
 - 1. Programming for development
 - 2. Fiscal policy and administration
 - 3. Public administration
 - 4. Agricultural development and agrarian reform
 - 5. Industrial development

/6. Housing

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6. Housing
7. Community development
8. Education and training
9. Health and demography
10. Labor matters

C. Machinery of the Alliance

TOPIC II: LATIN AMERICAN FOREIGN TRADE AND ITS SIGNIFICANCE FOR THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

1. Progress achieved in the preparation for the United Nations Conference on Trade and Development; coordination of trade policies
2. Significant developments in Latin America's foreign trade
3. Activities of the groups on basic products
4. Diversification of exports: manufactured and semimanufactured products
5. Compensatory financing of fluctuations in export receipts
6. Trade policies of the European Economic Community
7. Trade policies in the GATT

TOPIC III: REGIONAL INTEGRATION

1. Activities of LAFTA and the Central American Common Market
2. Possibilities of accelerating and expanding the process of Latin American economic integration
 - a. Technical assistance and studies needed
 - b. Other requirements for accelerating the integration process

TOPIC IV: PROGRAMS AND BUDGETS

- A. Program and budget of the activities of the Pan American Union within the sphere of competence of the IA-ECOSOC, 1964/65.

/B. Activities

B. Activities and Budget of the Program of Technical Cooperation - 1964

C. Reports by Inter-American specialized conferences and organizations

C. WORKING COMMITTEES

The following committees, subcommittees and working groups were established:

COMMITTEE I.

Economic and Social Matters

Chairman:	Hector Hurtado	(Venezuela)
Vice Chairman:	J. Antonio Palacios	(Guatemala)
Rapporteur:	Jorge Vélez García	(Colombia)

Subcommittee I-A: Specific Aspects of Economic and Social Development

Chairman:	Emilio Castañón Pasquel	(Peru)
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Working Group I. External Financing and Its Coordination

Working Group 2. Coordination of Draft Resolutions

Subcommittee I-B: Machinery of the Alliance

Chairman:	Jesús Rodríguez y Rodríguez	(México)
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Working Group. Establishment of the Inter-American Committee on the Alliance for Progress (CIAP)

COMMITTEE II.

Trade - Integration

Chairman:	Gastón Enrique Valente	(Argentina)
Vice Chairman:	Jorge Armijo	(Nicaragua)
Rapporteur:	Gustavo Petricioli	(Mexico)

Subcommittee II-A: Foreign Trade

Chairman:	Gastón Enrique Valente	(Argentina)
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/Subcommittee II-B.

Subcommittee II-B. Regional Integration

Chairman: Jorge Armijo (Nicaragua)

COMMITTEE III

Program and Budget

Chairman: Anibal Mesa (Uruguay)
Vice Chairman: Leonilo Armando Alas (El Salvador)
Rapporteur: José Espinal Salinas (Peru)

Subcommittee III-A. Program and Budget of Activities of the Pan American Union
Within the Sphere of Competence of the IA-ECOSOC

Chairman: Juan Manuel Figuerero Antequeda (Argentina)

Subcommittee III-B. Activities and Budget of the OAS
Program of Technical Cooperation

Chairman: Gonzalo Apunte Caballero (Ecuador)

COORDINATING COMMITTEE

Chairman: Diogo Adolpho Nunes de Gaspar (Brazil)
First Vice Chairman: Hugo Vigorena (Chile)
Second Vice Chairman: William D. Rogers (United States)
Chairman, Committee I: Hector Hurtado (Venezuela)
Chairman, Committee II: Gastón Enrique Valente (Argentina)
Chairman, Committee III: Anibal Mesa (Uruguay)

CREDENTIALS COMMITTEE

Chairman: Aureliano Aguirre (Uruguay)
Fernando Mora Carvajal (Costa Rica)
Alberto Quevedo Toro (Ecuador)

STYLE COMMITTEE

Francisco de Assis Grieco (Brazil)
Simon N. Wilson (United States)
Federico Mandelburger (Paraguay)

D. SECRETARIAT

1. Office of the Executive Secretary of the IA-ECOSOC

Mr. Walter Sedwitz, Acting Assistant Secretary for Economic and Social Affairs of the Pan American Union and Acting Executive Secretary of the IA-ECOSOC headed the Secretariat, and Mr. Armando Cassorla acted as his Special Assistant. Mr. Jaime Posada, Assistant Secretary for Cultural, Scientific and Informational Affairs also participated in the work of the meeting.

Serving as chief advisors to the Executive Secretary of the IA-ECOSOC were Messrs. Tulo H. Montenegro, João Gonçalves de Souza, Angel Palerm, Francisco García Amador, and René Monserrat, Directors of the Departments of Statistics, Technical Cooperation, Social Affairs, Legal Affairs, and Economic Affairs, respectively.

Messrs. Alvaro Magaña, Alberto A. Fraguío, and Howard Salzman served as Technical Secretaries to Committee I, II, and III, respectively.

2. Coordinator of Services of the Host Country

Mr. Mario Dias Costa was appointed by the Government of Brazil to act as Coordinator of Services of the host country.

3. Director of Secretariat Services

Mr. Edward P. Davis, of the Pan American Union, was appointed Director of Secretariat Services.^{1/}

1. A complete list of the officials and staff who took part in the meeting appears in Appendix B of the Spanish version of this report.

Part III

RESOLUTIONS APPROVED BY THE SECOND ANNUAL MEETING OF THE IA-ECOSOC AT THE EXPERT LEVEL; DRAFT RESOLUTIONS AND DRAFT AGENDA PRESENTED TO THE SECOND ANNUAL MEETING OF THE IA-ECOSOC AT THE MINISTERIAL LEVEL

A. RESOLUTIONS APPROVED BY THE SECOND ANNUAL MEETING OF THE IA-ECOSOC AT THE EXPERT LEVEL 1/

At the plenary session held on November 9, 1963 the Meeting approved the following resolutions:

A-1/E63

ACTIVITIES OF THE SECRETARIAT: PREPARATION AND PRESENTATION OF THE ECONOMIC AND SOCIAL SURVEY OF LATIN AMERICA

WHEREAS:

The review of the general economic and social situation of Latin America is greatly facilitated when general surveys on the evolution of the different activities in the countries of the region are available; and

The economic and Social Survey of Latin America prepared by the Secretariat and presented at this Second Meeting has effectively helped to place the specific problems facing our economies within a general framework that makes them easier to analyze,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES;

To instruct its Secretariat to continue preparing and presenting, in accordance with established procedures, the Economic and Social Survey of Latin America, covering not only general problems but also, insofar as possible, specific aspects of economic and social development.

1. Reviewed by the Style Committee.

A-2/E63

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A-2/E63

ACCELERATION OF EXTERNAL FINANCING OPERATIONS

WHEREAS:

It is necessary to accelerate external financing operations within the framework of the Alliance for Progress

The joint action of the various credit agencies and the decentralization of their operations through national or regional offices, in close cooperation with one another, would facilitate the rapid culmination of credit negotiations and operations; and

The granting of credit lines to finance pre-investment research is an effective way of promoting the rapid preparation of feasibility studies, which would otherwise be limited by the domestic resources available,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To recommend to the international credit agencies that they establish national, or at least regional, offices to evaluate and approve feasibility and final studies and, as well, to carry out fully the other operations required in the granting of credits.

2. To recommend to the financing institutions which take a part in the Alliance for Progress that they give special attention to requests for lines of credit for the preparation of pre-investment projects.

A-3/E63

PREPARATION OF STUDIES ON THE BASES FOR, AND POSSIBILITIES OF,
PLANNING AT THE REGIONAL INTEGRATION LEVEL

WHEREAS:

There is interest in coordinating the various economic development plans and in overcoming obstacles to the achievement of this end;

An example of the usefulness that such coordination of national plans can have already exists in Central America;

Adequate conceptual bases for planning at the regional integration level are lacking in Latin America; and,

/For the

For the reasons set forth above, it is necessary to prepare studies in this field, beginning gradually with ones relating to sectorial planning,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To empower the General Secretariat to take the necessary steps to prepare, on its own and in cooperation with other organizations, studies to determine the bases for, and possibilities of, planning at the regional integration level, beginning with infrastructure programs, and with a view to the programming of other sectors.

2. To charge the General Secretariat with presenting a report at the next meeting of the Inter-American Economic and Social Council containing appropriate findings and recommendations.

AW4/E63

EXPANSION OF THE NATURAL RESOURCES RESEARCH PROGRAM

WHEREAS:

One of the basic problems for the Latin American countries in achieving more rapid development and in drawing up development plans that include necessary immediate action projects is their limited knowledge of their natural resources;

Research in the area of natural resources is extremely costly and requires highly specialized personnel;

The financing of this research cannot be assigned to any specific project, because owing to its general character, such research forms part of a country's economic infrastructure, providing the basis for the preparation of a series of specific projects;

In several countries the General Secretariat of the Organization of American States has been carrying out successful research on available natural resources;

These studies have been extremely useful to these countries in drawing up their development plans; and

The extent of this work of the General Secretariat has been limited by the funds available,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

/RESOLVES:

RESOLVES:

1. To recommend to the Council of the Organization of American States that the natural resources research program that is being carried out by the Department of Economic Affairs of the General Secretariat be expanded, in order to aid the member states in these tasks.

2. To charge the General Secretariat with taking steps to obtain funds to finance a greater number of national and regional studies of natural resources.

A-5/E63

**ECONOMIC DEVELOPMENT OF BORDER REGIONS WITHIN
THE OBJECTIVES OF THE ALLIANCE FOR PROGRESS**

WHEREAS:

Resolution B-2/M62 of the First Annual Meeting of the Inter-American Economic and Social Council:

1. Recommended "that the countries interested in joint economic development of border zones promote the formation of mixed committees to study programs leading to the development of those zones, and that they strive for the appropriate coordination of planning organizations, for the purpose of preparing specific development programs for the said zones, with a view to obtaining internal or external financing"; and
2. Requested "that the Executive Secretariat of the Inter-American Economic and Social Council, on the basis of data presented by the governments, report at the Council's next meeting on activities in Latin America directed at the objectives set forth in the previous paragraph";

It is of utmost importance for the fulfillment of the objectives that inspired the Charter of Punta del Este that the Inter-American Economic and Social Council give maximum attention to the initiatives which the nations of the Hemisphere take by reason of its recommendations and resolutions; and that, when these initiatives meet all prerequisites, the Council exert all its influence in favor of their success, thus preventing those resolutions from remaining mere statements of economic policy and seek, rather, to have them become effective instruments for the achievement of positive results;

Resolution B-2/M62, mentioned above, of the First Annual Meeting, is designed to promote directly the study and execution of specific regional development projects, on the basis of agreements between governments of neighboring countries; and

It is of great interest for the progress of the Hemisphere that projects of this kind that the American countries may have prepared be the object of immediate

/attention under

attention under programs included in the Alliance for Progress, in order to obtain, whenever possible, execution thereof as rapidly as possible,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To request the General Secretariat to prepare a list of projects for development of border regions that have been considered by the American nations, as recommended in Resolution B-2/M62, utilizing the information gathered in accordance with the terms of paragraph 2 of the operative part of that Resolution, together with that submitted by the delegations attending this Second Annual Meeting; and to transmit this list to the Panel of Experts and to the institutions that cooperate in financing plans and projects of this nature within the framework of the Charter of Punta del Este, for their information and a study of the financing involved.
2. To urge the governments of the American states interested in such joint development projects to begin negotiations with the aforementioned institutions, separately as well as jointly, to have the projects studied, evaluated, and financed as soon as possible.
3. To recommend to the entities mentioned that, bearing in mind the importance of such projects for the regional development of certain areas of Latin America, they give special priority to studying, evaluating and financing them.

A-6/E63

ACTIVITIES OF THE OAS/IDB/ECLA JOINT
TAX PROGRAM FOR LATIN AMERICA

WHEREAS:

Activities were organized under the joint program of the Organization of American States, the Inter-American Development Bank, and the Economic Commission for Latin America, designed to cooperate with the governments of Latin American countries in strengthening tax systems, in order that the necessary tax reforms be adopted within the framework of the Alliance for Progress;

Such activities included the holding of inter-American conferences on tax administration and tax policy, which made it possible to fix the general lines of the aforementioned reforms;

Fiscal surveys have been initiated in ten countries and of these, three have been satisfactorily completed and the remainder are approaching conclusion; and

/in accordance

In accordance with the provisions of the Charter of Punta del Este, the drafting of the tax reforms required to accelerate development is a pressing necessity,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

That the OAS/IDB/ECLA Joint Tax Program expedite completion of the studies being carried out and intensify its technical cooperation activities in the field of taxation.

A-7/E63

PUBLIC ADMINISTRATION

WHEREAS:

A good administrative organization, sound and stable in both its institutional and operative aspects, is an essential prerequisite for the efficient execution of development programs, making proper use of the national resources available and the additional assistance that may be obtained from various sources to accelerate progress in each country;

In democratic countries government action, as a factor for guiding and coordinating private interests to the benefit of the general welfare, fixes administrative responsibilities that are no less essential for ensuring such progress and welfare;

In a program designed to facilitate and accelerate general progress through better rates of efficiency in public service, priority should be given to the development of local talent and to the improvement of the techniques of administration and execution of economic and social planning in a democratic framework;

The dissemination of modern practices of administration should therefore be promoted, with the cooperation of countries willing to perfect their administrative machinery and methods, with such assistance as may be required for the strengthening of national and regional institutes and centers for research, training, and advisory services, already set up or to be set up on this field, and through the development of a general consciousness of the principles of good administration that ensure maximum efficiency in furtherance of community interests;

A program called "Administration for Development" has been organized by the General Secretariat to facilitate the action, and cooperate in the efforts, of the member states to improve their structures and procedures, so as to speed up the process of economic and social development;

/Suitable training

Suitable training of public employees is indispensable to ensure the efficiency and objectivity of the administrative machinery, and an essential prerequisite for adopting the merit system and generalizing its application in public service,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To request the Secretary General to promote the assistance, dissemination and research activities begun by the Organization in the field of public administration, especially as regards administration for development, giving particular attention to the conditions and needs of the countries of Latin America that are willing to further economic and social progress through the improvement of their administrative work structures and systems.

2. To request also that the program called "Administration for Development", organized in accordance with the objectives of the Alliance for Progress, focus its endeavors on creating sources of information and training, investigating the specific problems involved in the execution of development programs, compiling knowledge and experience useful for this purpose, stimulating the practical application thereof, and offering such technical administrative advice and cooperation as may be demanded of it in this field by the member states.

3. To recommend that, in the implementation of this program, to the fullest possible extent, action be combined with that of the regular activities of the Program of Technical Cooperation of the Organization of American States, and that assistance be coordinated with that of other international agencies and programs, as provided in the Act of Bogotá and the Charter of Punta del Este.

4. To recommend finally, that in this program priority be given to training, dissemination, and assistance projects tending to develop, and make better use of, local talent, and national and regional centers and institutes set up or to be set up in Latin America for the promotion of the study and application of administrative techniques suited to the requirements of each country.

A-8/E63

THE CAREER CIVIL SERVICE AND ITS REMUNERATION

WHEREAS:

Adequate administrative organization is essential to mobilizing and using financial resources in a more efficient, rational and equitable manner;

/The successful

The successful implementation of plans and programs requires availability of sufficient technical and specialized personnel;

The achievement of these objectives requires the strict adoption of measures to improve administration; and

It is most important, among other measures, to provide guarantees for administrative careers, the job security of civil servants, and their adequate remuneration,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. That a career civil service be organized or improved, and that the job security of the civil servant be guaranteed by the enactment of a civil service law in those countries where the merit system has not yet been adopted.

2. That civil servants be ensured adequate salaries, and that the effort be made to have them compare more favorably with those for similar work in the private sector.

A-9/E63

PROMOTION AND ORGANIZATION OF AGRICULTURAL COOPERATIVES

WHEREAS:

Cooperatives constitute one of the most effective means for the development of the Latin American countries;

The Inter-American Conference of Ministers of Labor on the Alliance for Progress held in Bogotá, Colombia, in May 1963, requested that the governments of Latin American countries and international organizations encourage cooperative activities; and

The conclusions of the Report on the Second Meeting of Special Committee II, on Agricultural Development and Agrarian Reform, indicate problems to which the cooperative movement can contribute effective solutions,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To recommend that among the topics discussed by the Special Committee on Agricultural Development and Agrarian Reform special stress be laid on those connected with cooperatives, and on similar voluntary organizations.

/2. To recommend

2. To recommend that the General Secretariat intensify its activities in connection with the study, promotion, and organization of agricultural cooperatives as a part of agricultural development and agrarian reform, including technical assistance to the countries in this field.

A-10/E63

SUPPORT TO THE INTER-AMERICAN COMMITTEE
FOR AGRICULTURAL DEVELOPMENT (CIDA)

WHEREAS:

The Inter-American Committee for Agricultural Development (CIDA) was organized as a result of the Punta del Este meeting for the purpose of enlisting the resources of the various regional and world agencies concerned with agricultural development in Latin America and placing them at the disposal of the different programs to be carried out under the directives of the Charter of Punta del Este;

This Committee is formed by five agencies actively interested in agriculture in the region, namely, the Pan American Union, the Inter-American Institute of Agricultural Sciences, the Food and Agriculture Organization of the United Nations (FAO), the Inter-American Development Bank, and the Economic Commission for Latin America; and

These agencies have carried out, through the Committee, an important program of coordination, especially in the recruitment and organization of advisory groups and in research on obstacles to agricultural development in Latin America, such as the existing land tenure systems and the lack of basic information for agricultural development programming in Latin America.

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

That the agencies that form the Inter-American Committee for Agricultural Development and the governments of the member states continue to give the Committee all the support it requires in matters of staff and financial and other resources, in order to increase its important activities.

/A-11/E63

A-11/E63

ECONOMIC IMPORTANCE AND CONSEQUENCES
OF FOOT-AND-MOUTH DISEASE TO THE AMERICAS

WHEREAS:

Note has been taken of the report of the Pan American Foot-and-Mouth Disease Center (Doc. CIES/389) and the Report of the Second Meeting of Special Committee II (Agricultural Development and Agrarian Reform);

Foot-and-mouth disease has an adverse effect on the cattle-raising economy, on nutrition, and, indirectly, on human health and welfare;

Foot-and-mouth disease has a very serious impact on cattle production, resulting in reduced supplies for meeting domestic needs and lowered export potentials;

It is important that countries that are free of foot-and-mouth disease maintain this favorable situation;

The present incidence of the disease in South America constitutes a constant menace; and

Technical advances have made available better vaccines, which permit more practical and economic control of this disease than in the past.

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level.

RESOLVES:

1. To recommend to the Pan American Sanitary Bureau that, through the Pan American Foot-and-Mouth Disease Center, it promote regional campaigns against the disease in those countries in which it currently exists and that it intensify regional programs for preventing the introduction and spread of the disease in countries free therefrom.

2. To recommend that, in order to make regional campaigns more effective, national programs to combat foot-and-mouth disease be established and carried out on an institutional basis, and be organized to engage in research, experiments, vaccination, and sanitary control measures.

3. To recommended that, as a first step, it call a meeting of authorities in the control of animal disease from countries affected by foot-and-mouth disease, a) to propose a plan to be carried out by the countries concerned, taking care to strengthen national institutions in connection with joint or supplementary

/activities and

activities and, b) to make a thorough study of the organization, cost, and benefits of the regional programs and national programs.

4. To recommend that the regional and national programs that may be drawn up as a result of these studies be presented to international credit institutions, in case added financial assistance is required, and that the total amount of resources that could be contributed to these programs be determined.

5. To request that a report on progress made in this area be submitted to the Third Meeting of Special Committee II and to the Third Annual Meeting of the Inter-American Economic and Social Council.

A-12/E63

TRANSFERS OF PROPERTY IN CONNECTION WITH AGRARIAN REFORM

WHEREAS:

Paragraph 6 of Title I of the Charter of Punta del Este points out the need to encourage comprehensive programs of agrarian reform in keeping with the special conditions prevailing in each country;

The objectives of these programs will be met only if adequate legal, technical, and financial instruments are available, to permit rapid property transfers, without creating inflationary pressures or excessive tax burdens in connection with payment for property expropriated;

Owing to their limited capital resources, the Latin American countries cannot divert excessive amounts of domestic public savings to payments for property transfers; and

History shows that agrarian reform programs carried out, even in countries of a more advanced state of development than those of Latin America, have not made immediate payment for property transfers, but rather over terms permitted by the productivity of the land itself and the general economic situation of the country in question,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

That preference be given to deferred payment for property transfers resulting from agrarian reform programs, in accordance with the characteristics and possibilities of each country, establishing, if necessary, legal measures that will permit such method of payment.

1-13/E63

A-13/E63

INDUSTRIAL DEVELOPMENT AND FINANCING OF THE PRIVATE SECTOR

WHEREAS:

Industrial development occupies a place of great importance in the economic and social development of Latin America;

In the execution of national industrial development plans the private sector plays a fundamental role; and

There is an evident need for an exchange of experiences and information, as was established in the course of the work of Special Committee IV (Industrial Development and Financing of the Private Sector),

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. That the Secretariat continue to perform work related to the export of Latin American manufactures.
2. That the Secretariat also continue to carry forward the study of a series of concrete experiences relating to local, national, and regional institutions concerned with the promotion of private investment.
3. That the Secretariat consider engaging in further activities in the field of industrial development and the financing of the private sector, preferably studies on the provision of working capital and on preinvestment, which will be carried out if the pertinent budgetary provisions permit; and that the Secretariat take into account the discussions of Special Committee IV and of the Inter-American Economic and Social Council in programming these activities and studies.

A-14/E63

CONTINUATION OF THE SURVEY OF HOUSING IN LATIN AMERICA

WHEREAS:

Lack of basic documentation on housing in many countries has constituted an obstacle to the preparation of programs in this field;

Certain countries have already established the techniques and mechanisms required for the classification and processing of the information needed for sound housing programs;

/An exchange

An exchange of information and ideas on this subject between technicians and experts from the more advanced countries and one from other countries would be very fruitful;

The work of Special Committee VI of the Inter-American Economic and Social Council (Housing) has been hampered by the lack of up-to-date and comparable data;

The Survey of Housing in Latin America being conducted by the Organization of American States can make a valuable contribution to methodology;

It is of the utmost importance that this survey be continued and its success insured by coordinating it with other surveys of this nature being carried out in the member states; and

It is equally important that the Survey be carried out with the cooperation of national technicians, which would help to convert it into a technical assistance activity,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

That the General Secretariat spread knowledge and experience among the Latin American countries through the exchange of information, experts, and competent technicians, for which it is considered essential to continue the Survey of Housing in Latin America entrusted to the Secretariat; and that the Survey be carried out with the cooperation of technicians from the countries of the Americas.

A-15/E63

STUDY OF HOUSING PROGRAMMING

WHEREAS:

One of the principal reasons why housing programs in Latin America are lagging is that many countries have not paid sufficient attention to planning and programming;

In many cases the place of housing plans within the national development plan, and the relation between the two have not been clearly defined, housing plans having been conceived as mere investment programs;

This situation, reflecting a lack of clearly defined objectives with respect to housing of social interest, is demonstrated by an inadequate investment of the scarce financial resources available, which in turn affects general development;

/There is

There is a notorious lack of working methods and procedures for social programming in housing;

Social programming is essential to the formulation of national policies and objectives, to the establishment of plans that are compatible with needs, to the effective use of resources of a socio-cultural nature, and to the evaluation of accomplishments;

Recommendation B.1, "Programming", on page 25 of the Report of the Second Meeting of Special Committee VI to the Inter-American Economic and Social Council (CIES/306), suggests that the Secretariat be provided with the necessary means for analyzing methods and systems of programming in low-cost housing; and

This study would be more useful if it were undertaken in each country with the active participation of the housing institutes,

The Second Annual Meeting of the Inter-American Economic and Social Council at the expert Level

RESOLVES:

To recommend that the Council of the Organization of American States provide the General Secretariat with the necessary means for undertaking, with the participation of the housing institutes, an analysis of the methods and systems of social programming in housing applicable to Latin America, which would cover the entire process and be useful to the institutions in charge of housing programming.

A-16/E63

HOUSING COOPERATIVE PROGRAMS

WHEREAS:

In Latin America in general there is a great scarcity of institutions for attracting the savings of large sectors of the population and channelling them into housing;

In some countries successful efforts have been made through savings and loan associations and housing cooperatives;

Recommendation 34 of the Declaration of Cundinamarca, approved at the Inter-American Conference of Ministers of Labor on the Alliance for Progress, held in Bogotá, points out the advisability of promoting housing cooperatives among others;

The Inter-American Development Bank promotes the construction of housing for low-income groups, through the Social Progress Trust Fund; and

/It is

It is recognized that the Bank has made substantial progress during the past two years in achieving this objective,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To recommend to the Inter-American Development Bank that it continue to promote vigorously the granting of credits for low-cost housing, and to use for this purpose not only government institutions but also cooperatives, giving special attention to cooperatives established or sponsored by democratic trade unions.

2. To recommend that external financing institutions continue to assist savings and loan associations to the extent they are able.

A-17/E63

SEMINAR ON THE ADMINISTRATION OF HOUSING PROGRAMS

WHEREAS:

Housing administration, especially with reference to allocation, maintenance, collection, and social services, is basic to fulfilling the social development objectives of housing and to protecting invested capital, which is necessary to assure program continuity;

The defective techniques and methods used in the administration of housing programs have led to delays in operation;

Sound housing administration is even more necessary in view of the increased number of dwellings being administered by institutions;

Housing administration is a function that requires specialization for efficiency; and

The members of Special Committee VI of the Inter-American Economic and Social Council (Housing) have considered this problem to be one of the most important in the housing field and have formulated a recommendation that appears on page 28 of the Report of the Second Meeting of Special Committee VI to the Inter-American Economic and Social Council (CIES/306),

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

/RESOLVES:

RESOLVES:

1. To recommend that the Council of the Organization of American States provide the Secretariat with the necessary resources for holding a seminar on the administration of housing programs in a Latin American country as soon as possible.

2. To recommend that this seminar include at least the following topics on its agenda:

- a. Exchange of information on experiences of the various countries in this field;
- b. Discussion of housing administration methods and systems that are applicable to the programs of Latin American institutions;
- c. Drafting of a program for training specialized personnel in the field of housing administration, said program to include a regular exchange of information and publications.

A-18/E63

SPECIAL COMMITTEE ON COOPERATIVES

WHEREAS:

The cooperative movement is of great importance to the economic and social development of the Latin American countries;

The development of the cooperative movement in the member states of the Organization of American States has reached an advanced stage, as may be seen from the conclusions set forth in document CIES/299, Part III;

It is convenient for the Organization of American States to stimulate this movement, which for the reasons stated above, represents an important factor in the economic and social development of the Hemisphere and, hence, helps raise the standards of living of the underprivileged classes and contributes to their political and social education,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

To recommend that the General Secretariat look into the best way of providing support and encouragement to the cooperative movement in the Americas, creating for this purpose, if available funds permit, a committee which, in addition to carrying out this task, would study ways to improve the organization of this movement. The conclusions reached by the committee should be presented before the next annual meetings of the Inter-American Economic and Social Council.

A-19/E63

A-19/E63

FINANCING OF EDUCATIONAL DEVELOPMENT PROGRAMS

WHEREAS:

It is urgent to assess, through appropriate methods, the level of educational development achieved in each of the countries of the region and the magnitude of the financial efforts, both domestic and foreign, required to meet the goals set in the Ten-year Education Program of the Alliance for Progress;

To this end, the United Nations Educational, Scientific, and Cultural Organization, at the Conference held in Santiago, Chile (1962), and the Education Task Force of the Organization of American States have prepared outlines of methods applicable to national studies in this fields, as illustrated by the reports presented to this Meeting; and

The Third Inter-American Meeting of Ministers of Education recommended to the governments that they set their goals for the development of education and prepare studies on the financing of such programs,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. That it be recommended to the governments of the member states that they set their goals for the development of education and assess the over-all financial effort, the domestic resources available and their foreign credit requirements for the programs designed to carry out the Ten-year Education Program of the Alliance for Progress.
2. That the General Secretariat investigate with the financing institutions linked with the Alliance for Progress, the feasibility of external credits to finance education programs that are compatible with national development plans.
3. That the characteristics of education programs require special patterns of external financing, characterized by long-term credit facilities, low interest rates, and with periods of grace.
4. That, with reference to external credit transactions, the institutions financing education programs consider as the national counterpart to such credit facilities the domestic effort made by each country, as reflected by the percentage of public expenditures which is devoted to education and the relation of educational expenditures to the gross national product.
5. That the General Secretariat, with the cooperation of the Latin American Economic and Social Planning Institute and other competent agencies, advise the

/governments on

governments on the preparation and financing of their national programs for educational development.

6. That, in 1964, the Special Committee on Education and Training of the Inter-American Economic and Social Council assist in the preparation of the studies referred to in this resolution, in order that they be completed as soon as possible for submittal to the appropriate bodies of the inter-American system.

A-20/E63

ACTIVITIES OF THE ORGANIZATION OF AMERICAN STATES
IN THE FIELDS OF SCIENCE AND TECHNOLOGY

WHEREAS:

Scientific and technical progress is a fundamental factor in economic and social development;

The national reports presented to the Third Inter-American Meeting of Ministers of Education show marked inadequacies in scientific and technological education, training, and research;

The most efficient use of the resources of the signatory countries of the Charter of Punta del Este demands efforts of a scientific and technical nature that at the present time lack the necessary range and depth for attaining the desirable technical development;

A summary analysis reveals that sums laid out by the industrialized countries for activities of the kind mentioned are on the increase; and

The Pan American Union is carrying out programs of positive value in this field,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To declare that training and research activities in the fields of science and technology be among those assigned priority under the Alliance for Progress.

2. To recommend that the member states promote research and training activities in scientific and technological branches as an efficacious way of contributing to the development of the American community.

3. To recommend

3. To recommend to the member states that, in the preparation of their national development plans, they pay special attention to the training of personnel and to the organization of scientific and technological research.

4. To recommend to the General Secretariat that it intensify the efforts now being exerted to promote and assist scientific and technological research and training of the scientific and technical personnel required for research and teaching, by providing technical assistance and by organizing both regional and national activities.

A-21/E63

REPORT OF THE MEETING OF THE TASK FORCE ON HEALTH
AT THE MINISTERIAL LEVEL

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level,

CONSIDERING:

The study made of the Report of the Task Force on Health at the Ministerial Level (Document CIES/397);

That the recommendations presented therein are based on the careful examination of the health goals of the Charter of Punta del Este and of the Ten-year Health Plan contained in Resolution A.2 of the Charter; and

The contribution required of the health sector for the promotion of economic and social development in accordance with the Charter of Punta del Este,

RESOLVES:

1. To approve the Report of the Task Force on Health at the Ministerial Level which sets forth in detail the way for putting into practice the Ten-year Health Plan of the Alliance for Progress.

2. To suggest to the governments that the recommendations of this report be given due consideration in the preparation and execution of their national plans for economic and social development.

3. To recommend to the international organizations and agencies concerned with the implementation of programs of the Alliance for Progress that this report be considered and utilized in planning their activities.

/A-22/E63

A-22/E63

FINANCING FOR THE MALARIA ERADICATION PROGRAM

WHEREAS:

The malaria eradication program has become hemisphere-wide in scope;

The continuation of this program demands heavy budget allocations, and national efforts in keeping with the directives of this program of inter-American cooperation; and

The eradication of malaria will be of fundamental importance in improving health conditions for the peoples of Latin America, being an essential prerequisite for raising the levels of economic and social development,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

To recommend that contributions made available by institutions of the Alliance for Progress for the purpose of pursuing the malaria eradication campaign be in the form of grants.

A-23/E63

ESTABLISHMENT OF NATIONAL TRADE UNION ADVISORY COMMITTEES
FOR THE ALLIANCE FOR PROGRESS

WHEREAS:

It is a principal objective of the Alliance for Progress to make the benefits of economic progress available to all citizens of all economic and social groups through more equitable distribution of national income, raising more rapidly the income and standard of living of the needier sectors of the population, at the same time that a higher proportion of the national product is devoted to investment; and

The Charter of Punta del Este calls for the participation of labor organizations, along with other institutions, in carrying out national development programs; and

The Declaration of Cundinamarca adopted by the Inter-American Conference of Ministers of Labor on the Alliance for Progress declared it to be essential

/that democratic

that democratic trade unions play an active role at the national and inter-American level in order to achieve more rapidly and effectively the objectives of the Alliance,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

That wherever possible, in accordance with local conditions, a trade union advisory committee, including representatives of all principal democratic trade union organizations, should be established to collaborate with the national development planning institutions and/or the Ministry of Labor, offering their observations on Alliance for Progress programs affecting the labor sector with the object that these programs shall be formulated and carried out with the fullest possible participation of the working people and their representatives.

A-24/E63

SYSTEMS OF PAYMENT FOR WORK PERFORMED

WHEREAS:

Several Latin American countries have regions in which antiquated systems of payment for farm work are still used, such as payment in kind, and use of land and pastures;

Such practices, in addition to creating an intolerable bond of personal servitude--and even in some cases family servitude--that is incompatible with the essential dignity of man, contribute as a whole to the exclusion of large sectors of the Latin American population from the money economy; and

The use of antiquated systems of payment for work has permitted the existence of institutions that are destructive to the national economy, thus acting as a brake on the economic and social development of the countries of the Hemisphere,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To recommend to the member states of the Organization of American States that have not done so that they ratify Convention N° 95, concerning wage protection, approved by the International Labor Conference in 1949.

2. To recommend that working relations and practices and land tenure systems that imply personal servitude be abolished.

/A-25/E63

A-25/E63

LATIN AMERICAN HUMAN RESOURCES PROGRAM.

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level,

CONSIDERING:

The declaration made in Resolution A.1 annexed to the Charter of Punta del Este, concerning the Ten-year Education Program of the Alliance for Progress;

The recommendations of the Conference on Education and Economic and Social Development in Latin America, held in Santiago in 1962, on the desirability of making studies on the situation in regard to manpower supply and demand, current and future;

The recommendation for an immediate action project on development of human resources made by the Education Task Force;

The resolutions of the Third Inter-American Meeting of Ministers of Education; and

That studies on evaluation of human resources are of fundamental importance for economic and educational planning;

That the Inter-American Conference of Ministers of Labor on the Alliance for Progress recommended that labor ministries should give priority to the development of human resources and their full use in all programs which they undertake;

That, to carry out the aforementioned mandates and recommendations, the Pan American Union has organized and set in operation a Latin American regional program for planning in the area of human resources;

That the objective of this program is to assist member countries, through a scheme of regional cooperation and coordination, in developing, on a continuing and permanent basis, studies on occupational supply and demand and projections of future requirements, as a basic element that will permit relating educational programming to economic and social development planning; and

That, in the light of the success of experiments being carried out in Europe and Latin America, a regional approach, on a basis of mutual assistance and cooperative effort, seems to be an excellent means for bringing about full development of national studies,

RESOLVES:

1. To recommend to the member states that they carry out national studies of evaluation of human resources:

/2. To recommend

2. To recommend to the General Secretariat that it redouble its activities under the Latin American human resources program, in view of the fact that it constitutes an effective medium of mutual aid and cooperative effort.

3. To recommend to the General Secretariat that it undertake negotiations to obtain technical and financial cooperation from interested international organizations.

A-26/E63

LEGISLATIVE REFORMS DESTINED TO FACILITATE
LATIN AMERICAN ECONOMIC DEVELOPMENT

WHEREAS:

Basic legislation in the majority of the Latin American countries was conceived and dictated without special regard for the accelerated economic development of the countries and still less for the eventuality of integrating the various economies or of making them complementary;

In the majority of cases it is recognized that this legislation constitutes, or may constitute in the near future, a serious obstacle to the economic and social development for which the Latin American countries are now striving;

A revision of the entire basic legislation of the countries--which could be taken as a long-term aim--represents a very arduous and complex task, and should therefore be undertaken by special areas, and, within these areas, by the appropriate institutions; and

For purposes of systematizations, it would be desirable that the studies undertaken in the indicated manner be carried out, insofar as possible, with a certain measure of standardization,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

1. To recommend that the Latin American governments initiate studies with a view to facilitating readaptation of the present legal and institutional structures of the respective states, bearing in mind the requirements of economic and social development, including those of economic integration; that these studies be begun by special areas, and within these areas by the appropriate institutions; and that, if possible, this be done in agreement with other countries.

2. To recommend that the law schools organize seminars for the study of legal problems resulting from the integration of the economies of the various

/Latin American

Latin American countries and from the acceleration of the economic development process.

3. To recommend that the General Secretariat continue the studies currently under way on legal or institutional structures related to land tenure; and that it expand these studies, insofar as possible, to cover other areas.

A-27/E63

CONTRACTING OF CONSULTANTS FOR CARRYING OUT STUDIES
AND OTHER WORK FINANCED WITH EXTERNAL FUNDS

WHEREAS:

One of the conclusions reached by Special Committee I of the Inter-American Economic and Social Council at its second meeting, in San José, Costa Rica, is that the members of the Alliance for Progress do not have the flexibility needed freely to hire national or foreign consultants and contract personnel for preparing preinvestment studies or carrying out projects financed with external funds; and

Recommendation 4 of Special Committee I to the Inter-American Economic and Social Council requests it to urge the institutions providing technical and financial assistance to allow full freedom to the countries in selecting advisors and consultants,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

To recommend that the credit institutions within the Alliance for Progress allow the member states freedom to hire national or foreign consultants and contract personnel for carrying out preinvestment studies and for carrying out or supervising projects financed with foreign funds.

/B-1/E63

B-1/E63

IMPROVEMENT OF THE SUGAR MARKET

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level,

CONSIDERING:

The conclusions and recommendations of the First Meeting of Sugar Authorities of the member states of the Organization of American States, and the useful preparatory work done by the Group of Experts convened by the Organization of American States;

That there is a need for a new international sugar agreement in view of the dangers which an uncoordinated expansion of production presents for the future of the sugar market; and

That until a new and satisfactory international sugar agreement is in operation the United States preferential market is still of fundamental importance for the sugar exporting countries of the Organization of American States;

AGREES:

1. That in the absence of a new international sugar agreement the sugar-exporting countries of the Organization of American States, in order to expand their participation in the United States market, consider it indispensable:
 - a. To increase the basic quotas of the Latin American exporting countries;
 - b. To increase their share in the expanding consumption in the United States;
 - c. To eliminate the import duties and other taxes that result in a considerable reduction of sugar prices for exporting countries.
2. That a new international sugar agreement should consider the following basic objectives:
 - a. To guarantee the supply of sugar to the importing countries; and markets for exporting countries;
 - b. To stabilize sugar prices at levels remunerative for exporters and reasonable for importers;
 - c. To achieve universality of the agreement through the elimination of all preferential markets, in a gradual manner to ease the adjustments that must be made by exporting countries;

/d. To obtain

- d. To obtain fair access for the exporting countries to the markets of importing countries;
- e. To reduce or eliminate impediments to the consumption of sugar, including taxes.

3. That a new international sugar agreement should be negotiated as soon as possible. While the United Nations Sugar Conference in 1963 approved a protocol which will remain in force until the end of 1965, most countries felt that the new negotiations should be undertaken during 1964.

4. That another meeting of the sugar authorities of the member countries of the Organization of American States should be held, at an opportune time, to examine in more detail the bases for a new international agreement which would permit the attainment of the above-mentioned objectives, and that the Secretariat of the Organization should prepare the necessary documentation for this meeting.

B-2/E63

REITERATION OF THE PROVISIONS OF RESOLUTION C-11/M62
OF THE FIRST ANNUAL MEETING OF THE INTER-AMERICAN
ECONOMIC AND SOCIAL COUNCIL

WHEREAS:

No progress seems to have been made with regard to the establishment of an international study group on copper within the United Nations, as called for by Resolution C-11/M62 of the First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level, held in Mexico City in October 1962,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

To reiterate Resolution C-11/M62 (First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level), and request the Secretary General to transmit once again the recommendations embodied in Resolution C-11/M62 to, and use his good offices with, the Secretary General of the United Nations so that he may take the necessary steps to have the United Nations Interim Coordinating Committee on International Commodity Arrangements establish the international study group on copper.

/B-3/E63

B-3/E63

CREATION OF A PERMANENT LATIN AMERICAN SYSTEM
FOR CONSULTATION ON TRADE AND DEVELOPMENT

WHEREAS:

A seminar convoked by the Economic Commission for Latin America, will be held in Brasilia, Brazil, in January 1964, to which the governments of the countries of Latin America will appoint specialists who will seek to reach agreement on matters connected with the forthcoming United Nations Conference on World Trade and Development; and

The seminar would be an appropriate forum for studying the creation of a permanent system of consultation among the governments of the countries of Latin America through which they could determine common positions on hemisphere-wide trade policy and development,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

To recommend to the Secretary General that he request the Secretariat of the Economic Commission for Latin America to include on the agenda of the aforementioned seminar an item on the creation of a permanent Latin American system for consultation and coordination on trade and development.

C-1/E63

APPRECIATION TO THE INTER-AMERICAN SPECIALIZED ORGANIZATIONS

WHEREAS:

The inter-American specialized organizations of the Organization of American States have worked to further the aims of the Charter of Punta del Este; and

The Charter of the Organization of American States assigns to the Inter-American Economic and Social Council the responsibility of acting as coordinating agency for all official inter-American activities of an economic and social nature,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

/RESOLVES:

RESOLVES:

To take note of the reports submitted by the specialized agencies listed below, and to express the gratitude of the Inter-American Economic and Social Council for their contribution to the objectives of the Alliance for Progress:

Inter-American Indian Institute
Inter-American Commission of Women
Inter-American Institute of Agricultural Sciences
Inter-American Children's Institute
Inter-American Statistical Institute
Pan American Institute of Geography and History
Pan American Health Organization.

B. DRAFT RESOLUTIONS PRESENTED TO THE SECOND ANNUAL MEETING
OF THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL
AT THE MINISTERIAL LEVEL

At the plenary session held on November 9, 1963, the Meeting approved the following draft resolutions to be presented to the Meeting at the Ministerial Level for consideration:

Draft Resolution A-28/E63*

EXTERNAL FINANCING AND COORDINATION THEREOF

WHEREAS:

The funds of the Alliance for Progress should favor both the public and the private sector; and

Greater flexibility is needed both in granting and in administering these funds,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RESOLVES:

1. That the member states of the Organization of American States who consider it appropriate should create or organize, and in any case coordinate, financing institutions, such as economic and social development banks, charged with promoting development and administering funds obtained under the Alliance for Progress.

2. To recommend to the external financing agencies that channel the external funds for the Alliance for Progress that, when appropriate, they grant blanket lines of credit to make it feasible to carry out over-all or sectorial development plans or investment programs properly.

3. However, as long as some countries do not have adequate mechanisms for absorbing blanket financing, they should have access to lines of credit for specific projects.

* Approved during the Meeting at the Ministerial Level, see Resolution 4-M/63.

/Draft Resolution

Draft Resolution A-29/E63*

PREFERENTIAL TREATMENT FOR THE AGRICULTURAL SECTOR
IN DEVELOPMENT PLANS

WHEREAS:

Agriculture is at present a depressed sector within the economy; and

Agriculture is the basis for progress in developing countries since, in addition to being a producer of a food and raw materials, it is an important source of employment, capital, and foreign exchange, an effective instrument for improving the distribution of income through agrarian reform programs, a potentially broad market for the industrial sector, and an element of social and political stability,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RECOMMENDS:

That, in formulating national programs and policies and in the pertinent budget allocations, the countries should give the special treatment the agricultural sector requires, in order to achieve a gradual, sustained, and balanced development of the various sectors of the economy.

Draft Resolution A-30/E63**

CONTINENT-WIDE PROGRAM OF RURAL ENVIRONMENTAL HEALTH AND WELL-BEING

WHEREAS:

The document on the establishment of a continental-wide program of rural environmental health and well-being (CIES/341) has been examined;

Rural environmental health is important to the economic and social development of the rural population of the Americas;

One of the objectives set forth in the Charter of Punta del Este was to supply potable water and sewage-disposal services for at least 50 percent of the rural population during the present decade;

* Approved during the Meeting at the Ministerial Level, see Resolution 13-M/63

** Approved during the Meeting at the Ministerial Level, see Resolution 19-M/63

Resolution A-11/M62 of the First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level recognized the need to intensify efforts to improve living conditions in rural areas and to obtain international credits for the development of programs for this purpose;

The program received firm support at the Meeting at the Ministerial Level of the Task Force on Health (Washington, April 1963), the VIII Meeting of Ministers of Health of Central America and Panama (San José, July-August 1963) and the XIV Meeting of the Directing Council of the Pan American Health Organization (Washington, September 1963); and

Due account has been taken of the recommendations contained in the Report of Special Committee VI (Health Group) of the Inter-American Economic and Social Council (San José, August 1963),

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RESOLVES:

1. To recognize the importance of the problem of supplying potable water in rural environments, within the context of over-all rural development, and to recommend to the member states that they assign high priority to programs aimed at solving these problems:

2. To recognize the necessity of developing the Hemisphere-wide Program of Rural Environmental Health and Well-being along the lines set out in document CIES/341, based on the participation of the communities, the establishment of national revolving funds, and contributions of external funds, with a view to achieving the objectives set forth in Resolution A.2 appended to the Charter of Punta del Este.

3. To suggest that, after consultation with the interested countries, the Inter-American Development Bank undertake the responsibility for the administration of external financial resources, and, that the Pan American Sanitary Bureau undertake the responsibility for supplying technical advice to the governments at each stage of the program; and to suggest to both these organizations that, with the cooperation of other interested agencies, they study and establish appropriate procedures and relations that will make it possible to begin the program, it being understood that each government shall choose the appropriate time to begin the program, in accordance with the socioeconomic situation of the respective country, bearing in mind, in all cases, the social capacity for absorption of this type of investment of the communities that are to benefit.

4. To suggest to the Pan American Health Organization the appointment, in collaboration with the Inter-American Development Bank, of technical committees, to provide advisory services on financing, organization, community motivation, and other aspects of the program.

/5. To recommend

5. To recommend to the governments of the member states that they establish, and make proper legal and financial provision for the most adequate and competent organization to administer the program at the national level.

6. To recommend to the governments that they adopt the necessary financial measures that will enable them to select and organize the communities for beginning this program as soon as possible.

Draft Resolution A-31/E63*

CREATION OF A SPECIAL COMMITTEE OF THE INTER-AMERICAN
ECONOMIC AND SOCIAL COUNCIL ON LABOR MATTERS

WHEREAS:

The Charter of Punta del Este states that, in order to achieve the proposed goals, it will be necessary to make better and greater use of available human resources, adopt policies to ensure full employment, provide more adequate remuneration for labor, and distribute national income more equitably;

The recommendations adopted at the Inter-American Conference of Ministers of Labor on the Alliance for Progress call for the ministries of labor and democratic trade unions to take an active part in national development plans;

The progress of the Alliance would be greatly hastened by frequent exchanges of information and views among the most experienced national labor experts on problems relating to man-power training and utilization, labor-management relations, and other labor matters, and

The First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level adopted a resolution on October 26, 1962, establishing six special committees and indicating their terms of reference and functions,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RESOLVES:

1. To establish a Special Committee, to be concerned with labor matters, particularly in regard to:

- a. Compliance with the principles of the Charter of Punta del Este and of the Declaration of Cundinamarca which was approved at the Inter-American Conference of Ministers of Labor on the Alliance for Progress.
- b. Implementation of the recommendations made in the aforesaid declaration, with special attention to the suggestions and measures concerning the role of ministries of labor and democratic trade unions in national programs for economic and social development.

* Approved during the Meeting at the Ministerial Level, see Resolution 7-M/63

2. That this committee shall be composed of top-level experts in the subject to be handled by the committee, each to be appointed by his government and accompanied by technical advisors, preferably including one from organized labor.

3. That the duties and functions of the special committee shall be the same as those established for the other Special Committees of the Inter-American Economic and Social Council, in accordance with the resolution approved by the First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level (A-7/M62).

4. That the obligations of the General Secretariat with regard to this special Committee shall be similar to those established with reference to the other special committees.

5. That the Committee shall be composed of representatives of the following countries: Argentina, Brazil, Chile, El Salvador, Guatemala, Mexico, Peru, the United States of America and Venezuela.

Draft Resolution A-32/E63*

CREATION OF AN INTER-AMERICAN TRAINING CENTER
FOR MINISTRY OF LABOR PERSONNEL

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level,

CONSIDERING:

The recommendations of the Inter-American Conference of Ministers of Labor on the Alliance for Progress, held May 5-11, 1963, in Bogotá;

Document CIES/368, presented to the Second Annual Meeting of the Inter-American Economic and Social Council by the International Labour Organisation, concerning the creation of an inter-American training center for ministry of labor personnel;

The significant part ministries of labor should take both in the preparation and in the implementation of national economic and social development plans; and

The need to establish an inter-American training center that will utilize the experience of international organizations, especially the International Labour Organization,

* Approved during the Meeting at the Ministerial Level, see Resolution 8-M/63.

/RESOLVES:

RESOLVES:

1. To approve, in principle, document CIES/368, concerning the establishment of an inter-American training center for personnel of the ministries of labor of the Latin American states members of the Organization of American States.
2. To request international organizations, specifically the International Labour Organisation and the United Nations Special Fund, to study the possibility of establishing such a center.
3. To charge the appropriate organ of the Inter-American Economic and Social Council with giving special attention to the possibilities of obtaining fellowships as a part of the required supplementary financing and to the prompt establishment of an inter-American training center for ministry of labor personnel.
4. To request the government of Argentina, El Salvador, Guatemala, Paraguay, Perú, and Venezuela, that, on behalf of all the Latin American countries, they take the necessary steps to present to the appropriate international organizations a plan for the establishment of an inter-American training center for ministry of labor personnel on the technical bases provided in document CIES/368.
5. To charge the Secretariat with reporting on the implementation of this resolution at the next meeting of the Inter-American Economic and Social Council.

Draft Resolution A-33/E63*

CREATION OF THE INTER-AMERICAN COMMITTEE ON THE
ALLIANCE FOR PROGRESS (CIAP)

WHEREAS:

The First Annual Meeting of the Inter-American Economic and Social Council adopted Resolution A-8/M62, calling for a study of the inter-American system in order to ascertain whether its present structure meets the requirements of the Alliance for Progress program;

Resolution A-8/M62 begins by recognizing "that the inter-American system, as presently constituted, was in the main established prior to the Alliance for Progress, and in consequence, may not possess a type of structure permitting of achievement of the objectives of the Charter of Punta del Este in the dynamic and efficient way called for";

That resolution charged two outstanding Latin Americans with studying the structure and activities of those organizations and agencies of the inter-American system that have responsibilities in regard to the Alliance, and empowered them to make, if necessary, recommendations regarding those structural

⁶ Presented to the Meeting at the Ministerial Level as document CIES/483, Rev. 3. See Resolution 1-M/63 for approved version.

and procedural changes that are required in the system and in its various organs in order that the Alliance for Progress may take on the efficiency and the dynamic qualities called for by the Charter of Punta del Este;

The Council of the Organization, after approving resolution A-8/M62, entrusted the former presidents of Brazil and Colombia, Juscelino Kubitschek and Alberto Lleras, with the preparation of a report and conclusions, to be brought to the attention of the governments of the member states and submitted to the Inter-American Economic and Social Council for consideration at a special meeting, if need be;

Former presidents Kubitschek and Lleras accepted and carried out the mandate of the Inter-American Economic and Social Council, and rendered their conclusions in separate reports presented to the Council of the Organization, for transmittal to the governments, at the Special Meeting held on June 15, 1963;

The reports of former presidents Kubitschek and Lleras, which have been presented to the Second Annual Meetings of the Inter-American Economic and Social Council for consideration, are in agreement regarding the need to create a permanent, multilateral body representing the Alliance for Progress, and for this purpose proposed the creation of an inter-American development committee;

The recommendations of the former presidents, which have been examined by the Inter-American Economic and Social Council suggest ways of organizing the proposed new body so that the Alliance program may have multilateral representation and possess functional mechanisms with sufficient authority to permit it to discharge its responsibilities with the dynamic qualities and efficiency required; and

Consideration has been given to the views expressed in this regard in the Memorandum of the General Secretariat of the Organization of American States (CIES/344), the Report of the Panel of Experts (CIES/370), and the Observations of the Board of Executive Directors of the Inter-American Development Bank, which were presented to the Second Annual Meetings of the Inter-American Economic and Social Council,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

To create an Inter-American Committee on the Alliance for Progress (CIAP), in accordance with the following provisions:

/I. NATURE AND

I. NATURE AND PURPOSE

1. The Inter-American Committee on the Alliance for Progress (CIAP) shall be a special, permanent committee of the Inter-American Economic and Social Council for the purpose of representing, coordinating, and promoting multilaterally the implementation of the Alliance for Progress, in accordance with the Charter of Punta del Este, and of carrying out the mandates of this resolution.

II. DUTIES AND FUNCTIONS

2. The Inter-American Committee on the Alliance for Progress shall carry out its duties and functions in keeping with the general orientation and lines of policy established by the Inter-American Economic and Social Council in its meetings at the ministerial level.

3. To fulfill the purpose set forth in the preceding chapter, the Inter-American Committee on the Alliance for Progress shall have the following duties and functions:

- a. To study the problems that may arise in connection with the Alliance for Progress and to resolve them or suggest solutions to the competent authority in each case, in accordance with the standards and policies established therefor.
- b. To make an annual estimate of the financing needed for Latin American development and of the total funds available from the various domestic and external sources.
- c. To make a continuing and detailed review of national and regional plans, steps taken, and efforts made within the framework of the Alliance, and to make specific recommendations to the members of the Alliance and to the regional organizations in the Hemisphere concerning these plans, steps, and efforts.
- d. On the basis of the review and the recommendations referred to in the preceding subparagraph, and within the limits of total funds available and the amount which each country can effectively employ in its development efforts:
 - i. To prepare and present proposals on the amount and type of domestic resources each country would have to utilize to achieve the objectives of the Alliance;
 - ii. To prepare estimates covering the amount of external assistance required by each country to supplement its own resources; and
 - iii. To prepare and present proposals on the allocation of Alliance funds for the over-all financing of general plans and specific programs for development, when there is no multilateral mechanism for the administration of such funds.

/e. To cooperate

- e. To cooperate with each country, or with the Inter-American Development Bank or other financial agents which the country may designate, in their negotiations with governments and with any other source of financing for the purpose of obtaining the external assistance required to finance their development programs and plans.
- f. To obtain information on the progress made in multinational investment programs for integration purposes and, upon request by the countries concerned, to help in obtaining financing for such investments, in accordance with established criteria and procedures.
- g. To coordinate the work of those special committees of the Inter-American Economic and Social Council which it may have considered necessary to call into session.
- h. To review the supplementary budget of the Pan American Union for the Alliance for Progress, the budget of the Program of Technical Cooperation, and that of any other specific multilateral fund, as prepared by the General Secretariat of the Organization of American States for approval by the Inter-American Economic and Social Council.
- i. To review the program and budget prepared by the Secretary General of the Organization with respect to the regular operations of the Secretariat within the purview of the Inter-American Economic and Social Council --including the items for permanent professional and administrative personnel; for the operation of the Inter-American Economic and Social Council, the Inter-American Committee on the Alliance for Progress, and the Panel of Experts; and for overhead directly related to these operations--for approval by the Inter-American Economic and Social Council, in accordance with Article 19.f of its Statutes.
- j. To establish its Regulations and the rules of procedure it considers advisable for the performance of its functions.

III. MEMBERSHIP AND OPERATION

4. The Inter-American Committee on the Alliance for Progress shall be composed of a chairman and seven representatives of the member states of the Organization of American States. Each representative shall be entitled to one vote.

The chairman shall be elected for a three-year period and shall be eligible for a re-election for one term only.

The representatives of the countries, proposed thereby, shall be appointed by the Inter-American Economic and Social Council for a two-year period, on the basis of the same regional distribution agreed upon for electing the Executive Directors of the Inter-American Development Bank (IDB) at the election immediately prior to each period. Such distribution shall not apply to the five countries of Central America, which, as a group, shall independently propose one representative.

/At the

At the time of the first appointment, three of the six members who represent the Latin American Countries shall be selected by lot to serve for one year.

A member of the Inter-American Committee on the Alliance for Progress may be re-elected only in the event that the countries within the regional group serving as a basis for the appointment propose to the Inter-American Economic and Social Council that this be ~~done~~.

When in the exercise of its functions the Inter-American Committee on the Alliance for Progress is to consider matters concerning a given country, it shall invite that country to appoint an ad hoc representative, who shall have the same rights as the regular members. In the case of multinational programs or projects, the representatives of the invited countries shall have only one, joint vote.

5. The Secretary General of the Organization of American States (OAS), the President of the Inter-American Development Bank (IDB), the Coordinator of the Panel of Experts, and the Principal Director of the Economic Commission for Latin America (ECLA) shall serve as permanent advisors to the Inter-American Committee on the Alliance for Progress.

6. The Panel of Experts shall be the technical advisory body to the Inter-American Committee on the Alliance for Progress in carrying out its functions of evaluating development plans and programs, in the spirit of the provisions of Title II, Chapter 5, paragraph 3, of the Charter of Punta del Este, and, in general, it may be consulted by the Inter-American Committee on the Alliance for Progress in relation to other matters relating to its functions.

7. Those countries that have only sectorial programs and those that have national development plans but do not request the formation of an ad hoc committee may come to an agreement with the Inter-American Committee on the Alliance for Progress as to the best way of evaluating their programs or plans in consonance with the aims of the Charter of Punta del Este.

8. The Inter-American Committee on the Alliance for Progress shall hold regular meetings three times a year. In addition, it may be called into special session by the chairman, acting on his own initiative, or upon the petition of at least four of its members.

9. In order to ensure more frequent information on the progress of the activities of the Inter-American Committee on the Alliance for Progress, the chairman of the Inter-American Economic and Social Council, pursuant to Article 20 of its Statutes, shall convoke special meetings at the ministerial level, when such shall be considered necessary.

10. The Inter-American Committee on the Alliance for Progress shall submit an annual report on the fulfillment of its mandate to the Inter-American Economic and Social Council for its consideration.

/IV. CHAIRMAN

IV. CHAIRMAN

11. The Inter-American Economic and Social Council at the Ministerial Level shall elect an outstanding personality of the nationality of one of its members to exercise the chairmanship of the Inter-American Committee on the Alliance for Progress, with complete autonomy and independence. In addition to the functions and powers normal to the position, and to those which may occasionally be entrusted to him by the Inter-American Economic and Social Council and the Council of the Organization of American States, the chairman shall be the permanent representative of the Inter-American Committee on the Alliance for Progress in actions required for rapid and effective execution of its decisions.

V. SECRETARIAT AND HEADQUARTERS

12. The Executive Secretary of the Inter-American Economic and Social Council shall be the Secretary of the Inter-American Committee on the Alliance for Progress. Whenever the chairman of the Inter-American Committee on the Alliance for Progress considers it indispensable to enlist the services of additional personnel in order to carry out the functions of the Committee more efficiently, he may request the Secretary General of the Organization of American States to take the necessary steps to appoint suitable persons.

13. The Inter-American Committee on the Alliance for Progress shall have its headquarters in Washington, D.C., United States of America, but it may hold meetings in any other city of the member states of the Organization of American States.

Draft Resolution A-34/E63*

DEVELOPMENT OF THE IDEOLOGICAL AND POLITICAL ADVANCE OF THE ALLIANCE FOR PROGRESS

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level,

HAVING SEEN the Report on the Ideological and Political Advance of the Alliance for Progress, presented by the General Secretariat of the Organization of American States; and

CONSIDERING:

That various meetings of the Inter-American Economic and Social Council have repeatedly recognized that the support and determined collaboration of the masses of the people in the program of the Alliance for Progress are the surest guarantee

* Approved during the Meeting at the Ministerial Level, see Resolution 20-M/63

of its success, and that, in order to secure it, it is essential that the various sectors of public opinion in the Hemisphere have a thorough knowledge and understanding of the objectives and achievements of the Alliance and take an active part in the formulation and orientation of its "Ideological and Political Advance" as pointed out at the First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level;

That the Council of the Organization of American States approved a resolution on May 2, 1962, in which it was recommended to the governments of the member states that they facilitate the creation of committees for the Alliance, whether of an official, semi-official, or private nature, which committees have already been set up in most of the countries of the Hemisphere;

That, in compliance with Resolution E, appended to the Charter of Punta del Este, and Resolution A-9/MC2 of the First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level, the Pan American Union, through its Special Alliance for Progress Information Team and in cooperation with various inter-American organs and agencies, has undertaken a program to explain, and disseminate information on the bases, objectives, and achievement of the Alliance for Progress; and

That the "Forums of the Alliance for Progress of the Peoples of America" and other programs sponsored by the committees have helped to make important sectors of public opinion familiar with the meaning of planning within the framework of representative democracy and with the nature and scope of the national development plans and policies, and have made it easier for public opinion to be sounded out on plans and programs,

RESOLVES:

1. To recommend that the Pan American Union systematically continue to carry out the Special Team's program of dissemination of information, for the purpose of helping to mobilize the various sectors of public opinion in support of the principles, objectives, and achievements of the Alliance for Progress, and of pointing out to the member states the advisability of taking an active part in that program.

2. To recommend to the member states that they cooperate fully with the national committees for the Alliance for Progress in order that, in compliance with Resolution A-9/M62 of the First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level, the agencies that plan and carry out activities within the framework of the Alliance for Progress may collaborate in the dissemination of information on the various aspects of national development programs.

3. To recognize the work done by the national committees for the Alliance for Progress and to recommend to them that they intensify their efforts to disseminate information on, explain, and emphasize, the bases, objectives, and achievements of the Alliance, carrying to all sectors of the population in the countries of America the conviction that the joint effort of peoples and governments constitutes the basis of this multilateral program that seeks to achieve reforms in the structure of the American societies in order to attain substantial economic and social progress.

/4. To recommend

4. To recommend that the national committees and the General Secretariat of the Organization of American States continue systematically supporting the holding of "Forums of the Alliance for Progress," so as to gather together spokesmen for, and representatives of, the vital forces of the countries, chiefly among the authorized representatives of trade associations and labor unions, and molders of public opinion and political and social thought.

5. To recommend that the Pan American Union continue systematically the program that has been begun, expanding it to cover new sectors of public opinion, particularly through the holding of regional seminars and the granting of all possible collaboration to the Committees and the "Forums of the Alliance for Progress of the Peoples of America"; and that the General Secretariat of the Organization of American States report to the annual meetings of the Inter-American Economic and Social Council upon the results of said national and regional forums and transmit thereto all pertinent recommendations.

6. To appeal, on the basis of the importance of the work, to all the information and publicity media of the American Hemisphere, to lend full support, and firm collaboration to the dissemination of the ideological and political bases and principles of the Alliance for Progress and to its achievements, in order to help mobilize the joint efforts of peoples and governments.

Draft Resolution A-35/M63*

VOTE OF THANKS TO FORMER PRESIDENTS
JUSCELINO KUBITSCHKEK AND ALBERTO LLERAS

WHEREAS:

The First Annual Meeting at the Ministerial Level recommended that two outstanding Latin Americans be charged with studying the structure and activities of those organizations and agencies of the inter-American system that have responsibilities in regard to the Alliance for Progress, and with making, if necessary, recommendations regarding those structural and procedural changes that are required in the system and in its various organs in order that the Alliance for Progress may take on the efficiency and the dynamic qualities called for by the Charter of Punta del Este;

Former presidents Juscelino Kubitschek and Alberto Lleras, having been named by the Council of the Organization of American States to undertake the aforesaid survey with complete independence, presented individual reports for consideration by the American governments and this Council; and

These reports, which were studied by the Second Annual Meeting of the Inter-American Economic and Social Council, at the Expert Level, represent a valuable contribution to the general effort to strengthen the activities of the Alliance for Progress,

* Approved during the Meeting at the Ministerial Level, see Resolution 2-M/63.

The Second Annual Meeting of the Inter-American Economic and Social Council
at the Ministerial Level

RESOLVES:

To express its profound recognition for the excellent manner in which former presidents Kubitschek and Lleras accomplished the mission entrusted to them, thereby contributing substantially to orienting discussions which led to improvement of the mechanisms of the Alliance, in order that it might take on the efficiency and the dynamic qualities demanded by the peoples of America.

Draft Resolution B-4/E63*

CREATION OF A SPECIAL TELECOMMUNICATIONS COMMISSION

WHEREAS:

It is necessary to have a consultation and cooperation center to facilitate organized development of telecommunications in the American Hemisphere;

The Meeting of Experts on Telecommunications held at the Pan American Union from June 9 to 18, 1962, recommended the creation of an Inter-American Telecommunications Commission;

The First Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level reiterated the recommendation of the Meeting of Experts; and

The Statutes of the Inter-American Economic and Social Council provide in Article 23 that:

"The Inter-American Economic and Social Council may establish, by a vote of two thirds of the member states, such special committees as it deems necessary, in which case it shall define their tasks and duration."

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RESOLVES:

1. To create a Special Committee, to be called the Inter-American Telecommunications Commission (ITC), formed by government experts of the member states of the Organization of American States who are specialists on the subject.

a. The Commission shall serve as an information and consultation center for the preparation of technical studies. It may ask other organizations

* Approved during the Meeting at the Ministerial Level, see Resolution 9-M/63.

operating in the field of telecommunications for advice. Through its meetings, the Commission shall promote the development of normal and efficient telecommunication services among the American states, and the improvement of interchange, with a view to stimulating coordination of efforts in this area. It shall also advise those member states that so request, and recommend measures that will facilitate the development of modern systems. It shall likewise coordinate its activities with those of the existing regional organizations or with those of such organizations as may be established in this connection.

- b. The Commission shall hold one regular meeting a year. It may also decide on its own initiative to hold special meetings, or the governments may request special meetings through the Council of the Organization of American States or the Inter-American Economic and Social Council.
- c. In order that activity may not be interrupted, the Commission may form subcommittees or working groups which, during recess periods, shall continue tasks specifically assigned to them by the Commission.
- d. The Commission shall adopt its regulations at its first meeting. To this end the Secretariat is entrusted with the preparation of a draft version, in accordance with the present resolution.
- e. The Commission shall report on the status of its activities to the Inter-American Economic and Social Council at its Annual Meetings.

2. To request the Secretary General of the Organization of American States that the funds necessary to finance the Special Committee's regular annual meeting and its secretariat services be included in budget estimates of Pan American Union activities that fall within the purview of the Inter-American Economic and Social Council.

Draft Resolution B-5/E63*

COORDINATED PLANNING

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level,

CONSIDERING:

The desirability of coordinated programs, covering the totality of each country's economic efforts--embracing its external trade policies, its economic integration policies, and its development policies--in order to assure maximum efficient use of available resources;

* Approved during the Meeting at the Ministerial Level, see Resolution 11/M63.

/The critical

The critical importance of expanding the foreign trade of the Latin American countries, in order to assure them adequate and sustained rates of growth;

The importance of achieving a diversified production of those goods which have commercial possibilities in world markets;

The necessity of achieving progressive increases in efficiency and reduction in costs, so that Latin American manufactured and semimanufactured products may become increasingly competitive in world markets; and

The advantages, in the formulation of national plans, of taking into account in broad terms the plans of other member states, particularly with respect to their external implications,

RESOLVES:

1. That it will recommend to the governments of the Latin American countries that they seek the advice of international organizations which collaborate in the execution of the Alliance for Progress program, not only with respect to economic development programs, but also with respect to specific projects (including infrastructure), programs, and policies which will contribute to faster growth of integrated markets, to expansion and diversification of exports, and to the efficient use of the resources of the entire region.

2. That, in giving advice, the aforesaid international organizations should devote particular attention in their review of country plans to multilateral aspects, to general coordination of each plan with those of other member states, and to projects, programs, and policies which will best promote more rapid progress toward efficient integration of markets and diversification of export products.

Draft Recommendation B-6/E63*

REGIONAL INTEGRATION

WHEREAS:

Economic integration is an indispensable tool in promoting economic and social development in Latin America; and

Although the statements made by the observers for the Permanent Secretariat of the General Treaty for Central American Economic Integration and the Latin American Free Trade Association reveal that significant progress has been achieved in the field of Latin American economic integration during the past year, nevertheless measures must be taken to speed up said integration,

* Approved during the Meeting at the Ministerial Level, see Resolution 10-M/63.

The Second Annual Meeting of the Inter-American Economic and Social Council
at the Ministerial Level

RECOMMENDS:

That the governments of the Latin American countries which are members of the Organization intensify their search for means which will permit an acceleration of the integration process, which, among other aims, seeks to lessen the differences in level of economic development of the countries of the region.

Draft Resolution B-7/E63*

CONSIDERATION OF THE CREATION OF A MECHANISM OR ORGAN FOR
COORDINATING THE POSITIONS OF THE LATIN AMERICAN COUNTRIES
AT THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

WHEREAS:

The Conference on Trade and Development convoked by the United Nations for March 23, 1964, constitutes an extraordinary event in international economic relations and an opportunity that the developing countries must take advantage of to achieve essential reforms in the structure of world trade, thus contributing substantially to solving the serious problems that have been hampering their development;

The developing countries, in which this Conference has awakened legitimate hopes, must pursue a policy of ever-greater coordination in order to obtain their common objectives; consequently, the Latin American countries should prepare for joint action in addition to seeking understandings with developing countries in other areas;

Discussions at the Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level on Topic II, "Latin American Foreign Trade and its Significance for the United Nations Conference on Trade and Development", have led to the conclusion that it is urgently necessary to give deeper consideration to these problems through the establishment of a mechanism that will permit the adoption of a common Latin American position at the Conference;

This coordinating mechanism should begin functioning as soon as possible in view of the fact that the seminar of experts designated by the Latin American governments which will meet at Brasília, Brazil, beginning January 20, 1964, under the auspices of the Economic Commission for Latin America is at the technical level, and that in the Third Meeting of the Preparatory Committee of the Conference which will begin in New York on February 3, 1964, only a few Latin American countries will be represented; and

* Approved during the Meeting at the Ministerial Level, see Resolution 5-M/63.

An initial step toward coordination of the positions of the developing countries was taken with the Joint Declaration issued by them in Geneva at the end of the Second Meeting of the Preparatory Committee of the Conference, which declaration was reaffirmed in New York at the eighteenth session of the United Nations General Assembly;

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level,

RESOLVES:

To consider the creation of a mechanism or organ that will endeavor to coordinate the positions that the Latin American member countries of the Inter-American Economic and Social Council will take at the United Nations Conference on Trade and Development.

Draft Resolution B-8/E63*

CREATION OF A SPECIAL COMMITTEE ON
MANUFACTURES AND SEMIMANUFACTURES

WHEREAS:

In order to derive maximum advantage from export prospects, the Latin American countries should adopt new and more intensive measures and create new mechanisms to stimulate export trade, particularly with reference to manufactures and semimanufactures;

This problem is both complex and far-reaching and includes difficulties deriving from trade barriers imposed by the principal importing countries and from deficiencies in export producing and marketing techniques;

In order to keep information on new opportunities that present themselves in world markets properly up to date, urgent attention must be given to initiating or intensifying certain activities, such as market research studies, research into techniques effectively employed by other countries to stimulate trade, advice to trade circles concerning specific market restrictions on certain products, statistical services, technical information, and quality control standards;

While it is true that certain of these activities are being carried out by national agencies in some countries, others can be more fruitfully effected by an inter-American body, whose activities would be supplementary to, and closely coordinated with, those of the first mentioned; and

* Approved during the Meeting at the Ministerial Level, see Resolution 6-M/63.

/In order to

In order to stimulate both an increased volume and a diversification of exports, attention must be given not only to articles currently produced in Latin America but also to the production of others for which the region has a potential,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RESOLVES:

To create a Special Committee on Manufactures and Semimanufactures, made up of government experts in trade problems and in the promotion of exports, to act within the following terms of reference:

- a. The Committee shall identify, on the basis of information supplied by each country and that obtained by the Secretariat, specific products and problems of special significance for the member states in the light of their efforts to achieve rapid diversification in their exports.
- b. It shall study the advisability of establishing possible effective methods and institutions needed to stimulate the expansion of trade, especially the export of manufactures and semimanufactures, recommend measures for realizing these possibilities of promoting trade, and report on the budgetary implications of its recommendations.
- c. To this end, it is indispensable that there be close collaboration between the General Secretariat and the authorities responsible for trade matters in the various member states if this important work in the field of manufactures and semimanufactures is to meet with success.

Draft Resolution B-9/E63*

EXPANSION OF EXPORTS OF TROPICAL AGRICULTURAL COMMODITIES

WHEREAS:

During the period of structural transformation of their economies, developing countries, which are essentially exporters of primary goods, will continue to depend basically on the exports of such products to meet their increasing import needs, imposed by demographic growth and the necessity of raising the standard of living of the population;

In general, the prospects for these exports are unfavorable, with regard not only to prices, but also to the very low rate of increase in volume;

* Approved during the Meeting at the Ministerial Level, see Resolution 15-M/63.

/In view of

In view of this situation, a deliberate effort must be made by all the industrialized countries to facilitate the access of primary products to their markets, as a means of increasing the export receipts of developing countries;

This access is hampered by the existence of numerous obstacles to trade in, and consumption of, the aforementioned primary commodities, represented either by the existence of high tariffs or the application of discriminatory practices;

The removal of these obstacles and practices, though insufficient to ensure a rise in export receipts to a level in keeping with requirements, is nevertheless a measure likely to bring about an immediate improvement in the condition of primary exporting countries;

The International Coffee Agreement established, on principle, the necessity for importing countries to consider as soon as possible ways of eliminating these obstacles and discriminatory practices; and

As regards both coffee and all other primary commodities, it is necessary to do away with preferential treatment and other obstacles as soon as possible,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RESOLVES:

That, at the coming United Nations Conference on Trade and Development, the American countries support a program designed to eliminate as soon as possible tariff and nontariff barriers, quota restrictions, internal revenue taxes, and discriminatory practices that hinder access of primary tropical agricultural commodities to the markets of industrialized countries under suitable conditions.

Draft Resolution C-2/E63

THE PROPOSED PROGRAM AND BUDGET OF THE PAN AMERICAN UNION
FOR ACTIVITIES IN THE SPHERE OF COMPETENCE OF THE INTER-
AMERICAN ECONOMIC AND SOCIAL COUNCIL (IA-ECOSOC) 1964-1965

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level,

HAVING SEEN the Report of the Second Meeting of the Inter-American Economic and Social Council at the Expert Level on the Proposed Program and Budget of the Pan American Union for activities in the Sphere of Competence of the Inter-American Economic and Social Council for the fiscal year 1964-1965,

* Approved during the Meeting at the Ministerial Level, see Resolution 25-M/63.

/RESOLVES:

RESOLVES:

1. To approve the Proposed Program and Budget of the Pan American Union for Activities in the Sphere of Competence of the Inter-American Economic and Social Council for the fiscal year 1964-1965, subject to the observations and recommendations included in the Report of the Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level, and to transmit it, with the aforementioned report, to the Council of the Organization of American States.

2. To take note of the increases in the Program and Budget of the Pan American Union suggested by the Secretariat in Document 374, Appendix A, and to transmit the aforesaid document to the Council of the Organization of American States for consideration during the study of the Proposed Program and Budget of the Organization of American States for 1964-1965.

Draft Resolution C-3/E63*

COORDINATION AMONG INTERNATIONAL ORGANIZATIONS OF REGIONAL
ACTIVITIES IN THE ECONOMIC AND SOCIAL FIELD RELATING
TO THE ALLIANCE FOR PROGRESS AND SYSTEM OF
PRIORITIES FOR THE PAN AMERICAN UNION

WHEREAS:

The member states of the Organization of American States, in adhering to the Charter of Punta del Este, assigned highest priority to economic and social development;

It is to the interest of the member states that the utmost effort be exerted by all international organizations, regional or world-wide, to orient their programs of assistance to the member states of the Organization of American States toward support of the criteria and objectives of the Charter of Punta del Este;

The tendency toward an increase in the financial contributions of the member states to international organizations, regional or world-wide, is a source of preoccupation if it does not result in redoubled activity and better coordination of the efforts of those organizations, with a view to avoiding duplication and to ensuring allocation of funds to activities that contribute most directly to the economic and social development of those member states;

By the Charter of Punta del Este, and by resolutions approved by the annual meetings of the Inter-American Economic and Social Council, the Secretariat of that Council has been entrusted with carrying out aid programs that are vital to the development efforts of the Alliance for Progress; and

Owing to the delay in quota payments by the member states, on occasion the General Secretariat of the Organization of American States has been obliged to limit its activities, to the detriment of the development of approved programs,

* Approved during the Meeting at the Ministerial Level, see Resolution 21-M/63.

The Second Annual Meeting of the Inter-American Economic and Social Council
at the Ministerial Level

RESOLVES:

1. To recommend to the governments of the member states that they instruct their representatives in executive agencies of international organizations, regional and world-wide, having economic and social programs in the Hemisphere to follow a uniform policy in support of programs that contribute to the attainment of the objectives of the Charter of Punta del Este, and to see that the highest priority is assigned to programs that contribute most to this regional effort.

2. To recommend to the governments of the member states that, in pursuance of the objectives of paragraph 1 above, efforts be made to avoid duplication of activities, so as to guarantee a more effective use of resources, with a view to obtaining improved assistance from the aforesaid international organizations.

3. To recommend to the Council of the Organization of American States that, in the Program and Budget of the General Secretariat of the Organization top priority be assigned to the activities contained in the Proposed Program and Budget approved by the Inter-American Economic and Social Council for submittal to the Council of the Organization of American States, and to other activities likewise related to the Alliance for Progress.

4. To recommend to the Secretary General of the Organization of American States that, in the preparation of future programs of the General Secretariat, top priority be maintained for programs and activities within the purview of the Inter-American Economic and Social Council and for other activities likewise related to the Alliance for Progress.

5. To recommend to the General Secretariat of the Organization of American States that, in case for any reason it may be necessary to hold regular expenses below the level approved by the Council of the Organization of American States, it assign priority, over other programs and activities, to those coming within the purview of the Inter-American Economic and Social Council and to other activities likewise related to the Alliance for Progress.

6. To recommend to the Secretary General that, in cases in which, despite the provisions of the foregoing paragraph, it may be necessary to make reductions in the funds earmarked for the economic and social fields of the Program of the General Secretariat, priority be assigned to programs directly related to efforts in favor of development of the member states, and that priorities be established for technical assistance, training, and research activities in the proper place.

/Draft Resolution

Draft Resolution C-4/E63*

PROGRAM OF TECHNICAL COOPERATION OF THE
ORGANIZATION OF THE AMERICAN STATES FOR 1964

HAVING SEEN the report of Subcommittee III/B on the Proposed Activities and Budget of the Program of Technical Cooperation of the Organization of American States for 1964 and the report of the rapporteur of Committee III (Programs and Budgets) on the Proposed Activities and Budget of the Program of Technical Cooperation of the Organization of American States for 1964 (CIES/333, English), approved and forwarded by the Meeting at the Expert Level,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RESOLVES:

1. To approve, in the terms contained in the aforementioned reports, the Proposed Activities and Budget for the Program of Technical Cooperation of the Organization of American States for 1964, for general projects currently in operation, as follows:

	<u>1964</u>
N° 39 Technical Education for the Improvement of Agriculture and Rural Life	\$380 235
N° 77 Pan American Foot-and-Mouth Disease Center	632 105
N° 102 Inter-American Course in Administration of Social Welfare Programs	70 216
N° 104 Inter-American Program for Advanced Training in Applied Social Sciences	21 026
N° 105 Inter-American Program in Business Administration	143 056
N° 201 Training and Studies in Agricultural Credit	129 085
N° 205 Inter-American Program in Urban and Regional Planning	295 927
N° 206 Training and Studies in Agrarian Reform	496 491
N° 207 Regional Standardization Program for Assisting Economic Integration	110 198
N° 208 Inter-American Training Program for Community Development	146 525
N° 209 Training Center for Regional Economic Development	260 732
N° 210 Courses on the Planning of Water-supply Systems	58 058
Office of the Executive Director	150 139
Accounting Division - Program of Technical Cooperation	<u>38 862</u>
Total	<u>\$2 932 655</u>

* Approved during the Meeting at the Ministerial Level, see Resolution 26-M/63

2. To authorize the Executive Director to implement, during 1964, the following new general projects, in the order of priority listed below, as and when available funds permit:

a. Inter-American Program for the Improvement of Science Teaching	\$196 819
b. Inter-American Center for Land and Water Resources Development	141 153
c. Inter-American Training Program in Transportation	71 151
d. Inter-American Training Center in Public Administration	101 890
e. Inter-American Training Program for Women Leaders	<u>105 166</u>
Total	<u>\$616 179</u>

3. To provide that any unused funds pertaining to the Program on December 31, 1963, shall be transferred to the General Fund, to the extent required to cover any deficit which may result in financing the general projects in operation in 1964. Any balances remaining from 1963 which are not applied to cover the aforementioned deficit shall be transferred to the Working Fund.

4. To set the Working Fund for 1964 at US\$350 000.

5. To designate the group of projects listed in this resolution by the Official title of "Program of Technical Cooperation of the Organization of American States in 1964."

C. DRAFT AGENDA FOR THE SECOND ANNUAL MEETING OF
THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL
AT THE MINISTERIAL LEVEL

- TOPIC I. ANALYSIS OF THE PROGRESS ACHIEVED AND PROBLEMS ENCOUNTERED IN THE
FIELDS OF PLANNING, REFORM, AND FINANCING.
- A. The economic and social situation in Latin America
 - B. Specific aspects of economic and social development
 - C. Machinery of the Alliance
 - D. Public Information
- TOPIC II. LATIN AMERICAN FOREIGN TRADE AND ITS SIGNIFICANCE FOR THE UNITED
NATIONS CONFERENCE ON TRADE AND DEVELOPMENT.
- TOPIC III. REGIONAL INTEGRATION.
- TOPIC IV. PROGRAMS AND BUDGETS
- A. Program and Budget of the Activities of the Pan American Union
in the Sphere of Competence of the Inter-American Economic and
Social Council.
 - B. Activities and Budget of the Program of Technical Cooperation
1964.
- TOPIC V. OTHER MATTERS
- (Date and site of the Third Annual Meetings of the IA-ECOSOC).

Part IV

RECOMMENDATIONS APPROVED BY THE SPECIAL COMMITTEES AND
TRANSMITTED TO THE SECOND ANNUAL MEETING OF THE
INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL
AT THE MINISTERIAL LEVEL

At the plenary session held on November 9, 1963, the Meeting agreed to transmit to the Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level the following recommendations for consideration.

I. PLANNING AND PROJECT FORMULATION

The Inter-American Economic and Social Council

A. Recommends to the governments of the member states that they:

1. Adopt measures leading to the elimination of the causes for the decline noted in the gross capital formation growth rate.

2. Take the necessary steps to create and strengthen planning units and prepare projects at the operating level of the national or regional government (ministries, autonomous agencies, etc.).

3. Make their central planning agencies responsible for coordinating all foreign technical assistance requests, so that these will be as specific as possible and compatible with over-all government policy.

4. Adopt measures to institutionalize their central planning office, if they have not yet done so.

5. Take into consideration, in formulating national development plans, the expanded markets that may result from an intensification of regional economic integration.

6. Adopt methods designed to achieve coordination of the fiscal budget and the central planning office and, in general, the planning system.

7. Designate a national agency to assume responsibility for coordinating the preparation of national reports and forwarding these reports to the Secretariat of the IA-ECOSOC.

B. Suggests:

To the governments of the member states and to the regional and international agencies that furnish technical assistance to Latin America, that it would be advisable to begin to provide or expand their technical assistance to give as much flexibility as possible to the countries in the selection of advisers and consultant

/C. Instructs it

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C. Instructs its Secretariat:

1. To report periodically on the development of the region, point out the most significant trends, and indicate where joint action at the regional level might be advisable.

2. To coordinate its technical assistance activities with the Latin American Institute for Economic and Social Planning, the Inter-American Development Bank, the Economic Commission for Latin America, the Latin American Free Trade Association, and the Permanent Secretariat of the Central American Treaty on Economic Integration so that maximum assistance in establishing and strengthening of planning and project formulation units at the operational level of government is given to the governments requesting it.

3. To take the importance of regional planning into account in such technical assistance activities.

4. To study in depth the relative productivity of different social and economic investments, and to include in these studies research on the relationship between the different types of investments and current costs entailed, so that the governments may weigh these factors in preparing their investment programs.

5. To make its technical personnel available to those countries requesting help in the preparation of national reports.

6. To take the technical, administrative, and budgetary steps that will enable it to implement the foregoing recommendations.

7. To see to it that the committee is not convened again until a sufficient number of national reports is available to permit it to make a comparative analysis of the information given in such reports, which can then serve as a basis for the work of the committee.

II. AGRICULTURAL DEVELOPMENT AND AGRARIAN REFORM

The Inter-American Economic and Social Council

A. Recommends to the governments of the member states:

1. That goals for the agricultural sector be established within the framework of each country's over-all social and economic development program; be adapted to a country's particular conditions and requirements with respect to food, supply of raw materials, and export possibilities; and be based on appropriate planning at both the national and the regional level.

2. That greater efforts be made toward developing agrarian reform programs and that they stress the positive aspects of such programs for present landholders,

/as a means of

as a means of decreasing their opposition to these reforms; and that they orient landless farm workers, and channel and try to satisfy their just demands in order to keep the reform processes within a legal framework.

3. That in transforming land tenure structures, adequate flexibility be allowed in the new structures including, among others, the possibility of leasing rural land with option to buy.

4. That new owners under agrarian reform programs make specified, reasonable payments for the land received, after a reasonable term during which they are allowed to get settled, and in keeping with their income.

5. That the efforts of the settlers be utilized to a maximum degree in agrarian reform and settlement programs, through, for example, community development programs, based on mutual aid and self-help, in order to reduce state investment, awaken the interest of the settlers in their self-improvement, and that, in addition, the effort be made to provide employment for the rural population.

6. That agrarian reform programs be carried out on an area or regional basis so that they may be adapted more closely to differing socio-ecological conditions, that more effective use may be made of available natural, human, technical and financial resources, and so that opposition to such programs may be reduced.

7. That, with respect to agricultural credit:

- a. Credits supplemented with technical assistance be introduced or expanded, and that both be provided in due time and in adequate amounts.
- b. Programs for low-income farmers be expanded without reducing credit resources for the promotion of commercial agriculture;
- c. It be expanded by the adoption of whatever inducements and institutional reforms are necessary to encourage private enterprise to participate in financing the agricultural sector and public finance agencies to play a more effective role.

8. That existing agrarian legislation be revised in each country, so that the various agricultural production and marketing measures imposed by economic development may be coordinated.

9. That, since agricultural marketing is a vital link between producers and consumers of farm products and is one of the factors that determine whether agrarian reform and agricultural development programs will succeed:

- a. Studies on marketing of farm products be carried out;
- b. On the basis of the studies, the necessary machinery be established for agricultural producers to receive fair prices for their products, and
- c. Specific projects for the expansion and improvement of methods for marketing farm products be included in national development plans.

/10. That

10. That specific programs for training technicians be drawn up establishing priorities which allow for the coordination of these programs with technical assistance projects conducted by foreign specialists; this is in order that responsibility for such projects may be assumed by national technicians within specified periods of time.

11. That national and international efforts be intensified to attain the eradication or effective prevention of animal and plant diseases that affect agricultural production and trade, giving immediate priority to foot-and-mouth disease; and that the active participation of agricultural producers be provided for in the formulation and implementation of the plans.

12. That a national agency or group be appointed to coordinate the preparation of the national reports to be submitted periodically to the special committees of the IA-ECOSOC; such an agency would also be responsible for sending the reports to the Secretariat in due time.

13. That agricultural education programs continue to be intensified and expanded at all levels, especially the intermediate and rural, and research and extension programs as well, since these are considered essential to agricultural development.

14. That, in order to encourage professional improvement and keep technical personnel in government service, they adopt policies to provide such personnel with adequate incentives and remuneration.

B. Instructs the Secretariat:

1. To study the best way in which the other Latin American countries can take advantage of the experience gained from the OAS/Chilean Aerial Photography Project and, insofar as possible, to assist the countries in the use of aerial photography for specific development studies and projects.

2. To provide the services of its technical staff to countries requiring them in order to cooperate in the preparation of the country reports. To this end, it is suggested that the Secretariat adapt its work programs to include such activities and request the budgetary funds that may be required.

III. FISCAL AND FINANCIAL POLICIES AND ADMINISTRATION

The Inter-American Economic and Social Council

A. Recommends to the governments of the member states:

1. That they adopt the tax reform objectives and the measures required to achieve them, as described in the report entitled Alliance for Progress: Its Second Year - 1962/63, Fiscal and Financial Policies and Administration (Principal Aspects of a Tax Reform Program).

/2. That

2. That they initiate or intensify the study of tax problems with a view to their proper solution, placing special emphasis on improving tax and financial administration in order to ensure the effectiveness of the reforms adopted.

3. That, in this respect, since the proposed reforms will require broader technical assistance, by way of promoting such reforms, and following an examination of the activities undertaken in this field by the OAS/IDE/ECLA Joint Tax Program, they accelerate tax studies and other activities carried out within the Program and that the international organizations and member countries of the Alliance for Progress intensify suitable, timely and rapid technical assistance, for which adequate financing must be made available.

4. That, in connection with the preparation of national reports, they study the possibility of entrusting responsibility for this task to a national agency that would coordinate such work and present the reports periodically to the IA-ECOSOC special committees. This agency would also be responsible for forwarding the reports to the Secretariat in due time.

B. Recommends to the Secretariat:

1. That it place the services of its technical personnel at the disposal of the countries as required in order to cooperate in the preparation of national reports. To this end, the Secretariat is asked to note the advisability of orienting its work programs in the direction indicated and, when necessary, to request budgetary allocations.

2. That it prepare a preliminary draft of a multilateral agreement on double taxation as the basis, among other purposes, of a suitable framework for such tax incentives as the member country may grant for the purpose of attracting a larger volume of foreign capital.

The Secretariat should take into consideration the tax incentive system agreed upon among the Central American governments as a result of their economic integration program.

The preliminary draft of the multilateral agreement shall be delivered to the governments 30 days prior to the next meeting of the special committees and the pertinent conclusions transmitted to the IA-ECOSOC for consideration at its Third Annual Meeting.

/IV. INDUSTRIAL

IV. INDUSTRIAL DEVELOPMENT AND FINANCING OF THE PRIVATE SECTOR

The Inter-American Economic and Social Council

A. Recommends to the governments of the member states:

1. That they increase their efforts to broaden participation by the private sector in deliberations concerning the preparation of national industrial development plans, with the understanding that this sector includes the business and industrial community, labor and farmer groups, cooperatives and many other voluntary associations of individuals working together or sharing common economic interests.

2. That, insofar as possible and in collaboration with the private sector, they establish objectives and goals for industrial development in accordance with the political, economic and social situation in each country, defining, as circumstances permit, the role of the private sector, and that these objectives be disseminated as deemed advisable.

3. That they prepare an inventory of industrial projects and that they utilize the services of existing agencies or such others as they consider suitable to assist in promoting the implementation of priority projects.

4. That they undertake to promote feasibility and other preinvestment studies for small and intermediate industries, through the use of adequate domestic and foreign resources, including those undertaken on a loss-account basis.

5. That efforts be made to strengthen national and provincial institutions promoting private investment in the industrial sector and that the governments of the region engage in an active interchange of information and experience in this regard. In particular, efforts should be made to establish or expand within each country, at the national or local level, appropriate mechanisms furnishing assistance to small and intermediate enterprises. Such assistance would include not only measures aimed at general promotion but also those designed to provide direct technical as well as financial aid, which in the case of small and intermediate enterprises should take the form of long-term, low-interest loans.

6. That efforts also be made to better the competitive position of the handicrafts industry, including the improvement of its technology, expansion of financial assistance and construction of facilities, such as industrial parks, in order to provide it with a proper infrastructure.

7. That appropriate institutions, including funds, be established or expanded in each country for research on natural resources and their uses, particularly in coordination with efforts to encourage private industry, and that regional institutions help to increase such activities by coordinating their efforts with international agencies in order that both may contribute in achieving these ends.

/8. That

8. That agencies responsible for education and training undertake, in cooperation with the appropriate international institutions, a survey of existing resources of skilled labor and professional personnel, an analysis of future requirements, and an evaluation of the educational and training facilities available to meet those requirements.

9. That the experiences of governments which have undertaken promotional activities abroad in order to obtain financial and technical assistance from the private sectors of the more developed countries and to promote their exports be studied with a view to providing information of benefit to other countries undertaking similar activities, either individually or by groups of countries.

10. That, in order to expand the market for industrial products, they consider and study the possibility of formulating a regional integration policy not only for such industries as the iron and steel, petrochemical, electrochemical, and, in general, the industries producing capital goods, but also for the intermediate products required in these branches of industry.

11. That efforts be made to compile detailed information on capital investment, by specific industrial branches, indicating the sources of finance, both domestic and foreign, in each case. In this respect, the capital-exporting countries could assist by making available more complete information on the movements of private capital to individual countries in the region.

12. That, in order to facilitate the presentation of national reports to the IA-ECOSOC for due processing by the Secretariat, a national agency or group be appointed to coordinate the different sections of the reports; this group would maintain liaison with the Secretariat for the above purpose.

That, at the same time, the various international organizations and the several IA-ECOSOC committees coordinate their requests for information.

13. That the unification of applicable regulations be studied in order to facilitate reciprocal negotiation and quotation of securities in Latin American financial markets, with a view to the mobilization and proper investment of savings.

B. Authorizes its Secretariat:

1. To provide, at the request of the government concerned, the services of its technical staff for the purpose of assisting in the preparation of national reports.

2. To adapt its work program in accordance with such requests as it may receive, and to apply for budgetary funds as required.

C. Instructs its Secretariat:

1. To continue the current work on exports of manufactured products from Latin America, taking into consideration the comments of the committee during its current session.

/2. To continue

2. To continue its series of case studies on national and local institutions promoting private investment, and to undertake related activities designed to promote an active exchange of experience in this field.

3. To study the possibility of negotiating a multilateral agreement on double taxation between the member states as the basis of a suitable framework for such tax incentives as they may grant for the purpose of attracting a larger volume of foreign capital.

4. To undertake studies on the transfer of handicrafts to small industry, technological and financial problems connected with the establishment of small industry, the desirability of industrial parks and the need for training and education, the last in collaboration with international organizations that are already carrying out such a study in Latin America.

D. Requests the governments of the member states:

That, as representatives of the international credit institutions, they instruct those institutions, as well as the national financing agencies, to analyze loan authorization and disbursement procedures through case studies and to submit the results to their respective ministries for consideration.

V. HOUSING

The Inter-American Economic and Social Council

A. Recommends to the governments of the member states:

1. That they study the possibility of appointing a national agency to coordinate the preparation of national reports. This agency would also be responsible for forwarding the reports to the Secretariat in due time.

2. That they appoint technical liaison officers as members of the national housing agencies or the official housing institutions, for the purpose of increasing the flow of information between the countries and the General Secretariat of the OAS; this would make it possible to provide greater flexibility to both the "Latin American Housing Survey" and the work of the Housing Group of Committee VI of the IA-ECOSOC.

3. That they conduct preliminary studies for low-cost housing programs, dealing particularly with the distribution of family income and expenses, in order to relate payment capacity to the cost of the dwellings assigned, and that they earmark funds for preinvestment studies.

4. That they establish or strengthen planning and programming offices within the national housing agencies, in order to permit the formulation of plans and programs whose goals are consistent with national development plans and in line with

/the financial

the financial and technical resources of the country in general and of the agency in particular, on the one hand, and with national needs and family, social and economic conditions that must be met, on the other.

5. That they strengthen coordination between statistical offices, housing institutes, and planning offices.

6. That, when granting loans for urban housing programs, they keep in mind the relationship between such programs and urban development plans.

7. That they pay special attention to including measures in their tax reform projects aimed at preventing speculation and safeguarding the social function of land.

8. That they prepare urban development plans and see that they are carried out.

9. That they establish policies, laws and mechanisms where these do not exist designed to attract family saving and to grant mortgage loans for low cost housing.

10. That they take measures to protect the real value of savings and housing investments during inflation, in order to avoid loss of capital by housing finance agencies and to maintain the confidence of the depositors.

11. That they encourage spreading savings and credit institutions for housing throughout the country so as to avoid excessive centralization in certain cities.

B. Recommends to the external financing agencies:

1. That they cooperate in the preparation of preliminary studies for low-cost housing programs, dealing particularly with the distribution of family income and expenses, in order to relate payment capacity to the cost of the dwellings assigned, and that they earmark funds for such preinvestment studies.

2. That, when granting loans for urban housing programs, they take into consideration the relationship between such programs and urban development plans.

3. That, they, in consultation with the borrowing countries, undertake an immediate review of their operating systems; to this end, the countries concerned should submit in advance specific documentation on the points to be considered.

C. Instructs its Secretariat:

1. To disseminate knowledge and experience among the Latin American countries, through the exchange of information and of qualified experts and technicians; to this end, it is considered essential that the Latin American Housing

/Survey entrusted

Survey entrusted to the Secretariat be continued, and that it be conducted with the cooperation of national technicians, thus converting the Survey into a technical assistance activity.

2. To cooperate in the preparation of national reports by furnishing the services of its technical staff to the countries on request. It is therefore suggested that the Secretariat consider the advisability of orienting its work programs in this direction and of requesting additional budget funds as necessary.

3. To select experts in low-cost housing programming to provide technical assistance to the countries on request.

4. To give special attention to establishing, organizing, and rendering technical assistance to, housing cooperative programs and savings and loan associations.

5. To promote coordination with external credit institutions, particularly the Agency for International Development (AID) and the Inter-American Development Bank (IDB).

VI. COMMUNITY DEVELOPMENT

The Inter-American Economic and Social Council

A. Recommends to the governments of the member states:

1. That they establish national community development programs that comprise all efforts now being undertaken on an individual basis for the benefit of certain sectors of the population, and that are closely related to development plans.

2. That these programs function in close association with national planning organizations, so that they may have operational authority; that they be provided with the funds and facilities required for their effective operation, and with high-level technical personnel to direct them.

3. That community development methods be applied to agrarian reform projects, as a means of gaining the effective participation of rural communities and of utilizing their efforts in the social changes involved in such projects; and that these methods also be applied to low-cost housing programs, sanitation and public health projects, and to other services of the infrastructure.

4. That they promote the establishment of national personnel training centers for the community development program; that they obtain the international technical assistance needed to organize and conduct the courses; that they hold national seminars on the subject, in order to publicize experiences gained and make the general public aware of the importance of the courses; that they make known the results of these through publications that are within the reach of all sectors of the population.

/5. That

5. That they organize community development programs at the regional and local levels, in order to gain the active participation of the urban, rural, and Indian populations in national development programs.

6. That they review current legislation on community development and pass any laws considered necessary for the programs to reach their objectives.

7. That they study the possibility of designating a national agency to be responsible for coordinating the preparation of national reports and for forwarding them to the Secretariat in due time.

8. That they organize national agencies at the highest administrative and technical level, responsible for guiding, promoting, and coordinating program activities in the national, regional, and local areas.

These national agencies should have at their disposal the facilities necessary for collaborating with other official or private agencies in the study and adjustment of plans and programs; they should also be able to furnish technical assistance in community organization, research, planning, programming, evaluation, supervision, personnel training, and preparation of material.

It is recommended that such agencies seek, as objectives, to:

- a. Establish national policy with regard to the organization, location, and operation of community development programs, and suggest pertinent legislation;
- b. Establish methodological bases for research, planning, programming, implementation, supervision, and evaluation of the programs;
- c. Study and establish systems of coordination and collaboration among the various national, regional and local services, governmental and private, participating in community development and coordinate with the pertinent national agency the national and international technical assistance procured for community development;
- d. Train personnel, on different levels, in the methods and techniques of community organization and development;
- e. Promote and carry out programs in urban, rural, and Indian areas. (The necessary distinctions in these types of programs are not arbitrary, but correspond to three basic types of socio-cultural systems existing in Latin America, each with its own special needs and problems);
- f. Advise governmental or private agencies on matters of personnel training, research, planning, programming, implementation and evaluation of community development programs;
- g. Make studies of regional conditions and of the different social groups, evaluate programs, produce technical communication materials, organize technical seminars, and prepare studies on program financing.

/9. That

9. That they establish national personnel-training centers for community development and seek the technical assistance of international organizations for that purpose.

10. That personnel training be carried out at different levels and categories which, in principle, may be defined as follows:

- a. Leaders at the highest technical, policy-making and administrative level, qualified to plan and direct activities on a national scale. This training presents certain difficulties, mainly because the persons directing or responsible for the different programs related to community development lack the time to expand and bring their knowledge up to date. The organization of national and regional technical seminars, explained below, and of study groups or graduate courses in universities, as in Colombia and Venezuela, are some of the possible means.
- b. Regional organizers, supervisors, instructors. This personnel could receive basic training through national courses and more advanced training in inter-American courses. Both will be explained below.
- c. Local organizers, leaders, community volunteers, and aides. They can be trained through short courses, such as those given in Colombia, or workshops, as in Venezuela, organized on a periodic basis, with the same personnel, so as to refresh the students' knowledge and to broaden it. Outstanding participants in these short courses could also attend national courses.
- d. Personnel working in other specialized fields within the region or locality, and who are responsible to different agencies. Included are engineers, doctors, inspectors, teachers, extension workers, social workers, local authorities, priests, members of the armed forces, etc. Experience has shown that in-service training of personnel can be initiated through courses of two or three months' duration and continued through adequate supervision and, mainly, through the provision of technical and descriptive materials.

Since, therefore, it is necessary to train personnel at different levels, the following activities are suggested:

1. Organization of national technical seminars for directors of community development programs and authorities responsible for planning national development.
2. Organization of national courses at different levels, sponsored by the government in cooperation with universities, higher normal schools, and social service institutes or schools with the technical advice of the OAS or of any other international organization.
3. Expansion and improvement of inter-American courses on community development presently offered by the OAS.

/B. Instructs

B. Instructs its Secretariat:

1. To negotiate with international, national, and private agencies for the creation of a mechanism for coordinating technical assistance that would consolidate all the efforts currently undertaken by governments on individual bases, and seek the collaboration of private sector programs.
2. To prepare guidelines for evaluating national programs and specific community development projects, and to negotiate with international organizations and government agencies for the formation of teams of experts, who, together with national experts, would evaluate programs and projects in the countries that so request.
3. With the help of other institutions, to advise the governments on organizing and holding national seminars, for the purpose of studying and determining general methodological principles of community development, with a view to adapting them to the characteristics of each country.
4. With the cooperation of other international and national organizations, to organize or advise upon seminars, for administrative and technical personnel, for the purpose of studying community development methodology and programming, personnel training, and the contribution of community development to the Alliance for Progress.
5. Through its own facilities or jointly with other international organizations, to give technical advice to the governments that so request, with reference to the organization, study, planning, implementation, and evaluation of community development programs.
6. To give technical advice to the governments requesting it and to cooperate with them in obtaining technical and financial resources for organizing national training centers at the national, regional, and local levels.
7. To expand Project 208 for training personnel in Indian community development by creating courses required to cover the rural and urban areas.
8. To negotiate with international organizations, government agencies, and private institutions for the technical advice and financial aid required to create an Inter-American center for training top-level personnel in community development, after first making a study of programs, location, etc.
9. Insofar as possible, and in cooperation with other international or national organizations, to prepare, publish, and distribute technical and descriptive material on community development projects being undertaken in the Americas, as a means of reporting and exchanging experiences.
10. To the effect that, at future meetings of the Special Committees of the IA-ECOSOC, round tables be organized, with the participation of experts in different fields, for the purpose of exchanging ideas and information on the work accomplished.
- /11. To establish

11. To establish closer cooperation between community development programs and the programs for establishing cooperatives, in order to make the best possible use of resources. The training programs envisaged in paragraphs 6 and 7 of this resolution should include, and lay the necessary stress on, promotion, organization, and training in the field of cooperatives in order that such cooperation may be more effective.

12. To make the services of its technical personnel available to those countries requiring assistance in the preparation of national reports. In this connection, it would be advisable for the Secretariat to adapt its work programs to include such services and to request such budgetary increases as may be required.

VII. HEALTH

The Inter-American Economic and Social Council

A. Recommends to the governments of the member states:

1. Planning

That those that have not yet done so establish health planning units at the ministerial level, with the participation of other responsible agencies in this field.

That they take such steps as may be required to provide suitable financing for health planning units and, if necessary, request international assistance in order to carry out a training program for officials on various levels.

That national units of economic and social development planning take such steps as may be required to ensure continuing participation by representatives of the health sector, not only in plans for this sector, but also in planning, analyzing, and developing other programs included under the national plan.

That the departments of preventive medicine of medical schools and the public health schools incorporate health planning education within their regular study programs.

That the technical services of the Pan American Health Organization be utilized by the ad hoc committees for the study of national plans submitted by the countries.

That, in like manner, the services of that organization be utilized in the formation of the cooperative groups to assist the governments in preparing their national development plans.

/2. Statistics

2. Statistics

That special attention be given to the training of statistical personnel, at various levels, to supply the countries with experts in accordance with their human potential.

That "registration areas" be established in each country, covering a representative sample of the population, for the collection and analysis of vital statistics and health data, coordinated insofar as possible with the planning areas.

3. Personnel Training

That programs of personnel training be developed in accordance with national health plans, based on the criterion of teamwork, and that each country study as a transitional measure the advantages and disadvantages of training health officers at the intermediate level, especially for rural areas.

That the ministries establish work relations with the universities in order to adapt educational programs to the requirements of health plans and to collaborate in such education on both the undergraduate and postgraduate levels.

That the resources of the ministries and other health services be utilized for medical education in its broadest sense.

That the necessary measures be adopted in order to expand training of sanitary engineering personnel to permit the development of environmental sanitation programs in accordance with the objectives of the Charter of Punta del Este.

4. Organization and Administration of Services

That health services work towards functional integration and, until this can be achieved, closer coordination be sought among all of the entities providing preventive and curative medical care, whether public or private, academic or service institutions.

That methods to improve the distribution of medical personnel be studied, with a view to establishing special incentives adapted to the particular situation in each country.

5. Environmental Sanitation

That they encourage the adoption of systems of payment for services provided to the communities based on the economic possibilities of the communities and the legal provisions of the countries concerned; likewise, that the active participation of the community in the development of the services be promoted.

That they adopt the necessary measures to develop sanitation and rural welfare programs in their countries, in accordance with the special resolution adopted in this respect.

/6. Communicable

6. Communicable Diseases

That they step up their efforts to eradicate smallpox and malaria, and that they assist each other in implementing this type of program, particularly in border zones.

7. Nutrition

That utilizing knowledge of nutritional diseases, they implement practical programs at the level of local health services, with special preference for the most vulnerable population groups, such as expectant mothers, nursing mothers, and preschool children.

That they encourage the production, distribution, and utilization of new sources of highly nutritional, low-cost food, on the basis of locally available products, utilizing knowledge already acquired in this respect, seeking to encourage the private sector to take interest in and support this type of undertaking.

That they intensify measures on both the national and international levels to coordinate activities directly relating to the problem of nutrition, particularly in health, agricultural, and educational aspects.

That they undertake programs to combat animal diseases, such as foot-and-mouth disease, which result not only in economic losses, but also in the decrease of protein-food availability.

That they analyze demographic trends carefully in order to plan their policy with regard to nutrition, water supply, and other health services.

8. Medical Care

That they plan medical care on the basis of well-organized systems of services that will make it possible to improve utilization of existing hospital facilities through the expansion of out-patient care and other technical and administrative measures.

That experience in use of mobile units for medical care and community development in rural areas be duly utilized in accordance with the particular conditions prevailing in each country.

That they give due consideration to the usefulness of charging for medical services rendered, based on the ability of the public to pay.

9. Water-supply Systems

That, in preparing urban water-supply and drainage projects, preference be given to multipurpose solutions, in order that such projects may contribute more effectively to economic and social development.

/10. General

10. General Matters

That a single national agency be responsible for coordinating the preparation of national reports and that the ministry of health in each country take charge of preparing the report in the health sector, including data from other agencies not directly under its control, which should supply the necessary information.

That, in the preparation and execution of their national economic and social development plans, they duly consider the recommendations contained in the Report of the Meeting of the Task Force on Health at the Ministerial Level held in Washington, D.C. (April 1963).

B. Recommends to international organizations:

1. That, at the international level, improved coordination be established in the formulation of development plans, and that the Pan American Health Organization be entrusted with the appropriate responsibility therein, in order to secure the harmonious participation of all the international organizations working in the field of public health.

2. That the Pan American Health Organization appoint a Technical Advisory Committee to draw up a system of measurement units or evaluation indices which will make it possible to measure progress in health activities, at both the hemispheric and the national level, within the general aims set forth in the Charter of Punta del Este, and in relation thereto.

3. That they help the countries which produce B.C.G. and other biological products to improve quantity and quality and to supply these products as needed without charge.

4. That international credit and assistance agencies grant the aid required by the governments for the proper operation of programs for the eradication of malaria.

5. That, in rendering technical and financial assistance to governmental, autonomous, or private institutions, they take advantage of opportunities afforded to promote and support the integration of health services, in the operative, research, and educational areas, to ensure the best use of available present and future resources.

6. That, despite the priorities assigned to date for granting international loans, special consideration be given to the needs of certain countries with regard to constructions and installations for public medical care.

7. That, in planning their activities, the recommendations contained in the Report of the Meeting of the Task Force on Health at the Ministerial Level held in Washington, D.C. (April 1963) be taken into account and used.

/C. Instructs

Instructs its Secretariat:

To recommend to the Pan American Sanitary Bureau that it review the guidelines for the preparation of national health reports with a view to simplification, confining these reports, wherever possible, to information on measurable objectives of the Charter of Punta del Este.

Part V

A. REPORT OF THE RAPPOREUR OF COMMITTEE I^{1/}
"PLANNING, REFORMS AND FINANCING"

The undersigned, Rapporteur of Committee I, has the honor to submit a summary of the work carried out by the aforesaid Committee. The tasks undertaken by the Committee were subject to the guidance of the following officers:

Chairman:	Héctor Hurtado (Venezuela)
Vice-Chairman:	J. Antonio Palacios (Guatemala)
Rapporteur:	Jorge Vélez García (Colombia)

Committee I discussed Topic I of the Agenda of the Meeting at the Expert Level (CIES/297, Rev.), which consisted of the following points:

- A. The economic and social situation in Latin America
- B. Specific aspects of economic and social development
- C. Machinery of the Alliance.

The Committee began with general comments on point A, by certain delegations and representatives of inter-American organizations; and it was agreed to form two subcommittees, I/A and I/B, to deal respectively with points B and C of the agenda: "Specific aspects of economic and social development" and "Machinery of the Alliance." Subcommittee I/A also considered the topic, "Planning and Preparation of Projects"; and Subcommittee I/B was given the topic "The Ideological and Political Advance of the Alliance for Progress.

In the course of discussions, Subcommittee I/A decided to create two working groups: the first composed of members of the delegations of Bolivia, Chile, Ecuador, El Salvador and Peru, to draw up a draft resolution on Preparation of Studies on the Bases for, and Possibilities of, Planning at the Regional Integration Level; and the second to bring into harmony the various opinions and points of view expressed in the Subcommittee concerning the draft resolutions submitted to it for study. The members of this group were of the delegations of Venezuela, Brazil, the United States of America, Honduras, Mexico and Peru.

Subcommittee I/B, which studied point C of the Agenda, Machinery of the Alliance, also appointed a working group, composed of members from the delegations of Argentina, Chile, Ecuador, the United States of America, Guatemala, Mexico, Peru and Venezuela. Representatives from the delegations of Brazil, Colombia, El Salvador, Nicaragua and Uruguay were also present at the sessions of this working group. The group studied the draft resolution on the creation of the Inter-American Committee on the Alliance for Progress (CIAP), that was presented by the delegations of Colombia, Chile, Ecuador, Peru, Uruguay and Venezuela.

1. Published originally as document CIES/500.

The Secretariat provided extensive working and reference documents to Committee I, a detailed list of which is given in document CIES/1, Rev. 4.

The Committee received for consideration and study the draft resolutions listed in the appendix hereto, which were approved by the Subcommittees. During the discussions of the draft resolution on the creation of the CIAP, the delegation of Brazil made the following reservation: "Although voting in favor of this resolution, the Delegation of Brazil wishes to make it a matter of record that, in the view of the Brazilian government, the document does not, either in form or content, succeed in satisfying the hope of the countries of Latin-America that they would have an instrument that will give impetus to the Alliance for Progress and will make it dynamic. Hence, the delegation of Brazil believes that the aforesaid draft resolution should be referred to the Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level, merely as a working document." At the plenary session of Committee I, held on November 8, 1963, the Delegation of Costa Rica approved the said draft resolution in principle, with the statement that it did not approve of the form, since it considered that there are very important aspects that could be improved upon, and pointed out that this could be done at the Meeting of the Inter-American Economic and Social Council at the Ministerial Level. With further reference to this draft resolution, and at the same plenary session of Committee I, the Delegations of the United States and Peru also spoke. The former declared that it approved the project with the exception of the following items under Chapter II, paragraph 3:

In subparagraph b) the phrase "of the financing needed for Latin American development and, "item (iii) of subparagraph d).

The Delegation of Peru called the Committee's attention to the fact that Subcommittee I/B agreed that in the regulations of the new organ of the Alliance for Progress a provision should be included to send invitations to representatives of governmental and nongovernmental international organizations of recognized international authority that may have special interest in matters to be dealt with in the meetings, so that they might attend them as observers.

The regional distribution for the election of the seven countries is as follows:

- Group 1: United States of America
- Group 2: The five countries of Central America
- Group 3: Dominican Republic, México and Panama
- Group 4: Chile, Colombia and Venezuela
- Group 5: Brazil, Ecuador and Haiti
- Group 6: Argentina and Peru
- Group 7: Bolivia, Paraguay and Uruguay.

/With respect

With respect to draft resolution CIES/424, Rev. 2 "External Financing and the Coordination Thereof", doubts were expressed as to the possible limiting effect of the phrase "when appropriate" in paragraph 2 of the operative part. One of the members of the working group explained that the expression should be understood to mean that an evaluation of the plan is made before the blanket lines of credit referred to in that paragraph are granted.

As a result of its work, Committee I approved the following draft resolutions, which it submits to the plenary session of the Meeting at the Expert Level with the recommendation that they be approved:

1. Activities of the Secretariat: Preparation and Presentation of the Economic and Social Survey of Latin America
2. Acceleration of External Financing Operations
3. Preparation of Studies on the Bases for, and Possibilities of, Planning at the Regional Integration Level
4. Expansion of the Natural Resources Research Program
5. Economic Development of Border Regions within the Goals of the Alliance for Progress.
6. Activities of the OAS/IDB/ECLA Joint Tax Program for Latin America
7. Activities of the Program on Administration for Development
8. Administration as a Career and its Salary Level
9. Promotion and Organization of Farm Cooperatives
10. Support to the Inter-American Committee for Agricultural Development (CIDA)
11. Economic Significance of Foot-and-Mouth Disease to the Americas
12. Transfers of Property in Connection with Agrarian Reform
13. Industrial Development and Financing of the Private Sector
14. Continuation of the Survey of Housing in Latin America
15. Study of Housing Programming
16. Housing Cooperative Programs
17. Seminar on the Administration of Housing Programs

/18. Special

18. Special Committee on Cooperatives
19. Financing of Educational Development Programs
20. Activities of the Organization of American States in the Fields of Science and Technology
21. Report of the Meeting of the Task Force on Health at the Ministerial Level
22. Financing for the Malaria Eradication Program
23. Establishment of National Trade Union Advisory Committees as Advisors of the Alliance for Progress
24. Systems of Payment for Work Performed
25. Latin American Human Resources Program
26. Legislative Reforms Designed to Facilitate Latin American Economic Development
27. Contracting of Consultants for Carrying out Studies and Other Work Financed with External Funds

The Committee also agreed to recommend to the plenary session that at the same time it approve the following draft resolutions with the request that they be transmitted to the Meeting at the Ministerial Level for final consideration:

1. External Financing and the Coordination Thereof
2. Preferential Treatment to the Agricultural Sector in Development Plans
3. Continental Program in Sanitation and Rural Well-being
4. Creation of a Special Committee of the Inter-American Economic and Social Council on Labor Matters
5. Creation of an Inter-American Training Center for Ministry of Labor Personnel
6. Creation of the Inter-American Committee on the Alliance for Progress
7. Development of the Ideological and Political Advance of the Alliance for Progress
8. Vote of appreciation to ex-Presidents Juscelino Kubitschek and Alberto Lleras Camargo

/Upon the

Upon the completion of its work, Committee I extended a vote of applause to its Chairman and Vice-Chairman, and expressed its appreciation to the Secretariat for its cooperation.

Respectfully submitted,

(signed) Jorge Vélez García

APPENDIX TO THE
REPORT OF THE
RAPPORTEUR OF COMMITTEE I

DRAFT RESOLUTIONS APPROVED BY SUBCOMMITTEE I/A OF COMMITTEE I

1. Activities of the Secretariat: Preparation and Presentation of the Economic and Social Survey of Latin America (CIES/462, Rev.)
2. External Financing and the Coordination Thereof (CIES/424, Rev.)
3. Acceleration of External Financing Operations (CIES/487)
4. Preparation of Studies on the Bases for, and Possibilities of, Planning at the Regional Integration Level (CIES/418, Rev.)
5. Expansion of the Natural Resources Program (CIES/419, Rev.)
6. Economic Development of Border Regions within the Goals of the Alliance for Progress (CIES/467, Rev.)
7. Activities of the OAS/IDB/ECLA Joint Tax Program for Latin America (CIES/428, Rev.)
8. Activities of the Program on Administration for Development (CIES/400, Rev.)
9. Administration as a Career and Its Salary Level (CIES/452, Rev.)
10. Promotion and Organization of Farm Cooperatives (CIES/426, Rev.)
11. Support to the Inter-American Committee for Agricultural Development (CIDA) (CIES/463, Rev.)
12. Economic Significance of Foot-and-Mouth Disease to the Americas (CIES/434, Rev.)
13. Preferential Treatment to the Agricultural Sector in Development Plans (CIES/460, Rev.)
14. Transfers of Property in Connection with Agrarian Reform (CIES/436, Rev.)
15. Industrial Development and Financing of the Private Sector (CIES/449, Rev.)
16. Continuation of the Survey of Housing in Latin America (CIES/422, Rev.2)
17. Study of Housing Programming (CIES/451, Rev.2)
18. Housing Cooperative Programs (CIES/421, Rev.2)
- /19. Seminar

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19. Seminar on the Administration of Housing Programs (CIES/450, Rev.2)
20. Special Committee on Cooperatives (CIES/484)
21. Financing of Educational Development Programs (CIES/453, Rev.)
22. Activities of the Organization of American States in the Fields of Science and Technology (CIES/439, Rev.)
23. Continental Program in Sanitation and Rural Well-being (CIES/476)
24. Report of the Meeting of the Task Force on Health at the Ministerial Level (CIES/437, Rev.)
25. Financing for the Malaria Eradication Program (CIES/458, Rev.)
26. Creation of a Special Committee of the Inter-American Economic and Social Council on Labor Matters (CIES/441, Rev.)
27. Establishment of National Trade Union Advisory Committee as Advisors of the Alliance for Progress (CIES/456, Rev.)
28. Systems of Payment for Work Performed (CIES/438)
29. Latin American Human Resources Program (CIES/440, Rev.)
30. Legislative Reforms Designed to Facilitate Latin American Economic Development (CIES/464, Rev.)
31. Creation of an Inter-American Training Center for Ministry of Labor Personnel (CIES/447, Rev.)
32. Contracting of Consultants for Carrying out Studies and Other Work Financed with External Funds. (CIES/444, Rev.2)

DRAFT RESOLUTIONS APPROVED BY SUBCOMMITTEE I/B OF COMMITTEE I

1. Creation of the Inter-American Committee on the Alliance for Progress (CIES/483, Rev.2)
2. Development of the Ideological and Political Advance of the Alliance for Progress (CIES/480, Rev.)
3. Vote of Appreciation to ex-Presidents Juscelino Kubitschek and Alberto Lleras Camargo (CIES/499).

/B. REPORT

B. REPORT OF THE RAPPORTEUR OF COMMITTEE II.1/
"FOREIGN TRADE AND REGIONAL INTEGRATION"

On October 30, 1963, the Chairman of the Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level announced the establishment of Committee II to examine Topics II and III of the Agenda of the Meeting. The officers of the Committee were as follows:

Chairman: Enrique Gastón Valente (Argentina)
Vice-Chairman: Jorge Armijo M. (Nicaragua)
Rapporteur: Gustavo Petricioli (Mexico)

Committee II set up two Subcommittees: II/A and II/B which dealt, respectively, with Topics II and III of the Agenda. The full Committee held three meetings--on October 30 and 31 and on November 8, 1963.

The officers of Subcommittee II/A were:

Chairman: Enrique Gastón Valente (Argentina)
Rapporteur: Gustavo Petricioli (Mexico)

The officers of Subcommittee II/B were:

Chairman: Jorge Armijo M. (Nicaragua)
Rapporteur: Gerson Augusto da Silva (Brazil)

The undersigned presents the report of Committee II to the plenary session for consideration. The report consists of the following main parts and their respective appendices:

Part ONE Latin American Foreign Trade and its Significance for the
United Nations Conference on Trade and Development (Topic II)

Part TWO Regional Integration (Topic III)

Part ONE was considered by Subcommittee II/A, with the undersigned as rapporteur. Part TWO was considered by Subcommittee II/B, for which Gerson Augusto da Silva, of the Delegation of Brazil, was rapporteur.

In the session held November 8, 1963, the subcommittees met together to consider their respective reports, which were approved after some modification. Immediately thereafter Committee II went into plenary session and approved the reports submitted to it.

1. The reports of the Rapporteurs of Subcommittees II/A and II/B were originally published as documents CIES/492 and CIES/488 respectively. The report of the Rapporteur of Committee II was published as document CIES/506.

Likewise, the Committee approved the following draft resolutions, which it submits to the Meeting at the Expert Level for consideration recommending that they be approved:

CIES/442 Creation of a Permanent Latin American System for Consultation on Trade and Development

CIES/448 Reiteration of the Provisions of Resolution C-11/M62, Mexico Rev. 2

CIES/495 Improvement of the Sugar market Rev.

Committee II also agreed to recommend to the plenary session of the Meeting at the Expert Level to approve the following preliminary draft resolutions with the request that they be submitted to the Second Annual Meeting of IA-ECOSOC at the Ministerial Level for consideration:

CIES/465 Expansion of Primary Commodity Exports

CIES/490 Considerations to the Creation of a Mechanism or Organ for Coordinating the Positions of the Latin American Countries at the United Nations Conference on Trade and Development

CIES/496 Creation of a Special Committee on Manufactures and Semimanufactures Rev.

CIES/411 Creation of a Special Telecommunications Commission Rev. 2

CIES/475 Regional Integration Rev. 2

CIES/430 Coordinated Planning Rev.

The Chairman closed the sessions of Committee II and expressed his appreciation for the valuable contribution made by the observers from international organizations who formulated proposals, and that of the delegates for the information supplied.

At the same time the Chairman expressed his appreciation to the delegates for their participation in the discussions, and to the personnel of the Secretariat for its cooperation.

(signed) Gustavo Petricioli

/PART ONE

PART ONE

LATIN AMERICAN FOREIGN TRADE AND ITS SIGNIFICANCE FOR THE
UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

1. Progress Achieved in the Preparation for the
United Nations Conference on Trade and Development;
Coordination of Trade Policies

The Committee carefully analyzed the problems faced by Latin American countries in matters of foreign trade, and pointed out that one of the fundamental causes of the lack of dynamism in the development of their economies is, undoubtedly, the existence of obstacles and external limitations that still hinder the expansion of their foreign trade.

The Delegation of the United States of America requested that it be entered in the Rapporteur's Report that, while it fully agrees with the expression of the other delegations with respect to the influence of external factors on the development of the Latin American economies, it should not be forgotten that internal factors are also important to the growth rate of their economies.

The Committee agreed to endorse the statements made at the Second Meeting of the Special Committee on Basic Products of the Inter-American Economic and Social Council (IA-ECOSOC) that the United Nations Conference on Trade and Development is an extraordinary event in the field of international relations and an opportunity of which the Latin American developing countries should take advantage to propose and obtain substantial reforms in the structure of trade and of international economic relations, and to underscore the importance of their exports, both of primary products and of manufactures.

In this respect, the Committee considered that the fundamental purpose that should guide the countries of the hemisphere when considering trade policy problems is that of contributing to the search for solutions to the basic problems of integral development in Latin America.

The Committee studied the progress achieved in the preparations for the above-mentioned conference, and in particular the work carried out by the United Nations Preparatory Committee, and expressed its agreement, in principle, both with the contents of the draft agenda as well as with the general considerations referring to the problems that will be analyzed by the conference. The Committee also showed its satisfaction with the suggestions leading to a better solution of trade and development problems, that were obtained in the Report of the Preparatory Committee, of which Argentina, Brazil, Colombia, El Salvador, Peru, the United States, and Uruguay are members. In analyzing this topic of the Agenda consideration was given to document CIES/708 (Final Report of the Second Meeting of the Special Committee on Basic Products), document CIES/369 (Progress Achieved in the Preparations for the United Nations Conference on Trade and Development; Coordination of Trade Policies), the memorandum presented by the Delegation of Brazil (CIES/417), and the Report of the Preparatory Committee on its Second Session (United Nations Conference on Trade and Development, document CIES/377).

/The Committee

The Committee also considered in its work the statement made by Mr. Sidney Dell, an official of the General Secretariat of the World Conference on Trade and Development (CIES/402). Mr. Dell represented Dr. Raul Prebisch, Secretary General of the said conference, at the Meeting of the IA-ECOSOC at the Expert Level. The Committee also took into account the statement made by Mr. Alfonso Santa Cruz, observer for the Economic Commission for Latin America (ECLA), who referred to the work being done by this agency in relation with the seminar it has convoked.

There was general agreement on the fact that the Latin American countries should try to coordinate their points of view and jointly defend their common interests at the United Nations Conference on Trade and Development. In this respect, a draft resolution was approved which recommends to the Second Annual Meeting of the IA-ECOSOC at the Ministerial Level that it consider the advisability of establishing a mechanism to bring about a coordinate policy for the Latin American members of IA-ECOSOC to present at the United Nations Conference on Trade and Development. This aspect was, unanimously approved by the delegates present (CIES/490 Rev.).

The Delegation of Brazil requested that the same recommendation include, as a technical contribution of the Committee, a proposal for creating a Latin American preparatory coordinating committee for the above-mentioned conference. This proposal has been presented to the Committee by a working group composed of Argentina, Brazil, the United States and Uruguay (CIES/490). The proposal was not approved by the Committee, but a majority felt that it would be useful to transmit it to the Second Annual Meeting of the IA-ECOSOC at the Ministerial Level as an information document.

2. Significant Developments in Latin American Trade

The Committee considered that before proceeding with an analysis of significant developments in Latin American trade, it was necessary to examine the general trends of international trade. With this frame of reference, a realistic analysis of Latin American foreign trade in 1962 must consider the unfavorable factors that determine the long-range trends of trade in the developing countries.

During the past decade, the following general trends have been noted:

- a. The rate of increase of the total volume of exports in the developing countries has been very moderate (3.6 percent from 1950 to 1960). This rate is one half of that achieved by the developed countries and one third of that of countries with centrally planned economy;
- b. Although the joint average price level of exports in the developing countries was slightly higher in 1960 than in 1950, the prices of their imports increased significantly in the same period, which accounted for a 9 percent depreciation in the terms of trade;

/c. As a

- c. As a result of the interaction of these two factors, the participation of developing countries in international trade diminished from 30 percent in 1950 to 20 percent in 1960, while the participation of industrialized countries increased from 60 percent to 66 percent, and that of the countries with a centrally planned economy increased from 8 percent to 12 percent in the same period;
- d. As a consequence of these phenomena, the importing capacity of the developing countries underwent a pronounced limitation.

The Committee pointed out that although exports from Latin America showed an improvement in 1962 and the first months of 1963, in comparison with the immediately preceding years (1962: 6 percent on value and 7 percent on total volume exported in 1961), it cannot be said that the dynamic growth tendency of the years prior to 1956 and 1957 has been recovered. In this respect, it was stated that this improvement does not in any way imply the beginning of a stage of expansion in foreign trade, since the improvement was mainly the result of specific conditions of each product, which will hardly recur in the future. It was also indicated that in spite of the improvement in prices of some export products and the increase in volume of others, there is concern regarding the possibility that this situation will not continue. Future prospects already limited by the slow increase of demand for primary products in the developed countries, are impaired mainly by the effects of the restrictions and preferential treatments of the European Economic Community (EEC), which have not yet been fully felt; the signing, in July 1963, of the convention between the member countries of the EEC and the African States; the pronounced trend toward self-sufficiency that is the basis of the European Market's common agricultural policy; the decrease of the growth rate in the member countries of the EEC; and, in general, the discriminatory and protectionist policies in the area of basic products held by the majority of the more developed countries.

3. Trade Policies Formulated within GATT

In analyzing the trade policies formulated within the General Agreement on Tariff and Trade (GATT), the Committee recognized that to date GATT has not proved to be a satisfactory instrument for finding positive solutions to the trade problems of developing countries. Although it continues to be the only international forum for multilateral trade and tariff negotiations between industrialized and developing countries, it is necessary for the Latin American countries to consolidate their positions in order to obtain a substantial modification in GATT's present juridical structure that will give it a larger degree of effectiveness in defending the trade interests of the developing countries.

After examining the objectives and recommendation contained in the Action Program proposed by the developing countries, which was the subject of GATT's last ministerial meeting, the Committee stated that although it agreed with the initiatives on structural reforms taken within GATT, it was essential to apply these reforms integrally and totally, in the shortest time possible.

/The delegation

The Delegation of Brasil referred to the conclusions adopted at GATT's ministerial meeting last May and requested that the Rapporteur's report include the joint declaration of the ministers of the developing countries:

The Ministers of the less developed countries that sponsor and support the Action Program expressed their disappointment with the agreements and positions of some industrialized countries, and considered these of little use. They pointed out that the eight-item Action Program does not meet the minimum conditions necessary for the less developed countries to make a thorough contribution to the expansion of international trade; it constitutes a practical combination of the difficulties expressed by some industrialized countries and their responsibilities in view of the GATT. Special reference was made to the fact that all the contracting parties have committed themselves to fulfilling their obligations with respect to quantitative restrictions, without attenuations. Therefore, the Ministers of these less developed countries urged that the Action Program be carried out fully, within the established deadline, in order that the accelerated economic development of their countries can be accomplished. They expressed the hope that the industrialized countries will be able to make important tariff concessions with respect to primary, semimanufactured and manufactured products exported by the less developed countries before the beginning of the next trade negotiations. The Ministers also expressed the hope that the products of interest to the less developed countries will not be excluded from the supply lists during negotiations.^{1/}

The Delegation of the United States requested that it be made a matter of record that the Action Program of GATT was approved in essence by all the industrialized countries and that some of the proposed measures have already been adopted unilaterally in several of GATT's member countries.

The Delegations of Chile and the Dominican Republic requested that it be made a matter of record that GATT has proved to be generally useful to their trade interests, although they agreed with the other delegations that it is necessary to try to obtain a reform of GATT's structure.

The Committee considered a draft resolution (CIES/494), originally approved by Subcommittee A, on minimum structural reforms of GATT that the Latin American countries should obtain from this Agreement. This proposal was defeated as several delegations abstained from voting because they are not members of GATT, and others abstained because they felt the proposal made no reference at all to some of the positive aspects of the Agreement, which refer to exports from developing countries.

In the examination of this point, in addition to the documents submitted by the Secretariat of the IA-ECOSOC, the Committee took into account statements made by Mr. Santiago Makario, observer for GATT.

1. Unofficial translation.

4. Trade policies of the European Economic Community (EEC)

The Committee pointed out that the problems created by the EEC's application of restrictive and discriminatory measures detrimental to imports of products from developing countries are the result of policies that have been carefully defined and long-range programs whose application implies a growing distortion of trade currents. It was stated that, on the one hand, these policies expand internal production in the member countries of the Community through severe protection measures supported by subsidies of various types, and, on the other, maintain trade relations on preferential bases with former territories that are now independent nations. The EEC's inflexibility in meeting the reasonable requests of the developing countries; GATT's ineffectiveness in preventing preferential agreements detrimental to the Latin American countries; protectionist policies and the absence of a common, adequately coordinated trade policy among the Latin American nations are some of the factors that explain the discouraging results obtained by the Latin American countries in their representations before the Community. On this point the Committee noted that, as stated in the above-mentioned Final Report of the Second Meeting of the Special Committee on Basic Products, the United Nations Conference on Trade and Development offers an opportunity to re-examine the current trade difficulties between Latin America and the Community, in order to obtain a long-range solution compatible with the economic development needs of Latin America.

The Delegation of Brazil pointed out that it had presented document CIES/379 to the meeting, containing its position on the subject.

5. Activities of the Groups on Basic Products

The Committee considered the activities of the various working groups (detailed in document CIES/308), and expressed its support of these activities, suggesting that they be intensified.

The Committee noted that the OAS Group on Bananas should continue its activities, concentrating its efforts on adequate preparation and effective participation of the member countries of the OAS in the BAO's Ad Hoc Group on Bananas, scheduled to meet in early 1964. The Committee expressed its satisfaction with the creation of the FAO Ad Hoc Group on Bananas to study problems of production, consumption and marketing of this product, and with the fact that this Group will become a permanent study group after its first meeting in 1964.

The Committee pointed out that the OAS Group on Cacao has, during the past year, concentrated on preparations for the United Nations Conference to Negotiate an International Cacao Agreement. The Committee regretted the failure of the Negotiation Conference and the fact that it had not been possible for the consumer and producer countries to reach agreement. The Committee also stated that the Group should meet as soon as possible to reconsider the situation in view of the negative results of the aforesaid conference. In this respect, the delegations of Brazil and the United States requested, respectively, that the declarations

/made by

made by the producer and consumer countries after the United Nations Negotiation Conference be distributed as a reference document of the IA-ECOSOC. The Committee also noted that the GATT Meat Group is to start meeting again; and that the Coffee Group should follow closely the implementation of the International Coffee Agreement, especially with respect to the application of Article 47, which refers to restrictions on consumption. The Committee expressed satisfaction with the ratification of the International Coffee Agreement.

The Committee examined the Report of the First Meeting of Sugar Authorities of the member countries of the OAS, held in late October 1963, which was called to suggest short- and long-range measures to improve conditions in the sugar market. The work of this meeting was based on the preparatory work of the OAS Sugar Study Group which met in 1963. The Committee approved a draft resolution on Improvement of Conditions in the Sugar Market (see document CIES/495 Rev.) which included the main conclusions and recommendations of the First Meeting of Sugar Authorities.

The Committee expressed concern that the United Nations has not yet decided to convoke an exploratory meeting on the establishment of a copper study group. A draft resolution (CIES/448, Rev. 2) on "Reiteration of the Provisions of Resolution C-11/M62" was approved.

The Delegation of Brazil presented, with the request that it be incorporated in the Rapporteur's report, the following summary of document CIES/491, in which

"... there is an analysis of the present state of economic relations among the relatively less developed countries and the industrialized countries in the field of primary products, characterized by superficiality--result of the defective and imprecise analysis of international economic phenomena; by generalizations--reflected in general and obvious conclusions; by an excess of activities--manifested in a multiplicity of governmental meetings lacking any practical content. An analysis of recent events in the world coffee market shows the positive effects of organizing supply, a consequence of the entry into force of the International Coffee Agreement, which has already begun to play its role of stabilizing prices at a more remunerative level. This improvement in international coffee prices, however, can be maintained only if producers refuse to accept a change in the present quota system implying an immediate increase in supply. It was also brought out that the consumers do not yet seem willing to accept their responsibilities with reference to organizing the market and maintaining remunerative prices, as was demonstrated by the failure of the United Nations Conference on Cacao."

6. Problems of Diversification of Exports: Manufactures and Semimanufactures

The Committee agreed that the extreme dependence of the Latin American countries upon the export of a limited number of basic products exposes their economies to grave risks of reductions in export receipts as a consequence of falling

/prices in

prices in the world market or of deterioration in terms of trade. Hence, there is need to ensure a rapid and effective diversification of trade by adding to the lists of export products manufactured and semimanufactured goods, which, besides eliminating or reducing the aforementioned risks, will provide the countries with increased employment opportunities for their growing populations, and will permit them to draw up economic development plans on rational bases.

The Committee was moreover of the view that restrictions maintained by industrialized countries on the expansion of exports of manufactured goods from developing countries and defective techniques and systems of marketing those products are factors calling for correction, so that the Latin American countries can achieve their aim of incorporating finished products into their lists of exports. Consequently, the Committee approved a draft resolution calling for the creation of a Special Committee on Manufactures and Semimanufactures, to be made up of experts of the member countries of the Organization of American States interested in studying the problems involved and suitable methods for bringing about greater expansion of exports of this type (CIES/495, Rev.). The Committee resolved to recommend to the Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level that it designate the countries that would make up the Special Committee and suggested that the number not exceed nine.

On the subject of the diversification of exports, the Committee heard a statement by Mr. Raúl Rey Alvarez, observer for the Inter-American Development Bank, who spoke on the new program for export financing recently approved by the Bank, calling attention to the fact that this covers only intraregional exports, primarily of capital goods.

7. Financing Mechanisms to Compensate for Fluctuations in Export Receipts

The Committee carefully examined the mechanisms for financing declines in export receipts and arrived at the following conclusions:

In recent years there has been much investigation into, and discussion concerning, the financing of declines in export receipts at international organizations, especially the United Nations, the International Monetary Fund, and the Organization of American States.

In this regard it is necessary to distinguish between formulas envisaging financing on the basis of reimbursable credits and financing involving permanent compensation for losses suffered by primary exporting countries.

Two specific schemes have been drawn up and widely discussed: one prepared by the United Nations Group of Experts, and the other by the OAS Group of Experts. Without entering into an analysis of these technical mechanisms and their different variations, the Committee pointed out that the United Nations scheme (FSD), contains a permanent compensation factor which does not appear in that of the OAS, and that neither one nor the other system provides an answer to long-term problems.

/The Committee

The Committee has acknowledged the fact that, though neither of the two schemes has been approved by the governments, the discussion and study thereof has had the following effects in recent years:

- a. They have contributed towards adoption of a more liberal policy in this regard by the International Monetary Fund, as announced in February 1963.
- b. It is increasingly acknowledged and accepted that the structural nature of the long-term problem in regard to primary exports is of paramount importance and that many of the proposed financing mechanisms are mere palliatives, and, hence, represent only a partial and temporary solution of the question.

The Committee nevertheless considered that both kinds of financing should continue to be studied, with a view to improvement thereupon, in order to solve the problems resulting from the long-term trend to declining exports and from the drop in the developing countries' capacity to import.

The Committee greets with satisfaction this new policy of the International Monetary Fund on the subject in question, even though it considers that this policy merely embodies a partial solution to the problem. The feeling is general and the desire is great that the policy of the Fund in this regard be put into practice in a more flexible and liberal manner. In this connection the Committee recognized the positive features of new policy of the International Monetary Fund, as noted in the Report of the Special Committee on Basic Products of the Organization of American States. The Committee recommends that the OAS Secretariat continue to keep a close watch on the development of the International Monetary Fund policy.

The Committee suggests that it be recommended that the government of the member countries increase their efforts at the various international organizations to arrive at a specific formula which will solve both problems: fluctuations in export receipts and deterioration of the developing countries' capacity to import.

The Committee further held that in cases of persistent decline in export receipts of countries undergoing development, means must be found to provide for the long-term refinancing of credits which had been obtained to meet a drop in such receipts.

Mr. H. Zassenhaus, the International Monetary Fund observer, explained the scope of the new policy of the Fund in this regard.

8. General Coordination of Trade Policies

The Committee agreed that it was absolutely necessary to bring about a change in the present structure of international trade and, in so far as it might be useful, in the institutional mechanisms whereby policy is established; that trade

/between nations

between nations should be for purposes of economic development; and that one of the main reasons for the lack of development in Latin American countries is the low individual bargaining power thereof. Therefore, in order to face up to their problems on a world-wide scale, the countries of the region should present a united front, in the form of a joint policy which would take into account the interests and relative degree of development of each one, as well as the bargaining power of the Latin American import market, and propose over-all solutions for the difficulties currently encountered in the struggle against adverse international trade conditions.

The building of such a united front would imply carrying inter-American solidarity into the commercial sphere, on the basis of a coordination of trade interest; and of a definition of the goals to which due priority ought to be given.

The Committee stressed the fact that in order for Latin America to attain the aforementioned goals, the several aspects of producing and marketing its export products must be studied together with those of other countries of the world, for only thus will it be possible for it to reconcile and coordinate its interests with those of other underdeveloped countries, and bring the industrialized countries, to shoulder their respective responsibilities.

An important step in this direction was taken with the "Joint Declaration of Representatives of Developing Countries" signed by the delegates of the underdeveloped countries at the Second Meeting of the Preparatory Committee for the United Nations Conference on Trade and Development. They included representatives of Argentina, Brazil, Colombia and Peru and later El Salvador and Uruguay. On October 23, 1963, during the eighteenth session of the General Assembly of United Nations, the aforesaid declaration was approved and signed by all the Latin American countries and other developing countries, totalling 75.

The Committee was of the opinion that the industrialized countries should make the necessary effort to ensure profitable production and marketing of basic products and at the same time take steps to provide openings for the sale of manufactured and semi-manufactured products from the underdeveloped countries, so as to permit their economic advancement.

In this connection the Committee approved a draft resolution, whereby it was recommended that, at the coming United Nations Conference on Trade and Development, the American Countries give their support to a program intended to abolish as soon as possible tariff and nontariff barriers, quota restrictions, imposts, and discriminatory practices which hinder the entry of primary tropical agricultural products into the markets of industrialized countries on reasonable terms (CIES/465, Rev.2).

The Committee, taking into consideration the fact that during the month of January 1964 a seminar convoked by ECLA will be held at Brasilia, Brazil, at which experts named by the Latin American governments will participate for the purpose

/of coordinating

of coordinating policies for the coming United Nations Conference on Trade and Development, approved a resolution (CIES/442) wherein it was recommended that the General Secretariat of the Organization of American States request the ECLA Secretariat to include on the agenda of the aforesaid seminar an item on setting up a permanent Latin American system for advice and coordination on trade and development.

APPENDIX TO THE
REPORT OF THE
RAPPOREUR OF COMMITTEE II
(Part One)

AGENDA - SUBCOMMITTEE II/A

Topic II. Latin American Foreign Trade and its
Significance for the United Nations
Conference on Trade and Development

1. Progress Achieved in the Preparation for the United Nations Conference on Trade and Development; Coordination of Trade Policies
2. Significant Developments in Latin American Foreign Trade
3. Trade Policies formulated within GATT.
4. Trade Policies of the European Economic Community (EEC)
5. Activities of the Groups on Basic Products
6. Problems of Diversification of Exports: Manufactures and Semimanufactures
7. Financing Mechanisms to Compensate for Fluctuations in Export Receipts
8. General Coordination of Trade Policies.

Documents Received

The documents submitted by the Secretariat to the Subcommittee were the following:

- CIES/308 Final Report of the Second Meeting of the Special Committee on Basic Products (Includes the documents prepared by the Secretariat during the Meeting of the Committee)
- CIES/369 Progress Achieved in the Preparation for the United Nations Conference on Trade and Development; Coordination of Trade Policies
- CIES/369 Add.
- CIES/377 United Nations Conference on Trade and Development; Report of the Preparatory Committee on its Second Session

- CIES/299 Economic and Social Survey of Latin America, 1962, Part I, Chapter 1
- CIES/372 Report from the OAS Regional Office in Europe: GATT activities in Latin America, July 1 - October 1, 1963
- CIES/381 Report on the First Meeting of the Sugar Officials of the Member Countries of the OAS
- CIES/417 Memorandum from the Delegations of Brazil and Uruguay

The Subcommittee received the following documents from the delegations:

Bolivia:

- CIES/414 Summary of the Report made by Mr. Oscar Gandarillas, Head of the Bolivian Delegation

Brazil:

- CIES/379 Trade Policies of the European Economic Community
- CIES/435 Latin American Foreign Trade in 1962, Speech by Ambassador Jayme Azevedo Rodrigues
- CIES/491 Declaration made by Brazil submitted by Subcommittee II/A to Committee II

The Committee received the following draft resolutions in relation to Topic II:

- CIES/427 Submitted by the Delegations of El Salvador and United States of America:
"Export Promotion"
- CIES/429 Submitted by the Delegation of Bolivia:
"Export Financing of Basic Products"
- CIES/433 Submitted by the Delegation of Uruguay:
"Reorganization of GATT and Enumeration of Minimum Objectives of Efforts to Expand the International Trade of Developing Countries"
- CIES/442 Submitted by the Delegations of Chile and Brazil:
"Creation of a Permanent Latin American System for Consultation on Trade and Development"
- CIES/448 Submitted by the Delegation of Chile:
"Reiteration of the Provisions of Resolution C-11/1962 of the First Annual Meeting of the Inter-American Economic and Social Council, held in Mexico City"

- CIES/461 Submitted by the Delegation of Ecuador:
"Markets Surveys on Latin American Exports"
- CIES/465 Submitted by the Delegation of Colombia:
"Expansion of Primary Commodity Exports"
- CIES/468 Submitted by the Working Group:
"Financing Mechanism to Compensate for Fluctuations in Export Receipts"
- CIES/490 Submitted by the Working Group:
"Creation of a Latin American Preparatory Coordinating Committee for the United Nations Conference on Trade and Development"
- CIES/494 Submitted by the Working Group:
"Reorganization of GATT and Enumeration of Minimum Objectives of Efforts to Expand the International Trade of Developing Countries"
- CIES/495 Submitted by the Rapporteur, Subcommittee II/A:
"Improvement of the Sugar Market"
- CIES/496 Submitted by the Working Group:
"Creation of a Special Committee on Manufactures and Semimanufactures."

PART TWO

REGIONAL INTEGRATION

The discussions of the Committee were carried on as stated below. At the first session the Secretariat made a presentation of the points on the agenda and of the pertinent documents. It indicated that the inclusion of economic integration in the agenda was due to its importance in the economic development of the Latin American countries and to the fact that the Punta del Este Charter mentions it as one of the basic aspects of the Alliance for Progress. It made reference to the first meeting held in Mexico City by the IA-ECOSOC, at which the governments agreed to examine annually the development of the two integration processes: the Central American Economic Integration Program and the Latin American Free Trade Association, in considering the advance made by the Alliance for Progress.

The Committee agreed to follow the order established in the agenda for its consideration.

The Guatemalan and Argentine delegations expressed their desire that the rapporteur's report note their statements about the support their governments are giving to the regional integration movement and about the measures they have been taking in this direction.

1. Report of the Permanent Secretariat of the General Treaty for Central American Economic Integration (SIECA)

The Chairman invited the observer for the Permanent Secretariat of the General Treaty for Central American Economic Integration (SIECA) to comment on the report presented to the meeting, contained in document CIES/358. Jr. José Sancho Benito, observer of SIECA, made a full statement and a very complete analysis of the development of the Central American Integration Program, mentioning the following among other points: the most important recent event concerning the Program has been the formal adherence of the Government of Costa Rica to the Program; trade between the member countries has increased substantially; up to 95 percent of the rubrics of the Central American Uniform Customs Nomenclature have been collated; and agreements have been entered into to establish a single tax level; a customs code has been approved at the technical level; as for negotiations with third countries, there has been agreement to act as an economic unit; in the industrial field, an integrated industries program has been established and industries of this nature, such as tires and tubes, have already been installed, while chlorate insecticide and caustic soda industries, soon will be; an agreement has been signed for fiscal incentives; agreements have been reached for the stabilization of prices of agricultural products; in infrastructure, a regional highway program, known as the Central American Highway plan, has been established and progress has been achieved in aerial navigation and telecommunications; the development of housing and cadastre is being studied; common legislation affecting trademarks is also being studied.

/Following the

Following the statement of the SIECA observer, the delegates raised questions as to the manner in which the common tariff, statistics, and taxes were worked out to contribute to the integration program. The Subcommittee congratulated the representative of SIECA on his statement and the report presented.

2. Report of the Latin American Free Trade Association (LAFTA)

The chairman invited Mr. José María Cazal, observer for the Latin American Free Trade Association (LAFTA), to comment on the report presented to the meeting, contained in document CIES/371. The LAFTA observer made a full statement and a very complete analysis of the development of the Free Trade Zone, covering, among others, the following points: integration required profound modifications in structure, and in this connection LAFTA has two tasks to perform, namely, a program of liberalizing trade and reducing the differences in the economic structure of the countries; and explanation of the functioning of the liberalization program; work on the unification of customs policies is being carried on, starting with a common tariff nomenclature; in the field of planning, a series of studies beginning with coordination and its possible forms is being undertaken; the advisory committees on statistics, transportation, nomenclature, and origin have worked intensively and the committee on monetary policy will soon be established; in the private sector a program of sectorial meetings with sufficiently broad coverage relating to the trade liberalization program and the complementary industry agreements has been initiated; questions of foreign trade with third countries and the course they are taking in different international forums are being studied; in transportation there is a work plan covering all aspects; the treatment given to the economically less developed countries is one of the questions to which LAFTA is giving most serious attention; and agreements on complementary industries.

Following the statement of the observer of LAFTA, the delegates raised questions as to the measures favoring the less developed countries, complementary industry agreements, and the mechanisms established, the results of trade in 1962 according to published statistics, and possible understandings with the Central American Integration Program. The Committee congratulated the representative of LAFTA on his statement and report.

3. Report of Mr. Rômulo de Almeida of the Panel of Nine

In dealing with items II.A and II.B of the agenda, the chairman invited Mr. Rômulo de Almeida to speak on document CIES/345. Mr. de Almeida made a full statement and a very thorough analysis of Latin American economic integration, emphasizing among others, the following points: the need for integration is more urgent today than ever before; Latin America has no greater force in international negotiation than integration itself; planning on a regional scale should be undertaken as soon as possible; one of the most important tasks is to discover opportunities for investment in the industrial and agricultural sectors; coordination of the position of the domestic entrepreneur with the great foreign firm; studies should be undertaken of opportunities, infrastructure, and promotion;

/financial mechanisms

financial mechanisms should be created; LAFTA's advances are substantial but its stages should be hastened; the modification of LAFTA's negotiation system required a previous harmonization of the tariff instruments of the member countries, and this has first priority; the situation of the economically less developed countries should be given special attention; the program of the Alliance for Progress has, in a certain way, delayed integration, owing to its system of collaborating with the countries individually, and this situation must be remedied; national plans must be harmonized on a regional basis.

Following the statement of Mr. de Almeida, the delegates raised questions as to the manner in which national development plans could be prepared with a view toward integration. Mr. de Almeida asked that the reply be given by Mr. Raúl Sáez, Coordinator of the Panel of Nine. Mr. Sáez gave a full reply to the question, pointing out that it was one of the greatest problems faced by the Panel, which had begun to study it, and that it could be attacked in a number of ways: first, by contact between national planning agencies and the agency charged with integration; secondly, groups specializing in integration matters should take national plans into account in their work; and thirdly, the countries should be requested to present their national plans with a view to markets of other countries. He indicated that regional planning did not necessarily mean planning of the entire area as a whole, nor does it need to be over-all in scope for it can refer to specific points such as transportation, communications, and power supply. He stated that in his opinion sectorial plans on a regional basis should have preference as regards Alliance for Progress financing.

The Committee congratulated Mr. de Almeida and Mr. Sáez on their statements and the report presented.

4. Note of the Secretariat

The Committee then considered document CIES/366 and the representative of the United States made the request to which the Committee agreed that note be taken of the usefulness of the program of consultations between representatives of international organizations and experts in economic integration matters which was sponsored by the Inter-American Development Bank in March 1963. The Committee was of the belief that the points contained in document CIES/366 relating to these meetings constitute a group of activities that would be favorable to the integration process and should be continued. These activities are as follows:

- a. Meetings of consultation
- b. Exchange of information on studies and progress in integration matters
- c. Institutionalization of the CEMLA supplement
- d. Organization of a library on economic integration
- e. Distribution of publications of international organizations

/f. Support

- f. Support through international technical assistance to projects of a regional character
- g. Coordination among planning institutions
- h. That the Inter-American Committee on Agricultural Development be, to the extent possible, the coordinating agency for studies in the agricultural sector.

5. Document of the Latin American Center for Monetary Studies (CEMLA)

The Committee took note of the contents of document CIES/398, a statement of the Director of the Latin American Center for Monetary Studies (CEMLA) on problems of compensatory payments, credit and coordination of monetary policies in Latin America, and agreed to note that the efforts being made by governments in the financial and monetary fields should be continued in view of their importance for the integration process. It also expressed its satisfaction with the work that CEMLA has been doing in this field.

6. Report of the Inter-American Development Bank (IDB)

Mr. Raúl Rey Alvarez, representative of the Inter-American Development Bank, stated that his organization is active in four different fields that favor integration, namely: operating policy, loans for specific integration projects, direct technical assistance, and collaboration with other institutions. It has established a system of financing intraregional exports of capital goods that will soon be in effect and has sponsored a meeting of experts and representatives of organizations on matters concerning integration and hopes to continue this activity through regular contacts and reports on studies and jobs completed.

Following the statement of the Bank representative, the delegates raised questions as to whether there were mechanisms for financing multinational projects and ones on financing for integration in general. The Committee congratulated the Bank representative on his statement.

7. Draft Resolutions

The Committee undertook examination of the draft resolutions. With respect to the draft presented by the delegation of Ecuador, contained in document CIES/423, on the establishment of a permanent service for technical information, exchange of experiences, experts, and grants, bearing in mind that the Department of Technical Cooperation of the PAU proposes to undertake an industrial development program, the Committee agreed to recommend that the Department of Technical Cooperation include the substance of the draft resolution contained in document CIES/423 in the industrial development program, when it is put into operation. After discussing the

/remaining draft

remaining draft resolutions, with the exception of a draft presented by the Delegation of Uruguay in document CIES/467, which was withdrawn, the Subcommittee resolved to appoint a working group to examine the rest of the integration projects.

In accordance with the conclusions reached by the working group, the Committee approved the draft resolutions contained in documents CIES/430 and CIES/475, see Resolutions B-5/E63 and B-6/E63.

During the discussions on the aforesaid draft resolutions, a majority of the delegations stated that the Latin American integration process should be accelerated as much as possible and that in each case, pertinent measures should be taken to meet the needs of the respective integration groups. A few delegations were of the opinion that the treatment given to countries having a relatively lesser degree of economic development, and the coordination of economic policies should be taken into careful consideration in the integration process. The Delegation of Mexico explained its vote in favor of the aforesaid draft resolutions, stating that it was of the opinion that such decisions should be taken preferably in the respective forums of the economic integration groups.

The Delegation of Brazil made a request, which was approved by the Committee, to the effect that it should be placed on record that both document CIES/345, written by Messrs. Perloff and Almeida, and document CIES/366, on a note of the Secretariat, constituted a valuable contribution to the discussions of the Committee, and that they helped to clarify problems of Latin American economic integration, and offered valuable suggestions that can be put to timely use by the countries concerned.

8. Transportation and Communications

The Committee studied the documents on transportation and two draft resolutions on telecommunications presented by the Delegation of Mexico (CIES/410 and CIES/411).

The Committee examined the Final Act of the Ninth Pan American Highway Congress together with the Secretariat's report on the results of the Congress and on the Pan American Highway System (CIES/408), and agreed to support the resolutions of the aforesaid Congress in view of the importance of highways in national development plans and regional integration programs.

The Committee reached a similar decision regarding the Final Act of the Second Inter-American Port and Harbor Conference, and pointed out the importance of the Draft Inter-American Convention on Facilitation of International Waterborne Transportation (Convention of Mar del Plata), and the work of the Permanent Technical Committee on Ports.

The Delegation of Brazil stated that its government had not yet signed the documents emanating from the Mar del Plata Conference.

/During the

During the study of the Report of the General Secretariat (CIES/367) on budgetary implications of the decisions of the Conference, mention was made of a draft study entrusted to the Committee on the handling of goods in transit, and on the establishment of free trade zones and free ports, particularly with respect to the solution of the problems encountered by landlocked countries and territories, and it was agreed to recommend to the Council of the OAS and to the Secretariat that this study be carried out within the budgetary limitations of the Organization.

In reference to problems of maritime transportation, considered in itself as a factor in regional integration, it was recommended that the Secretariat prepare an economic study on maritime transportation in the Hemisphere, and that it present a report on the desirability of holding a meeting of experts in maritime transportation, and on the possibility, of establishing a specialized conference on maritime transportation. The Secretariat of the meeting of experts should undertake studies such as:

- a. an examination of the conditions of the inter-American freight market with respect to tariffs on Latin American products; participation of third-party vessels, in this traffic, and participation of vessels flying the flags of the American countries;
- b. an examination of suitable measures to increase the participation of vessels flying the flags of the American countries in inter-American traffic and traffic with other countries, and
- c. influence of freight charges on trade in basic products or in products of low specific value.

The Delegation of the United States requested that it be placed on record that the terms of reference for the study were not approved by the Committee.

The Delegation of Brazil stated that it considered IA-ECOSOC action with respect to maritime transportation insufficient and inadequate, as the economic aspects of such transportation have been overlooked. Brazil feels that the frame of IA-ECOSOC activity should be altered in this regard, as maritime transportation cannot continue to be considered merely as an international service but should be viewed chiefly as a means of obtaining and saving foreign exchange and as an instrument for commercial penetration.

To complete examination of the documents on transportation, the Secretariat gave a brief reports on its activities in the field of transportation and on its action with respect to the resolutions approved by the First Annual Meeting of the IA-ECOSOC. In reference to the study on problems of civil aviation that the Secretariat is carrying out in cooperation with the International Civil Aviation Organization (ICAO), the Committee expressed its interest in having the study completed as soon as possible and requested the representative of ICAO to describe the scope of the air cargo study, that it is preparing as a part of the general study. The ICAO representative reported that one of the conclusions reached is that the Latin American Countries have adequate air cargo service to the United States and Europe but that they are not equipped

/to satisfy

to satisfy air cargo requirements among themselves, particularly in view of the future development of trade between the members of LAFTA. The Committee viewed the study on civil aviation in Latin America as being of great value and expressed appreciation to the ICAO representative, Mr. Richard K. Mc Donnell for his report.

9. Telecommunications

The Committee examined the Report of the Committee on Inter-American Organizations of the Council of the OAS on the Inter-American Specialized Conference on Telecommunications (CIES/373), and the reasons that prompted the Council to return the project for the creation of the Inter-American Telecommunications Commission to IA-ECOSOC. The Delegation of Mexico described the background of the project and the reasons that justify the proposal for establishing a telecommunications commission as a Special Committee of the IA-ECOSOC, pursuant to Article 23 of the Statutes. The Delegation of Brazil stated that it was in agreement with the need to create an agency designed to take care of telecommunication matters in the Hemisphere, but expressed doubts as to the form in which the agency could best be established, as a special committee of the IA-ECOSOC or a specialized conference. It also stated that in reaching a decision on the matter, three points should be given particular consideration: work continuity, maximum efficiency in the functioning of the organ, and budgetary implications, and that the least onerous system should be adopted. It added that even though the last consideration may not be the most important, its implications should not fail to be recognized.

The doubts expressed by several delegations with regard to the functions of the commission and its effectiveness were cleared up, as well as the budgetary implications the proposed commission would have for the Secretariat, particularly as compared to the expenses the establishment of a specialized conference would entail for the Secretariat and the governments of the member states. The Committee agreed that a special committee of IA-ECOSOC would be the most suitable means of satisfying initially the purposes of coordinating the development of telecommunications, and it was left to the judgment of the commission to study the advisability of its ultimate change into a specialized conference, or its continuation as a special committee of the IA-ECOSOC.

The draft resolution presented by the Delegation of Mexico was approved by the Committee as it appears in document CIES/411, Rev.2 (See Res. B-4/E63).

Furthermore, the Committee agreed to recommend the proposal made by the Delegation of Mexico on the coordinated development of telecommunications in the sense that in their national programs within the Alliance for Progress the governments of the member states should give special attention to studies and projects related to telecommunications, and it took cognizance of the informative document of the same delegation on the importance of telecommunications as a means of integration in Latin America (CIES/412).

/Finally, the

Finally, the Committee agreed to recommend that the proposed commission devote special attention to the work of the Subcommittee on the Telecommunications Plan for Latin America of the International Telecommunications Union (ITU) and that it consider measures designed to expedite the execution of plans made by the aforesaid Subcommittee, particularly with respect to international financing and inter-American cooperation.

APPENDIX TO THE
REPORT OF THE
RAPPORTEUR OF COMMITTEE II
(Part Two)

AGENDA - SUBCOMMITTEE II/B

Topic III. Regional Integration

1. Activities of LAFTA and the Central American Common Market.
2. Possibilities of accelerating and expanding the process of Latin American economic integration.

Documents Received

The documents presented by the Secretariat to the Committee were the following:

- CIES/366 Introductory note on the topic of economic integration
- CIES/345 Regional Economic Integration in the Development of Latin America, by Harvey S. Perloff and Rômulo de Almeida
- CIES/371* Report of the Secretariat of LAFTA
- CIES/358 Report on the Progress in the Program for Central American Economic Integration (SIECA)
- CIES/299 Economic and Social Survey of Latin America, 1962, Part II
- CIES/398 Declaración del Director del Centro de Estudios Monetarios Latinoamericanos, Señor Javier Márquez, a la Segunda Reunion del CIES al Nivel de Expertos
- CIES/352 Final Act of the Ninth Pan American Highway Congress
- CIES/353 Final Act of the Second Inter-American Port and Harbor Conference
- CIES/408 The Pan American Highway System
- CIES/367 Report of the General Secretariat on the Second Inter-American Port and Harbor Conference
- CIES/373 Report on the Inter-American Specialized Conference on Telecommunications, Submitted by the Committee on Inter-American Organizations of the Council of the OAS

/CIES/412

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CIES/412 Documento Informativo de la Delegación de México sobre la
Importancia de las Telecomunicaciones como Vehículo de Integración
Latinoamericana.

Draft resolutions relating to Regional Integration:

CIES/423 presented by the Delegation of Ecuador;
"Establishment of a Permanent Center for Technical Information,
Exchange of Experience, Technicians and Fellowships"

CIES/430 presented by the Delegations of Peru and United States:
"Coordinated Planning"

CIES/467 presented by the Delegation of Uruguay:
"Economic Development of Border Regions within the Objectives of
the Alliance for Progress"

CIES/475 presented by the Delegations of Chile and Ecuador:
"Regional Integration"

CIES/410 presented by the Delegation of Mexico:
"Coordinated Development of Telecommunications"

CIES/411 presented by the Delegation of Mexico:
"Creation of a Special Telecommunications Commission."

C. REPORT OF THE RAPPORTEUR OF COMMITTEE III 1/
"PROGRAMS AND BUDGETS"

As Rapporteur of Committee III, and in compliance with Article 20 of the Regulations of the Inter-American Economic and Social Council, I have the honor to present to the plenary session of the Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level the report of the work of the Committee.

The Chairman of Committee III was Anibal Mesa, Representative of Uruguay, and Leonilo Armando Alas, Representative of El Salvador, acted as Vice Chairman, while the undersigned, Representative of Peru, had the honor of performing the duties of Rapporteur.

Twelve countries formally registered as members of the Committee, and other countries also participated in the work. Representatives of inter-American and international specialized agencies were also present as observers.

Representatives of the General Secretariat of the Organization of American States likewise attended all the sessions.

The items on the agenda considered by the Committee were the following:

- A. Program and Budget of the Activities of the Pan American Union within the Sphere of Competence of the IA-ECOSOC
- B. Activities and Budget of the Program of Technical Cooperation--1964
- C. Reports by Inter-American Specialized Conferences and Organizations.

With the object of duly carrying out the tasks assigned to it, the Committee decided to set up Subcommittees III/A and III/B.

Subcommittee III/A, "Programs and Budget of the Pan American Union", was assigned the following documents for study:

1. (CIES/356) Proposed Program and Budget of the Pan American Union for Activities in the Sphere of Competence of the Inter-American Economic and Social Council
2. (CIES/347) Suggested Revision of the Program of Direct Technical Assistance of the OAS
3. (CIES/374, Annex A) Secretariat Memorandum on the Financing of Secretariat Activities under the Alliance for Progress (Required Adjustments to the Budget of the Secretariat of the Inter-American Economic and Social Council).

1. Published originally as document CIES/493, Corr.

Subcommittee III/B, "Program of Technical Cooperation of the Organization of American States," was charged with taking cognizance of the following documents:

1. (CIES/333) Proposed Activities and Budget of the Program of Technical Cooperation of the OAS for 1964
2. (CIES/329) Annual Report of the Activities of the Program of Technical Cooperation of the Organization of American States, 1962
3. (CIES/332) Regulations of the Program of Technical Cooperation of the Organization of American States
4. (CIES/334) Evaluation of Projects 201 and 205 of the Program of Technical Cooperation of the Organization of American States
5. (CIES/330) Report on the II Meeting of Directors of Technical Cooperation Programs in the Western Hemisphere
6. Receipts & Disbursements of the Program of Technical Cooperation, December 31, 1962 (Report of the Auditors, Price Waterhouse & Co.).

The Committee agreed to take cognizance in plenary session of the "Secretariat Memorandum on the Financing of Secretariat Activities under the Alliance for Progress" (CIES/374, Memorandum and Annexes B and C) and the following reports by inter-American specialized conferences and agencies:

1. (CIES/359) Informe de las Actividades del Instituto Indigenista Interamericano
2. (CIES/360) Pan American Health Organization Report
3. (CIES/361) Informe presentado por la Comisión Interamericana de Mujeres
4. (CIES/362) Informe del Instituto Interamericano de Ciencias Agrícolas
5. (CIES/363) Informe del Instituto Interamericano del Niño
6. (CIES/364) Informe del Instituto Interamericano de Estadística
7. (CIES/365) Informe del Instituto Interamericano de Geografía e Historia.

With regard to the items assigned to Subcommittee III/A, the Committee approved the report which it submitted and which is appended hereto, see page 121.

The Committee likewise approved the report of Subcommittee III/B, also appended, see page 132.

/The Committee

The Committee considered the Secretariat Memorandum on the Financing of Secretariat Activities under the Alliance for Progress, and after preliminary study of the proposed Special Development Assistance Fund, some delegations stated that they accepted the idea of a multilateral fund on principle, whereas others were of the opinion that it was premature to make such a recommendation on the subject.

To that end, the Committee agreed to refer the matter of establishing that fund to the Third Annual Meeting of the IA-ECOSOC, without precluding the Second Meeting of the IA-ECOSOC at the Ministerial, if it sees fit, from expressing its views on the advisability of establishing the fund referred to in document CIES/374.

Lastly, the Committee took note of the reports by the inter-American specialized organizations listed above and approved a draft resolution, see page 120.

The Committee ventures to request the plenary session to approve the draft resolution mentioned in the preceding paragraph and transmit this report to the Meeting at the Ministerial Level so that it might take note of it and take a decision regarding the draft resolutions appended to the reports of Subcommittees III/A and III/B, and any other steps it may consider appropriate.

In closing, I take pleasure in recording the enthusiasm shown in their work by all those who took part in the work of the Committee and my gratitude for the honor conferred on my country and on me, in appointing me Rapporteur of so important a committee.

(signed) Sebastián Salinas Abril

/Draft Resolution

Draft Resolution

APPRECIATION TO THE INTER-AMERICAN SPECIALIZED ORGANIZATIONS

WHEREAS:

The inter-American specialized organizations of the Organization of American States have worked to further the aims of the Charter of Punta del Este; and

The Charter of the Organization of American States assigns to the Inter-American Economic and Social Council the responsibility of acting as coordinating agency for all official inter-American activities of an economic and social nature,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level

RESOLVES:

To take note of the reports submitted by the specialized agencies listed below, and to express the gratitude of the Inter-American Economic and Social Council for their contribution to the objectives of the Alliance for Progress:

Inter-American Indian Institute
Inter-American Commission of Women
Inter-American Institute of Agricultural Sciences
Inter-American Children's Institute
Inter-American Statistical Institute
Pan American Institute of Geography and History
Pan American Health Organization.

APPENDIX I TO THE
REPORT OF THE
RAPPORTEUR OF COMMITTEE III

REPORT OF SUBCOMMITTEE III/A ON THE PROPOSED
PROGRAM AND BUDGET OF THE ACTIVITIES OF THE
PAN AMERICAN UNION IN THE SPHERE OF COMPETENCE OF THE
INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL (IA-ECOSOC)
1964-1965 1

In compliance with instructions received from Committee III, Subcommittee III/A has the honor of submitting to the Committee for consideration this report on its study of the Proposed Program and Budget of the Activities of the Pan American Union in the Sphere of Competence of the Inter-American Economic and Social Council for the fiscal year 1964-65.

The Committee was composed of representatives of the following countries: Venezuela, Argentina, Guatemala, United States, Colombia, Ecuador, Mexico, El Salvador, Peru, and Brazil.

Mr. Juan Manuel Figuerero Antequada, Representative of Argentina, was elected Chairman of the Subcommittee.

The following documents were studied in the course of discussions on the topic assigned to the Subcommittee:

(CIES/356) Proposed Program and Budget of the Pan American Union for Activities in the Sphere of Competence of the Inter-American Economic and Social Council

(CIES/374, Annex A) Secretariat Memorandum on the Financing of Secretariat Activities under the Alliance for Progress (Required Adjustments to the Budget of the Secretariat of the Inter-American Economic and Social Council)

(CIES/347) Suggested Revision of the Program of Direct Technical Assistance of the OAS.

To conduct its study of the aforesaid documents, the Subcommittee held ten meetings.

The Subcommittee examined the documents and invited the observers from the ILO, FAO and UNESCO to give their views on Annex B of this report. The Subcommittee wishes to submit the following observations and recommendations to the Committee for consideration:

1. The Subcommittee has studied the Proposed Program and Budget of the Pan American Union for Activities in the Sphere of Competence of the Inter-American

1. Published originally as document CIES/474.

Economic and Social Council (IA-ECOSOC) as shown in document CIES/356, and agrees to approve the programs contained therein, with the observations made in this report. The Subcommittee also discussed the Secretariat Memorandum, document CIES/374, Annex A, in which adjustments are recommended which in the opinion of the Secretariat are required to enable it to properly carry out the activities approved by the Subcommittee. The total costs proposed by the Secretariat (Documents CIES/356 and CIES/374, Annex A) show an increase from \$6 318 295 for the fiscal year 1963-64, to \$7 322 442 for the fiscal year 1964-65, representing an increase of \$1 004 147, or approximately 16 percent. See Comparative Table, page 128.

2. In discussing document 374, Annex A, the Subcommittee expressed its concern that, in view of the Secretariat's statement and notwithstanding its approval of the request made in document 356, it might not be possible to carry out the activities at a level and with the efficiency that would be of use to the member states because of insufficient budgetary support. In reference to document 374, Annex A, the Subcommittee reached the conclusions that the lack of sufficient terms of reference made it impossible to ascertain the extent to which the adjustments proposed by the Secretariat are necessary or not.

3. The Subcommittee recommends that the IA-ECOSOC take note of the increase requested in document CIES/374, Annex A and transmit them, with the Proposed Program and Budget, whose approval is recommended, to the Council of the OAS, in order that the Committee on Program and Budget can take them into account in its consideration of the Proposed Program and Budget of the Pan American Union.

4. In addition, the Subcommittee discussed the problem of coordinating economic and social activities in the hemisphere and the problem of what priorities should be established for such activities in the inter-American system. To this end, the Subcommittee submits to the Committee for consideration, the Draft Resolution which appears on page 129

5. The Subcommittee recommends that, for future IA-ECOSOC meetings, the Secretariat be requested not only to take into account the observations made in this report, but also to distribute detailed information to the governments on the activities carried out by each Department in its respective field, and on each type of activity, and make available to the delegations any other information that may be useful and enable the governments to evaluate more satisfactorily the merits of, and priorities for, the work of the Secretariat in the economic and social field.

6. With respect to the presentation of future programs and budgets, the Subcommittee recommends that the Secretariat be requested that the following information also be included in the aforesaid document: a) financial situation of the Pan American Union; b) itemized expenditures of the Pan American Union in the field, by country of destination, and their relation to the quotas of the member states; c) system of remuneration of Pan American Union employees, and d) an organizational chart of the activities and programs of the Pan American Union in the sphere of the IA-ECOSOC.

/The Subcommittee

The Subcommittee also considers it important that the Secretariat submit to the annual meetings, together with the proposed program and budget in the sphere of action of the IA-ECOSOC, summarized information on all the activities of the Secretariat in the same sphere, which permits comparison between the program presented and that of the preceding year.

7. Furthermore, the Subcommittee would ask for reiteration of the request that the Secretariat send documents referring to budget matters to the governments of the member states forty-five days in advance of the meetings in order to allow them sufficient time for careful study. In the Subcommittee's view, the consideration of the Proposed Program and Budget by the annual meetings of the IA-ECOSOC will not have the required effectiveness if information is not received in greater detail and in due time. It is suggested, in this respect, that the Secretariat and the Council of the OAS bear these comments in mind both as regard budgetary support and as regard setting the date for future meetings of the IA-ECOSOC.

8. In reference to document 347, "Suggested Revision of the Program of Direct Technical Assistance of the OAS," the Subcommittee took note of the document and took no other decision thereon, with the exception of the points mentioned in articles III and V of the Draft Regulations, regarding the duration of missions and their financing.

The Subcommittee recommends that the Council for the OAS consider the document and that the General Secretariat be authorized to extend the duration of missions and assume responsibility for the payment of travel allowances.

9. In studying the Proposed Program and Budget, the Subcommittee noted that where it reads "assistance to the Panel of Experts," it should read "assistance to the ad hoc committees."

10. With respect to document 356, the Subcommittee presents to the Committee, the following considerations, by Department:

CHAPTER I

Inter-American Economic and Social Council and Panel of Experts

11. With respect to Program A, "Economic and Social Council," the Subcommittee wishes to express its concern regarding the total cost of holding the annual meetings of the IA-ECOSOC and, therefore, recommends that the General Secretariat be requested to make every possible effort to keep them to a minimum. Noting the expenses connected with the documents called for the agenda of the meetings, the Subcommittee wishes to recommend that consideration be given to the possibility of limiting documents and translations to the essential needs of the participants. The Subcommittee reaffirms the recommendation that in contracting personnel for the annual meetings of the IA-ECOSOC, residents of the host country should be utilized insofar as possible, consistent with technical requirements for the proper development of the meetings.

/12. Furthermore

12. Furthermore, in reference to travel of staff members of the Secretariat, it is suggested that in the future, first-class travel be restricted to the highest officials of the General Secretariat of the OAS.

13. With regard to the Panel of Experts, the Subcommittee took note of the suggestion made by the Secretariat to the effect that the items currently included in the regular Proposed Program and Budget of the Pan American Union to cover the costs of the Panel should be included in the expenses of the ad hoc committees and of the additional personnel suggested for the proposed Special Development Assistance Funds (Doc. 374). The Subcommittee is of the opinion and recommends that the items for salaries should be included in the regular budget of the Pan American Union.

CHAPTER II

Office of the Assistant Secretary for Economic and Social Affairs

14. The Subcommittee recommends that the Proposed Program and Budget of the Office of the Assistant Secretary for Economic and Social Affairs be approved, and it called attention to the fact that the Program of the Technical Unit on Tourism is considered to have a low priority. The Subcommittee, therefore, recommends that the Unit on Tourism be eliminated, continuing in the Program of the Pan American Union only those activities which are related to secretariat services for the travel and highway congresses, and that the savings thus obtained be assigned to the Program of Direct Technical Assistance. With respect to the meetings of the congresses and technical committees in this field, it recommends that the Council of the OAS be requested to consider limiting their number.

CHAPTER III

Regional Offices

15. The Subcommittee recommends that the Proposed Program and Budget requested for this activity be approved and reaffirms the views expressed in paragraph 2.c of the Report of Committee IV of the First Annual Meetings of the IA-ECOSOC, regarding the activities of the Office in Europe, which reads as follows:

In connection with the Office in Europe, the Committee was not in accord with paragraph 2.c included among the activities of the Office, in which it is stipulated that the said Office can handle "negotiations" approved by the Inter-American Economic and Social Council. The Committee is of the opinion that any "negotiations" that that Office might carry out should not go beyond those for which the General Secretariat has been specifically authorized by the member states of the Organization that might consider themselves affected. As to "negotiations" with regard to basic products, the Committee considers that these may be carried out only when so requested in a resolution adopted by the Inter-American Economic and Social Council.

The Subcommittee likewise recommends that the sole seat of the Office in Europe be in Paris.

CHAPTER IV

Department of Economic Affairs

16. The Subcommittee recommends that the Program and Budget for this department be approved, but notes that it would be advisable to revise the Transportation Program; according priority to activities in the field of ports and utilizing any savings realized for carrying out, to the greatest extent possible, the activities recently approved at port meetings, in particular those related to the Convention of Mar del Plata.

CHAPTER V

Department of Social Affairs

17. As regards the budget for the Department of Social Affairs, the Subcommittee, after a detailed study of the Inter-American Housing and Planning Center (CINVA), particularly as regards costs, recommends that the Secretariat appoint a study group to make recommendations to the IA-ECOSOC and the Council of the OAS on the operation and effectiveness of CINVA in relation to cost. The group should be composed of experts that have no connection with the institutions connected with the operations of CINVA and shall be designated by the Secretariat in consultation with the Program and Budget Committee of the Council of the OAS. In carrying out its mission, the group shall consider, besides any other aspects it may deem important, the following:

1. Professional caliber and curriculum of CINVA courses, as compared with similar training offered by other institutions
2. Usefulness of the training, according to a) the positions held by CINVA graduates since its inception and b) relationship of the position with the needs of the countries, by the field of training of the fellows
3. Cost of training during the 1962-63 period, per student and per course, estimated according to the group's own judgment, and in comparison with the cost of training obtainable in similar institutions
4. Extent to which the type of training offered at CINVA can be obtained at other institutions in Latin American countries and at what cost
5. Need for, and results of, the Research Program and its correlation with the Training Program
6. Efficiency and economy of CINVA administration, both at its seat and in its activities in the Pan American Union, and any other recommendation that may be conducive to the improvement thereof.

/18. The Subcommittee

18. The Subcommittee considers that it would be highly advisable in successive periods for independent evaluations to be made of the other inter-American training centers included in the Draft Program and Budget of the Pan American Union. To this end, the Subcommittee recommends that the group include in its report, in addition, any guideline which may arise from its experience in this task and which may be of use to the governments for evaluating the effectiveness of the other inter-American training centers.

19. The Subcommittee recommends that these evaluation activities be carried out in such a way that the report may be made available to the governments of the member states sufficiently in advance for it to be the subject of useful discussion at the Third Annual Meeting of the IA-ECOSOC: in this regard, it makes note with satisfaction of the statement made by the Secretariat to the effect that the necessary adjustments can be made in the budget for 1963-64.

20. With regard to the programs which formerly appeared separately, Social Welfare and Cooperatives, the Subcommittee took note of the comment made by the Secretariat to the effect that, although they had been included, respectively, in Programs E (Community Development) and D (Agrarian Reform and Rural Development), these important activities will continue to be conducted at the same level as in the preceding period.

CHAPTER VI

Department of Statistics

21. The Subcommittee recommends that this department, in its activities in the field of statistics relating to national accounts, give special attention to the problem of compiling statistics on travel and on invisible income that will be of use to the countries of Latin America for the United Nations Conference on Trade and Development.

22. Furthermore, the Subcommittee believes it is advisable that the Department make every effort to utilize more time and resources for the compilation of public finance and comparative statistics.

23. With regard to foreign trade statistics, the Subcommittee believes it is desirable that the Department explore the possibility of adopting a common nomenclature therefore.

24. The Subcommittee recommends that every effort be made to avoid the publication of statistical series which appear in similar format and quality in journals of world-wide international organizations during the same publication period, and which may be easily obtainable by the governments of the member states.

CHAPTER VII

Department of Technical Cooperation

25. The Subcommittee recommends that in the future more stress should be laid on the Professorship Program and similar activities in view of their importance to the member states.

FINAL RECOMMENDATION

26. The Subcommittee, recognizing that the member states must be better informed regarding the activities of the Secretariat in this sphere of competence and in more frequent fashion than that provided under the present system for the annual meetings of the Inter-American Economic and Social Council, recommends that the Secretariat be requested to place at the disposal of the member states, as may be convenient, regular summarized information related to the program of activities of the IA-ECOSOC. Such information would include, among others, quarterly reports on the progress of these activities. The Secretariat of the IA-ECOSOC shall request the governments to provide a list of officials or entities to which these reports shall be sent directly.

27. The Subcommittee recommends that research for purely theoretical purposes or of solely historical value be avoided.

28. The Subcommittee recommends that a system of reciprocal consultation be established among the organizations of the inter-American system in regard to both formulation and implementation of their annual programs. To this effect, when the Secretariat presents the programs in the economic and social field at the next meetings of the IA-ECOSOC, the spokesman for the Secretariat shall report on consultations held in relation with the programs under discussion.

29. In the light of the foregoing, the Subcommittee has the honor to submit to the Committee two draft resolutions for the consideration of the Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level, page 129.

/COMPARATIVE TABLE

COMPARATIVE TABLE
1963-64 and 1964-65

<u>Chapter</u>	<u>1963-64</u> <u>Estimates</u> <u>Approved</u>	<u>1964-65</u> <u>Proposals of</u> <u>the Secretariat</u> <u>(Docs. 356 and</u> <u>374, Annex A)</u>	<u>Increase</u>	<u>Percentage</u>
IA-ECOSOC and Panel of Experts	603 947	623 915	19 968	3.3
Office of the Assistant Secretary for Economic and Social Affairs	237 493	288 961	51 468	21.7
Regional Offices	102 188	108 940	6 752	6.6
Economic Affairs	1 099 035	1 413 645	314 610	28.6
Social Affairs	1 125 498	1 119 723	(5 775)	(0.5)
Statistics	856 689	913 352	56 663	6.6
Technical Cooperation	2 293 445	2 853 906	560 461	24.4
TOTALS	6 318 295	7 322 442	1 004 147	15.7

/Draft Resolution

Draft Resolution 1/

ON THE PROPOSED PROGRAM AND BUDGET OF THE
PAN AMERICAN UNION FOR ACTIVITIES IN THE SPHERE OF
COMPETENCE OF THE INTER-AMERICAN ECONOMIC
AND SOCIAL COUNCIL (IA-ECOSOC) 1964-1965

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level,

HAVING SEEN the Report of the Second Meeting of the Inter-American Economic and Social Council at the Expert Level on the Proposed Program and Budget of the Pan American Union for Activities in the Sphere of Competence of the Inter-American Economic and Social Council for the fiscal year 1964-1965,

RESOLVES:

1. To approve the Proposed Program and Budget of the Pan American Union for Activities in the Sphere of Competence of the Inter-American Economic and Social Council for the fiscal year 1964-1965, subject to the observations and recommendations included in the Report of the Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level, and to transmit it, with the aforementioned report, to the Council of the Organization of American States.

2. To take note of the increases in the Program and Budget of the Pan American Union suggested by the Secretariat in Document 374, Annex A, and to transmit the aforesaid document to the Council of the Organization of American States for consideration during the study of the Proposed Program and Budget of the Organization of American States for 1964-1965.

Draft Resolution 2/

COORDINATION AMONG INTERNATIONAL ORGANIZATIONS OF REGIONAL
ACTIVITIES IN THE ECONOMIC AND SOCIAL FIELD RELATING
TO THE ALLIANCE FOR PROGRESS AND SYSTEM OF
PRIORITIES FOR THE PAN AMERICAN UNION

WHEREAS:

The member states of the Organization of American States, in adhering to the Charter of Punta del Este, assigned highest priority to economic and social development;

It is to the interest of the member states that the utmost effort be exerted by all international organizations, regional or world-wide, to orient their programs of assistance to the member states of the Organization of American States toward support of the criteria and objectives of the Charter of Punta del Este;

-
1. See Draft Resolution C-2/E63.
 2. See Draft Resolution C-3/E63.

/The tendency

The tendency toward an increase in the financial contributions of the member states to international organizations, regional or world-wide, is a source of preoccupation if it does not result in redoubled activity and better coordination of the efforts of those organizations, with a view to avoiding duplication and to ensuring allocation of funds to activities that contribute most directly to the economic and social development of those member states;

By the Charter of Punta del Este, and by resolutions approved by the annual meetings of the Inter-American Economic and Social Council, the Secretariat of that Council has been entrusted with carrying out aid programs that are vital to the development effort of the Alliance for Progress, and

Owing to the delay in quota payment by the member states, on occasion the General Secretariat of the Organization of American States has been obliged to limit its activities, to the detriment of the development of approved programs,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

RESOLVES:

1. To recommend to the governments of the member states that they instruct their representatives in executive agencies of international organizations, regional and world-wide, having economic and social programs in the Hemisphere to follow a uniform policy in support of programs that contribute to the attainment of the objectives of the Charter of Punta del Este, and to see that the highest priority is assigned to programs that contribute most to this regional effort.

2. To recommend to the governments of the member states that in pursuance of the objectives of paragraph 1 above, efforts be made to avoid duplication of activities, so as to guarantee a more effective use of resources, with a view to obtaining improved assistance from the aforesaid international organizations.

3. To recommend to the Council of the Organization of American States that, in the Program and Budget of the General Secretariat of the Organization top priority be assigned to the activities contained in the Proposed Program and Budget approved by the Inter-American Economic and Social Council for submittal to the Council of the Organization of American States, and to other activities likewise related to the Alliance for Progress.

4. To recommend to the Secretary General of the Organization of American States that, in the preparation of future programs of the General Secretariat, top priority be maintained for programs and activities within the purview of the Inter-American Economic and Social Council and for other activities likewise related to the Alliance for Progress.

5. To recommend to the General Secretariat of the Organization of American States that, in case for any reason it may be necessary to hold regular expenses

/below the

below the level approved by the Council of the Organization of American States, it assign priority, over other programs and activities, to those coming within the purview of the Inter-American Economic and Social Council and to other activities likewise related to the Alliance for Progress.

6. To recommend to the Secretary General that, in cases in which, despite the provisions of the foregoing paragraph, it may be necessary to make reduction in the funds earmarked for the economic and social fields of the Program of the General Secretariat, priority be assigned to programs directly related to efforts in favor of development of the member states, and that priorities be established for technical assistance, training, and research activities in the proper place.

APPENDIX 2 TO THE
REPORT OF THE
RAPPOREUR OF COMMITTEE III

REPORT OF SUBCOMMITTEE III/B ON THE PROPOSED
PROGRAM AND BUDGET FOR THE PROGRAM OF TECHNICAL COOPERATION
OF THE ORGANIZATION OF AMERICAN STATES FOR 1964 1/

Pursuant to the mandate conferred upon it by Committee III, Subcommittee III/B has the honor to submit, for the Committee's consideration, the present report on the study of the Proposed Program and Budget for the Program of Technical Cooperation of the Organization of American States.

Representatives of the following countries attended the subcommittee meetings: Venezuela, Dominican Republic, Argentina, Guatemala, United States, Colombia, Uruguay, Ecuador, Chile, Mexico, El Salvador, Peru, and Brazil.

Mr. Gonzalo Apunte Caballero (Ecuador) was elected chairman of the Subcommittee.

In carrying out the task entrusted to it, the Subcommittee held 10 meetings.

As a result of its deliberations, the Subcommittee has the honor to suggest that the full Committee approve the following:

RECOMMENDATIONS

I. To approve the "Proposed Activities and Budget of the Program of Technical Cooperation of the OAS for 1964" contained in document CIES/333. English, with the following changes:

A. General projects in operation

1. Exclude the expansion of activities in the Northern Zone from Project 39, "Technical Education for the Improvement of Agriculture and Rural Life," and the budget for these expanded activities, as shown on pages 23 and 24 of the aforementioned document.
2. Designate Project 208 of the Program of Technical Cooperation of the Organization of American States by the title: "Inter-American Program for Community Development."
3. Increase by five thousand dollars (\$5 000) the Special Fund of fifteen thousand dollars (\$15 000) allocated in the budget for the Office of the Executive Director, as proposed on page 95 of the document mentioned in paragraph 1 above.

1. Published originally as document CIES/485.

/4. Modify

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4. Modify the budget for Project 205, "Inter-American Program in Urban and Regional Planning" as follows:

10 PERSONNEL	95 750
11 Salaries	81 508
11.1 Professional staff	42 672
11.1.4	10 668
11.1.6	eliminate
11.1.7	eliminate
11.2 Administrative and secretarial staff	14 000
11.3 Temporary staff	24 836
13 Allowances	9 620
14 Other expenses	892
15 Staff recruitment and replacement	1 150
20 TRAINING PROGRAM	169 240
21 Trainees	162 740
21.1 Subsistence	138 600
21.1.2	75 600
21.3 Other expenses	14 140
40 INFORMATION AND PUBLICATION SERVICES	7 692
41 Technical and research publications	4 692
42 Library	3 000
60 GENERAL COSTS AND SERVICES	23 245
63 Supplies (in general)	900
64 Equipment (in general)	5 522
66 Printing	1 100

The Delegate of Peru expressed his gratification at the technical assistance afforded by Yale University and at the manner in which the General Secretariat of the OAS has been administering the Project.

B. New projects

Condition the implementation of the five new projects proposed to the availability of funds, and direct that they be in operation, when the opportunity presents itself in the following order:

1. Inter-American Program for the Improvement of Science Teaching
2. Inter-American Center for Land and Water Resources Development
3. Inter-American Training Program in Transportation
4. Inter-American Training Program in Public Administration
5. Inter-American Training Program for Women Leaders.

/II. To suggest

II. To suggest to the Delegation of the Dominican Republic to the Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level, that it would be advisable for its country to present a request to the Pan American Union that the services proposed by the Executive Director of the Program of Technical Cooperation, as an expansion, for 1964, of the activities of the Northern Zone of Project 39, be provided with funds from the Direct Technical Assistance Program and the Fellowship Program of the OAS, and to suggest to the Secretary General of the Organization of American States that, in accordance with the regulations governing these programs, he consider the possibility of acceding to the request, if made.

III. To recommend to the Executive Director of the Program of Technical Cooperation and to the Inter-American Institute of Agricultural Sciences that they establish contacts and enter into negotiation with official and private banks in the member countries of the Organization of American States specially with those concerned with agricultural credit, with a view to obtaining financial resources for expansion of the activities of Project 201, "Training and Studies in Agricultural Credit."

IV. To recommend to the Executive Director of the Program of Technical Cooperation and to the General Secretariat of the Organization of American States that bearing in mind that the National Science Foundation of the United States of America has recently received a substantial donation from the Agency for Internal Development (AID) for the purpose of carrying out activities similar to those undertaken under the Inter-American Program for the Improvement of Science Teaching, they take steps with a view to coordinating the activities of both programs.

V. To recommend to the Executive Director that, in accordance with the regulations governing the Fellowship Program of the Organization of American States, he explore the possibility of granting fellowships for Project 208, and that in the coming year the program be expanded through the establishment of new bases in interested countries, if funds permit.

VI. To recommend to the Executive Director that, in considering and developing new projects and in selecting the sites, the emphasize the exchange of information and mutual cooperation with interested governments and institutions in the member states of the OAS, and that he notify the delegation of such countries on the Council of the OAS of any proposals received for the establishment of new projects.

VII. To recommend to the General Secretariat of the Organization of American States that, in accordance with the standards governing the Fellowship Program of the OAS, fellowships for the Pan American Training Center for the Evaluation of Natural Resources (CEPERN) be granted to candidates who meet the requirements; and that the Government of Brazil, if it so desires, submit to the Executive Director a new training project for evaluation of natural resources, in order that consideration may be given to its inclusion in the plan of activities for 1965.

/VIII. To provide

VIII. To provide that the committees responsible for evaluating the program and the individual projects be composed of qualified persons from outside the participating organizations and institutions, save for the staff of the Office of the Executive Director; and that the evaluation reports contain more detailed information than heretofore.

IX. To take cognizance of the content of the following reference documents:

1. (CIES/329) Annual Report on the Activities of the Program of Technical Cooperation of the Organization of American States, 1962
2. (CIES/332) Regulations of the Program of Technical Cooperation of the Organization of American States
3. (CIES/334) Evaluation of Projects 201 and 205 of the Program of Technical Cooperation of the Organization of American States.
4. (CIES/330) Report on the Second Meeting of Directors of Technical Cooperation Programs in the Western Hemisphere
5. Receipts and Disbursements of the Program of Technical Cooperation December 31, 1962, (Report of the Auditors, Price Waterhouse & C°).

X. To submit this report at a plenary session of the Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level, with the recommendation that it be approved and transmitted to the Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level, together with the draft resolution included in this report (see below) for consideration and approval, if deemed appropriate.

Draft Resolution 1/

PROGRAM OF TECHNICAL COOPERATION
OF THE ORGANIZATION OF THE AMERICAN STATES FOR 1964

HAVING SEEN:

The report of Subcommittee III/B on the "Proposed Activities and Budget for the Program of Technical Cooperation of the Organization of American States for 1964" and the report of the rapporteur of Committee III (Programs and Budget) on the "Proposed Activities and Budget of the Program of Technical Cooperation of the Organization of American States for 1964" (CIES/333) approved and forwarded by the Meeting at the Expert Level,

The Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level

1. See Draft Resolution C-4/E63.

/RESOLVES:

RESOLVES:

1. To approve, in the terms contained in the aforementioned reports, the Proposed Activities and Budget for the Program of Technical Cooperation of the Organization of American States for 1964, for general projects currently in operation, as follows:

	<u>1964</u>
N° 39 Technical Education for the Improvement of Agricultural and Rural Life	\$380 235
N° 77 Pan American Foot-and-Mouth Disease Center	632 105
N° 102 Inter-American Course in Administration of Social Welfare Programs	70 216
N° 104 Inter-American Program for Advanced Training in Applied Social Sciences	21 026
N° 105 Inter-American Program in Business Administration	143 056
N° 201 Training and Studies in Agricultural Credit	129 085
N° 205 Inter-American Program in Urban and Regional Planning	295 927
N° 206 Training and Studies in Agrarian Reform	496 491
N° 207 Regional Standardization Program for Assisting Economic Integration	110 198
N° 208 Inter-American Training Program for Community Development	146 525
N° 209 Training Center for Regional Economic Development	260 732
N° 210 Courses on the Planning of Water-supply Systems	58 058
Office of the Executive Director	150 139
Accounting Division - Program of Technical Cooperation	38 862
Total	<u>\$2 932 655</u>

/2. To authorize

2. To authorize the Executive Director to implement, during 1964, the following new general projects, in the order of priority listed below, as and when available funds permit:

a. Inter-American Program for the Improvement of Science Teaching	\$196 819
b. Inter-American Center for Land and Water Resources Development	141 153
c. Inter-American Training Program in Transportation	71 151
d. Inter-American Training Center in Public Administration	101 890
e. Inter-American Training Program for Women Leaders	<u>105 166</u>
Total	<u>\$616 179</u>

3. To provide that any unused funds pertaining to the Program on December 31, 1963, shall be transferred to the General Fund, to the extent required to cover any deficit which may result in financing the general projects in operation in 1964. Any balances remaining from 1963 which are not applied to cover the aforementioned deficit shall be transferred to the Working Fund.

4. To set the Working Fund for 1964 at US\$350 000.

5. To designate the group of projects listed in this resolution by the official title of "Program of Technical Cooperation of the Organization of American States in 1964."