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ECONOMIC COMMISSION FOR LATIN AMERICA

ANNUAL REPORT

(8 May 1978-26 April 1979)

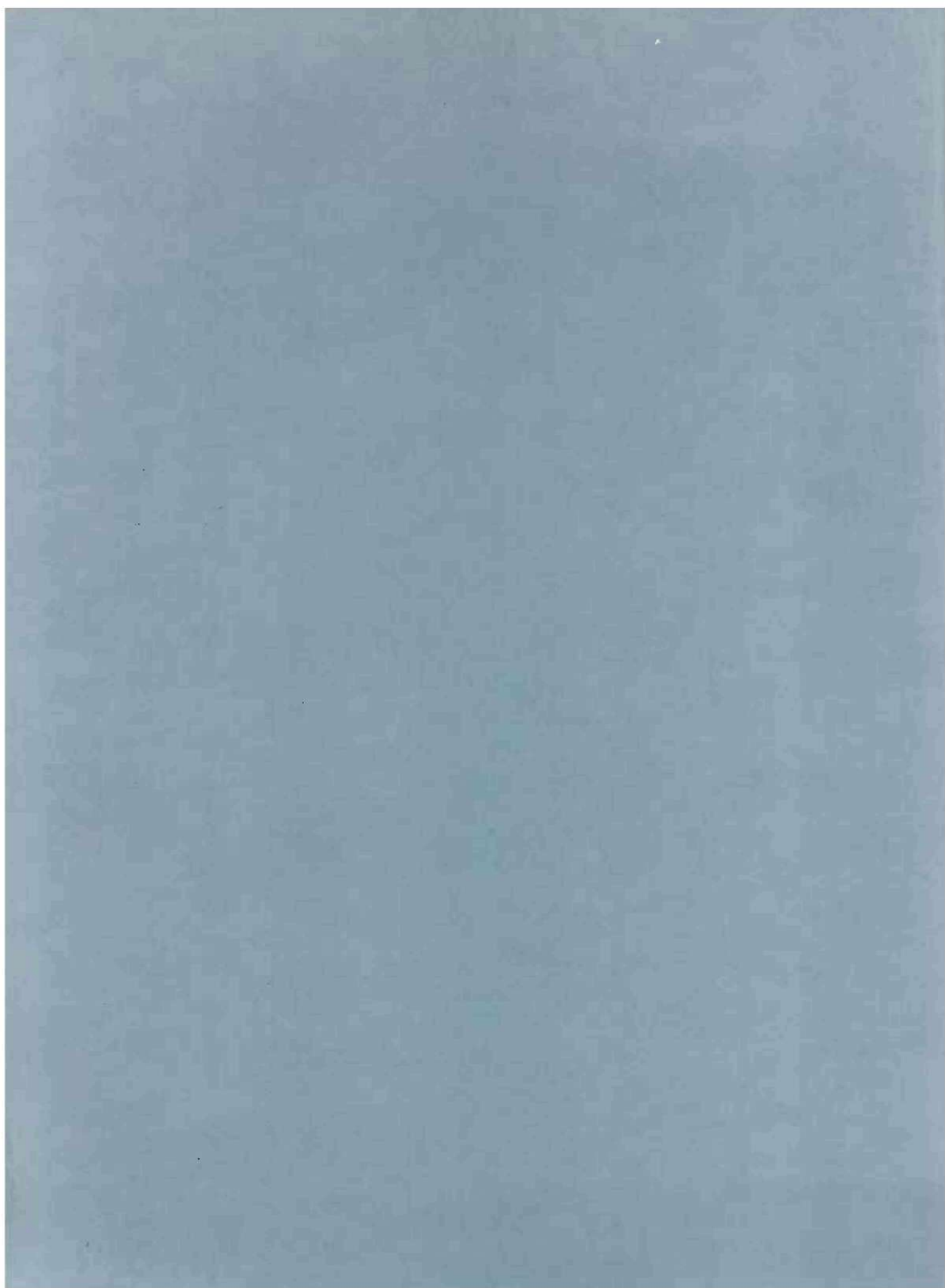
ECONOMIC AND SOCIAL COUNCIL
OFFICIAL RECORDS, 1979

SUPPLEMENT No. 16

VOLUME II



UNITED NATIONS



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NOTE

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

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IV. RESOLUTIONS

608. At its 209th meeting, on 26 April 1979, the Economic Commission for Latin America adopted the following resolutions:

- 383 (XVIII) Charter of Economic and Social Relations of Latin America
- 384 (XVIII) Study on machinery for securing resources for natural resource development
- 385 (XVIII) Protectionism in developed countries
- 386 (XVIII) Preparations and contributions by ECLA for the formulation of the new international development strategy for the third United Nations development decade
- 387 (XVIII) Co-operation among developing countries and among developing regions of different geographical areas
- 388 (XVIII) Fourth regional appraisal of the implementation of the International Development Strategy
- 389 (XVIII) Science and technology
- 390 (XVIII) Trade and transport facilitation
- 391 (XVIII) Integrated transport system
- 392 (XVIII) Migration of unskilled labour
- 393 (XVIII) Guidelines for the statistical activities of the ECLA system
- 394 (XVIII) Action in the field of cultural co-operation
- 395 (XVIII) Publications programme of the ECLA system
- 396 (XVIII) Strengthening relations with non-governmental organizations
- 397 (XVIII) Latin American Institute for Economic and Social Planning
- 398 (XVIII) International monetary and financial aspects
- 399 (XVIII) Activities of the Caribbean Development and Co-operation Committee
- 400 (XVIII) Population
- 401 (XVIII) Programme of work 1979-1981
- 402 (XVIII) Economic integration

- 403 (XVIII) Economic relations between Latin America and developed areas
- 404 (XVIII) Economic and social projections
- 405 (XVIII) Decentralization of United Nations activities
- 406 (XVIII) The needs of children and the shaping of the coming generations within the framework of development processes
- 407 (XVIII) Regional co-operation in the field of human settlements
- 408 (XVIII) Energy
- 409 (XVIII) Technical co-operation among developing countries in the field of water resources
- 410 (XVIII) System of data collection by remote sensing
- 411 (XVIII) Organizational measures to promote the implementation of the Mar del Plata Action Plan
- 412 (XVIII) Admission of Spain as a full member of the Commission
- 413 (XVIII) Study for Latin American countries which are importers of energy resources
- 414 (XVIII) Place and date of next session
- 415 (XVIII) Revision of the criteria currently used by the United Nations Development Programme in the allocation of resources

The Economic Commission for Latin America,

Considering that the developing member countries of the Commission have stated in General Assembly resolution 3202 (S-VI) that "collective self-reliance and growing co-operation among developing countries will further strengthen their role in the new international economic order", and that they have likewise confirmed their decision to strengthen and expand mutual co-operation and economic integration among them by expressing their adherence to the general principles and programme statements of the Charter of Economic Rights and Duties of States adopted in General Assembly resolution 3281 (XXIX), and in particular to the content of articles 21 and 23 of that instrument,

Taking into account that in accordance with the previous statements of the Commission, in resolution 363 (XVII), it requested the Executive Secretary to establish within the secretariat the necessary institutional arrangements to promote co-operation among developing countries of the region and also, in its resolution 365 (XVII), acknowledging how necessary it is for the Latin American countries "to take integrated action through co-operation efforts designed to lend impetus to the action of the individual countries and strengthen the position of Latin America as a whole in its relations with the rest of the world", requested the secretariat to organize a technical seminar on Latin American integration and co-operation,

Taking into account also that in the past decade the programmes of economic co-operation and integration among the Latin American countries have been considerably expanded and diversified in response to the purpose of strengthening intra-regional economic relations and adopting concerted means of action to deal with common problems in the promotion of their economic and social development,

Recognizing that the intensification and expansion of economic co-operation and integration among the Latin American countries, on the basis of the organic statement of their general principles and objectives, constitute basic factors for the consolidation of regional solidarity,

Reaffirming that all efforts aimed at expanding and improving economic integration and co-operation among the Latin American countries signify the strengthening of the unity of action of these countries for the establishment of the new international economic order,

Bearing in mind that the principles and machinery which direct and regulate economic relations among the Latin American countries must be strengthened and adjusted so as to ensure a fair distribution of advantages and resources, with due consideration of the external and internal needs of the countries, and particularly the problems of the relatively less developed countries,

1/ See paras. 572 and 573 in vol. I of this report.

1. Instructs the Executive Secretary of the Commission, on the basis of technical analyses already made of the regional and subregional co-operation and integration processes and bilateral economic relations, to make a compendium of these analyses and prepare a study for submission at a special meeting of Latin American experts convened in co-ordination with SELA during 1980, to enable the Latin American Governments to determine the desirability of drawing up a charter of economic and social relations of Latin America or some other instrument which will contribute to identifying the bases for a fair and just Latin American economic order for the region, in keeping with the Charter of Economic Rights and Duties of States and the proposals by the region and the developing countries for the establishment of the new international economic order;

2. Asks the Executive Secretary of the Commission, in undertaking the tasks mentioned in paragraph 1 above, to request the views of the Latin American Governments and hold consultations with the institutional bodies responsible for the regional and subregional co-operation and integration systems;

3. Requests the Executive Secretary of the Commission, in order to guarantee the best possible results for this meeting, to promote it as widely as possible and provide appropriate motivation, in order to obtain the effective participation of all the countries of the region.

383 (XVIII). STUDY ON MACHINERY FOR SECURING RESOURCES FOR
NATURAL RESOURCE DEVELOPMENT 2/

The Economic Commission for Latin America,

Considering the need to reduce the Latin American countries' external dependence and to strengthen the control and participation of the public sector and Latin American public and private enterprises in the exploration and development of natural resources,

Taking into account the fact that this would increase the possibility of applying policies which more fully meet the needs of each country,

Bearing in mind that greater national capacity in the fields of technology, administration and financing is required for this purpose,

Recognizing that this would also make it possible to apply technologies and production arrangements which are more suited to the characteristics of the Latin American countries,

Affirming that Latin American co-operation can make a very important contribution to the attainment of these objectives by combining the efforts of the Latin American countries to use domestic resources and secure external resources, spread the risks by encompassing a wider range of goods and sectors, and pool technical and financial efforts in such a way as to achieve a scale of operations in keeping with the very large investments required,

Concluding that the international systems for financial and technical co-operation have failed to devote sufficient attention and resources to the identification, evaluation and development of the extensive natural resources of Latin America, which remain in the state of unexplored reserves, and that in practice the countries of the region have been left to their own devices or, worse, have been obliged to rely on the transnational corporations for the development of this potential, on terms which have not always been the most favourable to the interests and needs of the countries of the region,

Decides to entrust the secretariat of the Commission in consultation with the Governments of the region, with the task of carrying out a study to recommend machinery for securing resources to help finance the investments essential for the full use of the natural resources of the Latin American region, which should contain alternative proposals on the volume and origin of the resources, the possible conditions and arrangements for operation, ways of co-ordinating activities with other machinery, and the most suitable systems of administration.

2/ See paras. 572-575 in vol. I of this report.

The Economic Commission for Latin America,

Considering that:

(a) The growth and diversification of the exports of the developing countries are of the greatest importance for boosting the growth of their economies and thus contributing to solving their problems of structural unemployment and the low incomes of the poorest strata,

(b) Protectionism is a growing phenomenon in the developed countries and, in the majority of cases, is selective and discriminatory against the developing countries in applying harsher restrictions than on imports from other developed countries,

(c) The new wave of protectionism particularly affects the exports of developing countries and slows down the process of structural change in the industrial sectors where the developing countries have greater comparative advantages,

(d) The medium- and long-term solution to protectionism lies in the restructuring of industry, which should be effected within the developed countries with the full participation of the developing countries, which would help to make the international economy and trade more dynamic,

(e) The readjustment measures applied by the developed countries are used exclusively to make their inefficient industries more competitive,

(f) This protectionism in the medium- and long-term has counter-productive effects on the developed countries themselves, by reducing the purchasing power of the developing countries,

(g) Protectionism is closely bound up with the problems of the balance of payments and the financing of the external debt in so far as there is no access to international consumer markets,

(h) The principle of the maintenance of the status quo has not been observed by the developed countries as regards barriers to imports from developing countries and new restrictive measures have been applied to exports by these countries, without any type of multilateral supervision or compensation, contrary to the provisions of UNCTAD resolution 96 (IV),

Bearing in mind the above-mentioned considerations and the growing concern on the part of the developing countries at the increase in protectionism in the developed countries,

3/ See paras. 572-574 and 576-578 in vol. I of this report.

1. Urges:

(a) The developed countries to adopt programmes to eliminate the restrictions affecting exports by the developing countries, to be implemented as soon as possible, as well as immediate measures to obtain a substantial increase in imports of products from developing countries at present subject to restrictions;

(b) The developed countries to replace the protectionist measures by effective assistance programmes and policies for medium- and long-term reconversion on the basis of clear economic and other indicators, so as to avoid protecting inefficient industries and to facilitate a balanced restructuring of world industry;

(c) Member States to establish a strategy in the framework of the appropriate forums for the supervision of the protectionist measures and policies applied by the developed countries, for the purpose of reviewing the general and particular aspects of this protectionism and formulating recommendations aimed at reducing or eliminating it; these would be implemented through the elimination programmes referred to in paragraph 1 (a) above, while the present and future machinery established within UNCTAD should be strengthened and used intensively;

(d) The developed countries not to continue to apply de facto concepts such as "selectivity" which are not accepted by the international community and not to encourage the application to the developing countries of the concept of "grading" in the relevant forums in the areas of trade and finance;

(e) The developed countries to adopt specific criteria, for the purpose of implementing the safeguard measures, including those agreed upon by the developing countries during the Fourth Ministerial Meeting of the Group of 77 held in Arusha from 6 to 16 February 1979, 4/

(f) Member countries to promote the supervision and analysis of the implementation of the programmes and policies referred to in paragraph 1 (b) above within the context of UNCTAD and UNIDO, and other relevant forums;

2. Underlines the desirability that the developing countries of the region which are affected, without prejudice to the bilateral measures they may deem advisable, should define in consultation with the rest of the Latin American countries concerned a common strategy to enable them to deal with the recrudescence of protectionist measures applied by the developed countries by means of co-ordinated action to strengthen their bargaining power and make their strong bargaining position felt as buyers of goods exported by the developed countries and as very important suppliers of essential raw materials to those countries. Such joint action could include voluntary economic, financial or trade measures such as:

- (i) Application of equivalent trade treatment to exports originating from developed countries;
- (ii) Guidelines to restrict or encourage imports from a certain developed country or countries;

4/ See TD/236.

- (iii) Intensified efforts to secure greater and more appropriate participation in international negotiations and machinery in order to safeguard the interests of the region;

3. Recommends that, in establishing priorities in its programme of work, the secretariat of the Commission should give special attention to the following tasks:

- (i) Centralization, analysis and dissemination of all information relating to the protectionist measures which affect or may affect exports from developing countries of the region, and quantification of their effects;
- (ii) Provision of advisory services to the developing countries of the region which so request for the execution of studies or research on specific cases of protectionist measures, in order to assess precisely the effects of such measures on the economies of the countries concerned;
- (iii) Examination in the secretariat's studies and research on the recrudescence of protectionism, of the costs of such protectionism for the countries which apply it, in terms of the maintenance of inefficient industries, inflationary effects, loss of international competitiveness or other effects of a similar nature;

4. Requests the United Nations Development Programme to provide the secretariat of the Commission with the necessary financial support to undertake the activities mentioned above.

386 (XVIII). PREPARATIONS AND CONTRIBUTIONS BY ECLA, FOR THE FORMULATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE 5/

The Economic Commission for Latin America,

Reiterating that the formulation of the new international development strategy should be based on the concepts of the new international economic order contained in General Assembly resolutions 3201(S-VI) and 3202 (S-VI), which constitute the Declaration and Programme of Action thereof, and in Assembly resolution 3281 (XXIX) on the Charter of Economic Rights and Duties of States, as laid down in General Assembly resolution 33/193, which formulates the guidelines for its preparation,

Recalling that General Assembly resolution 33/193 lays down a set of interrelated measures to ensure economic and social progress in the developing countries and that it accordingly specifies among the objectives which should be attained for the benefit of the developing countries: far-reaching changes in the structure of world production; a substantial increase in agricultural production in the developing countries and effective access for such products to international markets; the development of physical and institutional infrastructure; industrialization at the rate necessary to achieve the targets laid down; improvement of the terms of trade; a substantial increase in exports and the establishment of special and preferential treatment for the developing countries; a substantial increase in real terms in the transfer of resources on a predictable, reliable and continuous basis; organization of the international monetary system; removal of obstacles to the promotion of the transfer of technology, and encouragement of the development of domestic technological capabilities, and recalling moreover that the preparatory committee set up under that resolution has already begun its work,

Also taking into account the fact that resolution 33/193 emphasizes that the new strategy should reflect, in an appropriate manner, the need for adequate policies for the promotion of social development, to be defined by each country within the framework of its development plans and priorities and in accordance with its socio-economic structure and stage of development, taking into account that the final aim of development must be the constant increase of the well-being of the entire population on the basis of its full participation in the process of development and a fair distribution of the benefits therefrom, recalling other provisions of the resolution relating to the mobilization of national resources, the integration of women and youth, and the protection of the environment, and also bearing in mind that that resolution states that the new strategy should "contribute to the promotion of the objective of national and collective self-reliance of the developing countries, especially through the promotion and support of economic and technical co-operation among themselves",

5/ See paras. 572-574 and 579-583 in vol. I of this report.

Considering that resolution 33/193 requests the regional commissions to contribute effectively to the preparatory work for the new strategy by providing inputs, including relevant documentation, in accordance with the objectives set forth in the same resolution, and that it also requests the executive secretaries of the regional commissions to bring their respective experience to bear on the preparation of their inputs to the formulation of the new strategy, taking fully into account the different levels of development and the differing development situations of their respective regions,

Also bearing in mind that in accordance with resolution 33/193 and the problems affecting Latin American development it is incumbent on the Commission to contribute to the preparation of the new strategy so that it will constitute an effective international plan of action for promoting the economic and social development of the developing countries and will at the same time take account of the topics and objectives which are of transcendental interest for the solution of the various economic development situations of the countries of the region, and that once the new strategy has been adopted by the General Assembly, the Commission should promote its implementation at the regional level and organize itself to carry out the activities of appraising the progress achieved with respect to the goals and objectives and the implementation of the policies and measures laid down in the new strategy,

Considering that, despite the efforts made by the developing countries of the region towards the objectives set out in the International Development Strategy for the Second United Nations Development Decade and the shaping of a new international economic order, these have not been sufficient to boost the development of the developing countries owing, inter alia, to the obstacles deriving from the policies and measures imposed by the industrialized countries and the acceleration of the remittance of profits outside the region and other negative practices of the transnational enterprises, with the result that Latin American development is still facing serious problems and obstacles of a structural nature at the national level and above all at the regional and international levels, the manifestations of which include the following:

(a) The rate of economic growth has declined considerably since the middle of the present decade, and a large number of countries in the region have continued to achieve unsatisfactory and extremely slow progress. Agricultural output, despite technological progress and diversification, has continued to follow the historical trend, and industrial output has suffered an appreciable decline in vigour in recent years. This evolution is clearly at odds with the region's potential for economic growth, in view of its natural resource endowment, the abundant availability of labour and the capacity to promote an adequate process of investment and to carry on private and public management of the economy, despite the problems and obstacles of an internal and external nature suffered by the developing countries of Latin America, including the restrictive practices of the transnational enterprises and problems of a structural character. It is therefore necessary to envisage solutions, within the formulation of the third international development strategy, for the problems created by the application of strategies unsuited to the characteristics of the region;

(b) The region continues to show indications of substantial economic and social backwardness in many aspects and features which characterize this stage in its development: ineffectiveness in promoting the full productive employment of human resources; a very high concentration of ownership of property, income

distribution and consumption; increasing foreign debt; situations of intolerable extreme poverty and indigence; marked heterogeneity in the systems of production, which is reflected in the economic and technological backwardness prevailing in the productive activities of a large proportion of the labour force and also in the low level of integration of the national economies; insufficient development of industrial production of fundamental categories of basic and capital goods needed to stimulate economic development; unbalanced external trade, with primary commodities taking up a large share of exports, while imports are largely composed of industrial products and capital goods essential for the growth process; and low levels of domestic saving and considerable dependence on external investment and financing, which help, along with other factors, to limit the self-determination that national development policies should enjoy;

(c) The far-reaching social changes which have accompanied the prevailing process of economic growth in the region have helped to shape societies which are unjust and highly polarized, with increasing social differentiation and extremely unequal distribution of the benefits of growth;

(d) The decline in the economic growth rate is largely attributable to the recession and fluctuations in the world economy, and in particular to the course followed by the situation of the industrial countries, on which Latin America is still highly dependent. These unfavourable economic developments have heightened the gravity of the social problems mentioned above;

(e) Despite some promising advances in economic co-operation and mutual trade among Latin American countries, several economic integration agreements are encountering serious difficulties, and the objectives and targets laid down have not been achieved. In addition, the efforts of the developing countries to implement the measures adopted at the Conference on Economic Co-operation among Developing Countries, held at Mexico City from 13 to 22 September 1978, 6/ have not received sufficient support from the industrialized countries, particularly in UNCTAD and UNDP;

(f) Serious difficulties are being encountered in achieving the necessary degree of expansion and diversification of exports of primary commodities and semi-manufactured and manufactured products. The obstacles which hamper and limit access to the markets of the developed countries are increasing as a result of the proliferation of tariff and non-tariff barriers, including measures which have aggravated and worsened the climate of protectionism now dominating international economic policy. To this must be added the worsening and instability of the terms of trade, the burden of foreign indebtedness, the deterioration in the terms of financing and the fluctuations and uncertainty in the currency and exchange markets, which adversely affect the interests of the developing countries;

(g) The industrial redeployment assistance measures in the developed countries which are used to maintain inefficient industries adversely affect the interests of the developing countries, while the agreements on the restructuring of industry in the developed countries, which affect the developing countries, have so far been reached in forums in which the latter countries do not participate;

(h) In practice, concepts have been followed which are not accepted by the international community and are contrary to the efforts to establish a new international economic order, such as grading, selectivity and access to supplies;

6/ See A/C.2/31/7, part one.

(i) International commodity markets, including the commodity exchanges, are frequently monopolized by the transnational corporations, in favour of their own interests.

The international situation described above is preventing the Latin American countries from fully mobilizing their potential resources and carrying through appropriate economic policies to achieve the efficient allocation of their resources and promote dynamic growth in productivity and income.

It is therefore urgently necessary for the countries of the region to intensify their national development efforts and, for the same purposes co-ordinate vigorous action on the basis of regional and international solidarity to tackle the problems indicated for the benefit of all the countries alike. To this end, it is essential to promote the formulation and application of a regional plan of action for the forthcoming decade, which should be linked with the preparation and application of the new international development strategy as far as the countries of Latin America are concerned.

Taking account of the secretariat documents entitled "The economic and social development and external economic relations of Latin America" 7/ and "Long-term development trends and prospects of Latin America" 8/ the biennial appraisals by ECLA of the economic and social evolution of the Latin American countries and the implementation of the current Strategy for the Second United Nations Development Decade, and especially the fourth appraisal, which lays down guidelines and proposals concerning the position of the countries of the region with regard to the objectives, policies and measures which should be adopted at the national, regional and international levels, the following fundamental aspects of the basic objectives and policies of Latin American development should be stressed, inter alia:

A. As regards international co-operation

(a) International co-operation is needed if the materialization of the developing countries' own efforts is not to come to naught. This requires structural changes in the functioning of the world economy in order to lead to the establishment of a new international economic order, especially as regards - among other aspects - the expansion of the developing countries' share of production and income in the development of the world economy; the elimination of protectionism; the reform of existing rules and procedures in the financial, trade and monetary field - particularly those of IMF and GATT - to ensure that due account is taken of the interests of the developing countries; the non-application of concepts contrary to the establishment of the new international economic order, such as grading, selectivity and access to supplies, the expansion, diversification and increased processing of their exports; fairer and more stable terms of trade; stabilization of the international commodity markets; adequate and foreseeable external financing; appropriate access to science and technology, and effective supervision of the activities of the transnational corporations. A new form of insertion of Latin America into the international economy should not be regarded as an end in itself but as a means of contributing to the achievement of the basic objectives of the economic and social development of the countries of the region.

7/ E/CEPAL/1061 and Add.1.

8/ E/CEPAL/1076.

(b) An essential requisite for the development of the Latin American countries is that the developed countries should substantially improve access to their markets for primary, semi-manufactured and manufactured goods produced by developing countries, taking into account the recommendation in General Assembly resolution 33/193 to the effect that special and preferential treatment should be extended to the exports of those countries. It is of vital importance to define and put into practice rules that will enable the latter to implement dynamic export promotion policies, establish a programme to eliminate the restrictions applied by the developed countries to the detriment of imports from the developing countries, and strengthen the Generalized System of Preferences and place it on a permanent footing;

(c) To secure the elimination of the tariff and non-tariff protectionist barriers of the developed countries, a strategy of vigilance over the protectionist acts of those countries should be introduced which can even review on a case-by-case basis whether the application of a protectionist measure is essential on the part of a developed country, on the basis of conditions of application which must be negotiated and in the light of the export interests of the developing countries;

(d) It is particularly important that world industry should be restructured so as to favour the industrial development of the developing countries. For this purpose it is necessary, inter alia, that the developed countries should adopt effective measures for the redeployment of those sectors of industry requiring structural adjustment so as to allow the full and effective participation of the developing countries in production and harmonize the interests of both groups of countries. This calls for the implementation of long-term industrial redeployment programmes and policies by the developed countries, including economic and other indicators, which avoid protecting inefficient industries and facilitate balanced world industrial redeployment;

(e) Vigorous steps should be taken to promote action to achieve the objectives proposed in the UNCTAD Integrated Programme for Commodities in such a way as to help to attain fair terms of trade with realistic, remunerative and equitable international prices, bearing in mind that certain commodities have their own forums for negotiation. To this end, it is necessary to ensure the availability of financial resources through the fulfilment in good faith of the principle of additionality of resources, in order to finance the measures needed to achieve stabilization; to restructure the international commodity markets through the common fund and the essential complementary machinery; to establish working product agreements; to promote a higher level of processing of commodities in the producing countries themselves, and to secure a larger share for the latter in the main aspects of the economy of these commodities, including their international distribution and transport;

(f) It is necessary to assign high priority to the fulfilment of the guidelines laid down in General Assembly resolution 33/193 in connexion with technology, to strengthen the developing countries' own capacity to adapt technology, and to establish conditions for the transfer of technology which are in keeping with the needs of their current stage of development;

(g) Compliance by the transnational enterprises with the guidelines defined at the fourth session of the Committee of High-Level Government Experts organized by ECLA as regards such enterprises is of the utmost importance for the Latin American countries;

(h) A fundamental reform of the international monetary system is urgently needed in order to promote world trade and development in an effective manner. To this end it is important to:

- (i) Secure a fairer and more symmetrical process of adjustment in the balances of payments of all the countries of the region by reducing the conditionality in the use of IMF resources, and promote and implement the decisions adopted in order to make Special Drawing Rights (SDRs) the main reserve asset in the international monetary system, with the aim of ensuring that world liquidity does not originate in the structural disequilibria or payments deficits of the reserve currency countries;
- (ii) At the next general review of quotas in IMF definitive arrangements should be made for the linking of the creation of SDRs and development financing in two ways: a larger allocation of SDRs, over and above the size of the quotas of the developing countries, and the channelling of the allocations corresponding to the developed countries to multilateral and regional financial institutions;
- (iii) IMF should step up its monitoring of the major reserve currencies, paying special attention to the circumstances of the developing countries, and the compensatory financing facility should be improved and expanded in order completely to check the decline in the purchasing power of exports of the developing countries;
- (iv) The flow of real resources to the developing countries should be promoted as an integral element of an effective system. In this context, there is an urgent need to establish a long-term financing facility to finance the purchase of capital goods by the developing countries, as well as the creation of a medium-term facility to provide support for externally induced balance-of-payments difficulties.

B. As regards economic, social and human development

Policies for promoting the development of the developing countries will be defined by those countries within the framework of their national development plans and priorities.

Economic development

(a) Development must be regarded as an integral process, characterized by the achievement of economic targets in terms of objectives of social change which ensure the full involvement of the entire population in the efforts and benefits of development. In this context, the countries of Latin America should, individually and free of external interference, strengthen their economic, cultural and social structures so as to achieve coherent development based on national self-determination. Governments should intensify activities aimed at achieving a genuine redistribution of income and high levels of employment in favour of the marginal groups, so as to increase their social well-being by improving the quality of life (health, nutrition, housing, social security) and social and economic status (mass participation, education and training);

(b) In the context of this integral process, it is necessary to promote changes in production and technology of such a nature as to ensure a process of

growing diversification and integration of the national economies and lay sounder bases for future development;

(c) The growth of agricultural production must be speeded up, taking special account of the need to increase the availability of food in order to correct as rapidly as possible the situation of poverty and indigence faced by great masses of the population of Latin America and cover export needs in order to contribute to the external purchasing power required to ensure supplies of essential products which must be imported;

(d) A vigorous impulse must be given to industrial development, using methods in keeping with the conditions existing in different countries and regional integration programmes, and the production of consumer goods, essential intermediate products and capital goods must be encouraged in order to ensure sustained economic growth and increase exports of manufactures within a new structure of international trade;

(e) The fundamental basis for this acceleration of economic development should lie in the domestic effort and the mobilization of the countries' own resources. The region has shown that it possesses this development potential, because of the natural and human resources it possesses and its capacity to give impetus to a dynamic process of investment and increase the economic efficiency of its production to levels which enable it to compete in the international market;

(f) There is an urgent need to promote institutional and structural reforms in the Latin American countries in order to realize this development potential, especially with a view to promoting the large-scale accumulation of capital, which can only be achieved by means of substantial changes in the functioning of the economies designed, among other objectives, to reduce the high levels of consumption concentrated in a small sector of the population.

Social and human development

(a) Economic growth is a necessary but not by itself a sufficient condition to ensure full social and human development. This requires the introduction of institutional reforms and appropriate policies within the framework of an integral and organic conception of the development process. The results of this economic growth must be more fairly distributed so that, in addition to ensuring the active participation of the different sectors of society, it will also be possible to create juster societies where human beings will find better possibilities for the fullest development of their potential;

(b) In this regard, the distribution of income and social consumption must be restructured, public spending rationalized and the trend of private and public investment changed so as to achieve the social objective of increasing the well-being of the entire population;

(c) It will also be necessary to introduce the reforms required to guarantee the access of the population to employment, education, health and other social, public and private services;

(d) Specific high-priority objectives must be established in order to deal with the situations of extreme poverty which exist in the region. The measures proposed should not consist merely of aid policies but should take the form of lasting

solutions in the context of an integral and organic conception of the proposed development strategy. It is therefore essential to envisage as a fundamental requirement the active participation of the population in the programmes designed to improve their quality of life.

C. As regards co-operation within the region and with other developing countries

(a) Regional co-operation should be considered as a basic instrument of Latin American development;

(b) Greater dynamism and flexibility must be imparted to the existing integration processes, and specific new forms of co-operation must be encouraged in the areas of industry, trade, agriculture, technology and financing. Efforts should be made to secure the convergence of these specific forms of co-operation with the integration processes so that they mutually strengthen one another:

(c) Economic and technical co-operation among the countries of Latin America and with those of other developing areas should be fostered, in accordance with the measures set out in the report of the Mexico City Conference on Economic Co-operation among Developing Countries ^{6/} and the Buenos Aires Plan of Action adopted at the United Nations Conference on Technical Co-operation among Developing Countries. ^{9/} This requires the full and unconditional support of the industrialized countries and of the United Nations system.

1. Requests the secretariat:

(a) To intensify its studies designed to provide support to Governments in the formulation of the basic development objectives of the Latin American countries for the next decade and the orientation of the strategies and policies which should be considered in order to achieve those objectives at the regional and international levels in the context of a new international economic order;

(b) To prepare a regional action programme for the implementation of the strategy for the third United Nations development decade to be adopted by the General Assembly, as regards the countries of Latin America;

(c) To maintain permanent contact with the Latin American Group and with representatives of other Governments in the Preparatory Committee for the New International Development Strategy in order to provide them with the technical information they request;

(d) To contribute and make available to the Preparatory Committee the information and basic studies which show the size and nature of the development problems confronting the region, especially as regards the restrictions and obstacles imposed by external conditions;

^{9/} Report of the United Nations Conference on Technical Co-operation among Developing Countries, Buenos Aires, 30 August-12 September 1978 (United Nations publication, Sales No. E.78.II.A.11 and Corrigendum), chap. I.

(e) To prepare a study on the different multilateral sources of financing for the production and exploitation of commodities in Latin America (World Bank, regional banks and UNDP) and their degree of utilization among the resources channelled to the region. The study should contain specific recommendations to improve the flow of resources to permit the optimal use and exploitation of those products, including horizontal diversification, without detriment to the other priority areas supported by those institutions;

(f) To convene CEGAN before the end of 1979 and during 1980 so that it may evaluate the progress made in the preparatory activities for the new strategy carried out by the Preparatory Committee, and also the work of the secretariat. At these meetings, CEGAN, if it deems it appropriate, will formulate recommendations with respect to the subjects of particular interest to Latin America which should be included in the new international development strategy;

2. Recommends that member Governments of the Commission:

(a) Participate actively in the Preparatory Committee so that the situations and problems of the countries of the region may be taken duly into account in the preparation of the new strategy;

(b) Collaborate with the secretariat in the provision of information and in the preparation of the research it requires to fulfil the mandates assigned to it;

3. Also recommends that member Governments of the developing countries of the region prepare plans or programmes which include the formulation of economic and social development objectives and goals for the next decade, together with their relevant strategies and policies, suitably linked with the instrumentation and implementation of the strategy as far as the Latin American countries are concerned:

4. Further recommends that at the nineteenth session of the Commission, which will be held early in 1981, a regional action programme for the instrumentality and implementation of the new international development strategy to be adopted by the General Assembly be considered, and the development decade for the countries of Latin America be proclaimed.

387 (XVIII). CO-OPERATION AMONG DEVELOPING COUNTRIES
AND AMONG DEVELOPING REGIONS OF DIFFERENT
GEOGRAPHICAL AREAS 10/

The Economic Commission for Latin America,

Taking note of General Assembly resolutions 32/183 of 19 December 1977 and 33/134 of 19 December 1978 regarding the United Nations Conference on Technical Co-operation among Developing Countries, as well as resolution 32/182 of 9 December 1977 on technical co-operation among developing countries,

Also taking note of General Assembly resolutions 3177 (XXVIII) of 17 December 1973, 3241 (XXIX) of 29 November 1974, 3442 (XXX) of 9 December 1975, 31/119 of 16 December 1976, 32/180 of 19 December 1977 and 33/195 of 29 January 1979 on economic co-operation among developing countries,

Recalling General Assembly resolutions 2688 (XXV) of 11 December 1970 on the capacity of the United Nations development system, especially its provisions on the establishment of priorities, and 3405 (XXX) of 28 November 1975 on new dimensions in technical co-operation, in particular its aspects related to technical co-operation among developing countries, and Economic and Social Council resolution 1978/74 on regional co-operation and development,

Bearing in mind the measures recommended by the Conference on Economic Co-operation among Developing Countries, held in Mexico City from 13 to 22 September 1976, 11/ and especially those addressed to the regional commissions,

Also bearing in mind the Action Programme for Economic Co-operation and the relevant resolutions adopted at the Fifth Conference of Heads of State or Government of Non-Aligned Countries, held at Colombo, from 16 to 19 August 1976, 12/ as well as the recommendations made on this subject by the Conference of Foreign Ministers of Non-Aligned Countries, held in Belgrade, from 25 to 30 July 1978, 13/

Also mindful of the first short- and medium-term plan of action for global priorities regarding economic co-operation among developing countries adopted at the Fourth Ministerial Meeting of the Group of 77, held at Arusha, from 6 to 16 February 1979, 14/

10/ See paras. 572 and 573 in vol. I of this report.

11/ See A/C.2/31/7, part one.

12/ See A/31/197.

13/ See A/33/206.

14/ See TD/236.

Bearing in mind the report of the United Nations Conference on Technical Co-operation among Developing Countries, held in Buenos Aires from 30 August to 12 September 1978, 9/ which saw the emergence of a movement of the developing countries aimed at putting into effect new arrangements for co-operation based on national and collective self-reliance,

Considering that the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries and the resolutions adopted at that Conference contain recommendations addressed to the regional commissions which refer explicitly to their role at the subregional, regional and interregional levels,

Recalling its resolutions 316 (XV) of 29 March 1973 on co-operation among developing countries of different geographical areas, 354 (XVI) of 13 May 1975 on technical co-operation among developing countries and 363 (XVII) of 5 May 1977 on co-operation between developing countries and regions of different geographical areas,

Recognizing the need to stimulate technical and economic co-operation among the countries and groups of countries of the region and to strengthen the subregional and regional institutions as appropriate means of enhancing the development of the countries of the region,

Also recognizing the importance of forging closer and stronger links of technical and economic co-operation with other developing regions,

Fully aware that the effective implementation of the recommendations contained in the Buenos Aires Plan of Action calls for the combined efforts of all the bodies, organizations and agencies, both subregional and regional and those of the United Nations system, and especially the United Nations Development Programme,

Taking note with satisfaction of the views expressed by various delegations on the subject and the efforts initiated by the secretariat to carry out interregional co-operation activities with other regional commissions and to identify programmes designed to promote co-operation relations at the subregional, regional and interregional levels, 15/

1. Urges the Governments of the developing member countries of the Commission to intensify their intraregional mutual co-operation programmes and projects and take the necessary steps to put into effect the recommendations of the Buenos Aires Plan of Action and resolutions relating to the national level;

2. Exhorts the Governments of the developed member countries of the Commission to make contributions for technical co-operation activities among developing countries, without prejudice to the existing programmes, as was recommended in the Plan of Action and resolution adopted in Buenos Aires;

15/ See E/CEPAL/1063.

3. Recommends to the Governing Council of the United Nations Development Programme that it expedite the measures for ensuring an adequate response to the joint formulation of priorities for the developing countries of the region, in order to use the regional indicative planning figures;

4. Requests the Executive Secretary of ECLA:

(a) To take the necessary steps, as far as ECLA is concerned, to put into practice the recommendations of the Plan of Action and resolutions adopted in Buenos Aires addressed to the regional commissions, and to that end to draw up, where necessary, formal co-operation or other agreements with the United Nations Development Programme and other bodies, organizations and agencies, both subregional and regional, and those of the United Nations development system, taking due account of their respective spheres of competence and mandates;

(b) To consult the Administrator of the United Nations Development Programme to review the practices in force in order to give the most positive response possible to the joint formulation by the developing countries of priorities for the use of regional indicative planning figures, through their appropriate intergovernmental organizations, including the regional commissions or other agencies of the United Nations system, or with their support;

(c) To provide the necessary co-operation for the activities, programmes and projects of the United Nations Development Programme in order to achieve the purposes and objectives of technical co-operation among developing countries;

(d) To participate actively in the work of the high-level meetings of representatives of all States participating in the United Nations Development Programme, as was recommended in the Buenos Aires Plan of Action;

(e) To establish in the secretariat appropriate servicing machinery directly responsible for promotion, information and co-ordination activities related to technical and economic co-operation among developing countries;

(f) To include the subject of technical and economic co-operation among developing countries in the research work of the secretariat and the agendas of the intergovernmental and specialized meetings convened by the secretariat, whenever the subject of the research or of the meeting permits;

5. Notes with satisfaction and approval the decision of the Executive Secretaries of the Economic Commission for Africa and ECLA to carry out interregional technical and economic co-operation activities between Africa and Latin America in the areas of trade, training and science and technology;

6. Also notes with satisfaction and approval the arrangements being made between the Executive Secretary of the Economic and Social Commission for Asia and the Pacific and the Executive Secretary of ECLA, in conjunction with the Government of India, to organize a meeting in New Delhi at the beginning of June 1980, to be attended by representatives from Latin American countries and India, with a view to promoting technical co-operation between Latin America and India within the framework of the principles and objectives of technical co-operation among developing countries adopted by the developing countries in the respective forums;

7. Urges the Governments and the intergovernmental, subregional and regional organizations of the developing member countries of the Commission to take an active part in the aforementioned interregional activities to encourage and strengthen the links between the different geographical regions of the developing world through joint mutual co-operation programmes and projects;

8. Expresses its gratitude to the Government of the Netherlands for the generous special contribution recently made to the secretariat of the Commission to promote economic and technical co-operation activities among developing countries;

9. Decides that the question of co-operation among developing countries and regions should be examined at each session of the Commission by a sessional committee, following consultation with Governments, in order to examine the intraregional and interregional co-operation activities carried out by the secretariat of the Commission with a view to formulating appropriate support measures to promote such co-operation;

10. Further decides to strengthen its support for the activities of the intergovernmental, subregional and regional organizations of the developing member countries of the Commission, especially SELA.

388 (XVIII). FOURTH REGIONAL APPRAISAL OF THE IMPLEMENTATION OF
THE INTERNATIONAL DEVELOPMENT STRATEGY 16/

The Economic Commission for Latin America,

In the light of General Assembly resolution 2626 (XXV) which provides for the carrying out of regional appraisals within the United Nations on the progress made in the implementation of the International Development Strategy for the Second United Nations Development Decade, and especially the appraisal activities established in General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3281 (XXIX), which contain the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States,

Considering that at this session the Commission must make the fourth appraisal of the implementation of the International Development Strategy as part of the establishment of a new international economic order,

Having examined the documents entitled "The economic and social development and external economic relations of Latin America" 17/ and "The long-term development trends and prospects of Latin America" 18/ prepared by the secretariat, which contain analyses and criteria designed to facilitate that critical exercise,

Having also examined the report of the fourth session of the Committee of High-Level Government Experts, 19/ convened by the secretariat in compliance with ECLA resolution 310 (XIV),

1. Takes note with satisfaction of the secretariat's contribution to the critical exercise consisting of the fourth regional appraisal of the implementation of the International Development Strategy, as part of the establishment of a new international economic order, contained in documents E/CEPAL/1061 and E/CEPAL/1076;
2. Approves under the title "La Paz Appraisal", the text of which is contained in the annex to the present resolution, the critical exercise comprising the fourth regional appraisal of the implementation of the International Development Strategy as part of the establishment of a new international economic order;
3. Decides that the La Paz Appraisal and documents E/CEPAL/1061 and Add.1 and E/CEPAL/1076, together with the report on the eighteenth session of ECLA, 20/ which contains some comments on the subject, should be transmitted to the Economic and Social Council, the Committee on Development Planning, the Preparatory Committee for the New International Development Strategy established in General Assembly resolution 33/193, and the various forums of negotiation and dialogue which are of interest to the countries of the region.

16/ See paras. 572-574 and 584.

17/ E/CEPAL/1061 and Add.1.

18/ E/CEPAL/1076.

19/ E/CEPAL/1073.

20/ See chap. III in vol. I of this report.

ANNEX

LA PAZ APPRAISAL

I. ECONOMIC AND SOCIAL DEVELOPMENT

A. PREAMBLE

1. Development should be conceived of as an integral process characterized by the achievement of economic and social targets which ensure the effective participation of the population in the development process and in its benefits. To this end it is essential to make far-reaching structural changes in this field as a prerequisite for the process of integral development which it is sought to achieve. These two aspects are inseparable parts of a whole which mutually condition each other, and it is difficult to imagine any effective strategy which fails to consider them simultaneously and weight them in their true dimension. For purposes of presentation and clarity, the two areas figure separately, but in the interpretation of the real processes and the formulation of strategies they must be considered together.

2. It has been observed with concern that this integrated approach had not always found its true expression in the region, and that there has been more emphasis on achieving objectives relating directly to economic growth, while objectives of a social nature, when not openly left on one side, have not received adequate priority.

3. In view of this, some basic concepts of the earlier regional appraisals 21/ are even more valid today:

"The phenomenon of economic growth is not equivalent to development itself, although accelerated and independent economic growth is a prerequisite of integrated development. Growth, in itself, has frequently failed to bring with it qualitative changes which have a decisive influence on ... human well-being and social injustice, since the system of production has continued to prove incapable of providing an answer and solution to urgent problems such as those of mass poverty, growing unemployment, the inadequacy of basic social services and the scant participation of broad strata of the population in the economic and social life of their countries." 22/

"Integrated development cannot be achieved through partial efforts in particular sectors of the economy or the social system, but only through concerted progress in all aspects." 23/

21/ Quito Appraisal (1973), Chaguaramas Appraisal (1975) and Guatemala Appraisal (1977).

22/ See Official Records of the Economic and Social Council, Sixty-third Session, Supplement No. 11, part III, resolution 362 (XVII), part I.A, para. 1 (a).

23/ Ibid., para. 1 (c).

"The traditional structures, inasmuch as they put obstacles in the way of change, hinder social progress and economic development. Accordingly, even more strenuous efforts must be made to effect the qualitative and structural changes ... which are indispensable to establish the bases that will permit the achievement of the social and economic objectives of the Strategy." 24/

4. The foregoing assertions constitute a major challenge to the countries of the region, especially if it is considered that development is to be achieved in the context of severe external restrictions and in the face of internal obstacles of both a conjunctural and a structural nature. Thus, although some countries have made progress in the export of manufactures, four fifths of the region's exports are still made up of primary products, with all the harmful sequels implicit in such a brittle nature of the export base. It is superfluous to repeat that as a result the Latin American countries have suffered the effects of chronic problems in their external sectors, in which the adverse effect of the terms of trade has played a leading role.

5. The vulnerability of the external sector, together with its inadequate capacity to generate savings, and the need to maintain a specific rate of economic growth with a view to avoiding unemployment, among other motives, has led in most of the countries to a sharp increase in the external debt, the servicing of which constitutes an increasingly heavy burden that significantly restricts capacity to attend to the urgent social needs of the region.

6. In accordance with the above, it is clearly desirable that greater use be made of planning systems in all sectors of the national economy, in order to help to eliminate the present economic and social conditions endured by the deprived classes of the region and also allow them to participate more effectively in decision making and in national development plans and programmes.

7. As far as internal restrictions are concerned, the balance between needs and available resources reveals alarming shortfalls which go to make up a picture of extreme poverty for nearly half the population of Latin America. The magnitude of both the open and disguised unemployment from which most of the countries suffer shows the inadequacy of the structure of production to generate employment and it is becoming clear that if this problem is not tackled in a decisive manner, it will mount up to such an extent that this, together with the high social cost it involves, will demand efforts which will eventually prove to be beyond the region's capability.

8. The member States of the Committee of High-Level Government Experts (CEGAN), without wishing to evade the responsibility for development which primarily falls to them, or forfeiting their sovereign right to control and develop their own natural resources and economic activities in the form they consider appropriate, are aware that international co-operation is needed, in addition to their own efforts, to attain the desired goals of integral development with the necessary rapidity. To this end it will be necessary to effect a massive transfer of

24/ Ibid., para. 1 (b).

resources in real terms and to obtain just and equitable treatment in their economic and trade relations with the developed countries within the spirit of the new international economic order and in a manner which respects and strengthens the principles and orientations imparted by each country to its development.

B. THE ECONOMIC AND SOCIAL DEVELOPMENT OF LATIN AMERICA

9. This is the fourth time that ECLA has made an appraisal of the economic and social trends in the region and the policies applied to orient these trends to bring them into line with the objectives, goals and priorities laid down in the International Development Strategy and the resolutions of the United Nations on the establishment of a new international economic order and the Charter of Economic Rights and Duties of States. The decade about to end has been a period of major fluctuations and contrasts, with rapid economic growth at the start and a distinct falling-off towards the end. In the long term, despite the significant average economic growth of the last three decades, there has been a persistent lack of adjustment between the growth of the economy and the development of society. These characteristics have helped to create unsatisfied expectations in broad sectors of society which have exacerbated the tensions inherent in development. "It is evident that Latin America as a whole has not been able to transform its economic growth into the integrated development which was envisaged." 25/

10. In an appraisal like this, which is being made on the eve of the 1980s, a balance sheet must be drawn up of the major problems facing the present development of the region, especially because of the effects which these problems will have in the immediate future. It therefore seems justified to place the emphasis on a problem-oriented approach highlighting the challenges which must be faced in the coming years. The preparation of the strategy for the third United Nations Development Decade, already in progress, demands this.

11. This new appraisal of development, despite the big differences to be observed in Latin America, confirms the conclusions reached on substantial aspects in earlier ECLA appraisals. The stubborn persistence of grave problems in basic aspects of economic and social organization increases and multiplies their seriousness, and this, in addition to making the matter more complex, makes it more difficult to reach an appropriate and lasting solution. This may be seen particularly in such aspects as the concentration of income, the polarization of consumption, the underutilization of the labour force, and situations of poverty.

12. The operational resources and possibilities now available place many Latin American Governments in a more favourable position than in the past for achieving integrated development in keeping with the proposals of the International Development Strategy. In order to implement these possibilities effectively, however, it will be necessary to go beyond the reiteration and accumulation of desirable objectives and the mere diagnosis and identification of the most telling problems in order to progress towards the formulation of policy strategies and the specific planning of how to implement them. All of this will require a considerable dose of innovation in terms of policy measures, and in particular a much stronger political commitment to the social and human objectives of development.

25/ Ibid., para. 3.

13. The persistent recessive economic trends, or the slow rate of growth of the developed countries in recent years, associated with their processes of inflation, have had adverse repercussions on the rates and forms of economic activity in the majority of the countries of the region. The prospect that these trends may continue and that protectionist measures may increase, aggravating the harmful consequences for the international economic relations of the countries of Latin America oriented towards an increasing share in the international economy, means that the immediate future appears yet more uncertain, and that the adverse effects on the internal economic and social situation of the countries affected may be further accentuated.

14. The slowing-down of the growth of production is taking place in circumstances in which the levels of production and consumption, the degree of modernization of the economies of the countries and their degree of insertion in the world economy are greater than they were in the past. State capacity and opportunities for reorienting strategies and correcting adverse social and political trends and consequences of the present crisis in the international economy have also increased. Nevertheless, certain features of the over-all situation show structural stresses and distortions which make it hard to achieve integrated development. Mention may be made of the following:

(i) In many countries, the maintenance of specific rates of economic growth has been achieved at the cost of growing external indebtedness, on less favourable terms than in the past since current financing is mainly made up of short-term loans from private sources. Some countries are in the extremely difficult position in which growing external indebtedness is accompanied by declining output, rapid inflation and falling employment. The burden of the external financial services and the internal and external requirements incumbent on the administration of such high levels of indebtedness contribute to reducing the margin of freedom of action to orient the economic strategies towards simultaneously maintaining a high growth rate, the autonomy of the country's economy, and the achievement of the social objectives of development;

(ii) The continuing growth of consumer aspirations - generally exceeding the capacity of the economies to meet them - and the growing pressures for redistribution in one direction or another fan the resistance of important sectors of society to accepting sacrifices for the sake of future development. In such circumstances, transitory stagnation and high rates of inflation aggravate the struggle for redistribution and social tensions increase, calling in question the continuity of the prevailing development style or the possibility of improving the situation of the masses;

(iii) Most of the burden of the measures and strategies for economic recovery frequently falls on the poorest and most helpless strata of the population, either in the form of a decline in real wages, relative reductions in income and in the quality and quantity of consumption, increasing unemployment and underemployment, and a marked reduction in public spending on education, health and other social services for the people. If this state of affairs continues, the contradictions between the restrictions on participation and distribution which typify the development process and the priorities and objectives of the International Development Strategy will continue to be just as effective and real - or even more so - than those which were pointed out in earlier appraisals.

15. Significant progress has no doubt been achieved in some sectors of society. In view of the aims of the present appraisal, an endeavour will be made to highlight the most crucial problems which require urgent solution in keeping with the goals and objectives of the International Development Strategy and the earlier regional appraisals.

(i) Various public programmes in such social sectors as education, health, housing and social security require a considerable quantity of fiscal resources if they are to be implemented adequately. Only in this way will it be possible to satisfy the desirable life expectations of broad sectors of the population. These programmes are at present undergoing a process of reform which endeavours to absorb such higher aspirations, although it will be difficult to satisfy them in the current situation of scanty financing and restrictions to which social programmes in the majority of countries are subject. More precisely, the root of the problem lies in the fact that the redistribution aims of these programmes contradict the trends actually manifested, especially with regard to the forces tending to concentrate personal income and other aspects already mentioned, so that the professed objectives of correcting growing social inequalities prove to be ineffective or inadequately implemented. The resulting challenge is to find a way to increase public understanding and the political and practical feasibility of programmes aimed at mitigating and obviating the hardships of the social sectors which are practically excluded or marginalized from active participation in the development effort and from profiting from its results:

(ii) The combined action of population growth, urban concentration, deterioration in the quality of the human environment, waste of natural resources and high prices of certain imports calls for deep-seated, long-range changes in present patterns of consumption and in the control of the use of certain resources. The growing pressure of broader social groups towards achieving specific life styles with possible environmental threats and the exhaustion of sources of natural wealth, make energetic action by the State more essential than ever for protecting relations with the natural environment through more suitable patterns of consumption, appropriate use of natural resources and better types of human settlements. The heart of the challenge is how to use these often critical processes to generate a consensus with regard to action possibilities involving feasible objectives and reasonable goals which will locate and order the group of isolated problems into a common frame of reference and give them a sense compatible with the human objectives arising out of the recommendations of the International Development Strategy;

(iii) In the perspective of integral development, as defined in earlier regional appraisals (Quito, points 1-7 and 12), the most important challenge is constituted by a related group of social problems which affect considerable sectors of each country: large minorities in some countries, and the majority in others. These include the inequitable distribution of income, critical poverty, underemployment and poor working conditions, the low productivity of a considerable section of the labour force, the backwardness and marginalization of huge urban and rural sectors, generalized illiteracy and semi-illiteracy which have an adverse effect on the capacity of the labour force, and the restricted participation of the masses in economic, social and human development.

16. The present situation of education in Latin America may be described as one of expansion in quantitative terms, while at the same time it shows contradictory

tendencies and serious disequilibria in its patterns of growth and the social impact it produces. It may be noted that the vigorous growth of the education system as a whole has tended to be concentrated at the secondary and higher levels, while the growth rate of primary education, which was 3.9 per cent between 1970 and 1975, is scarcely higher than population growth. The average schooling of the labour force in the countries of the region was around four years in 1970, thus revealing a situation of generalized semi-illiteracy and illiteracy. The illiteracy rates amount to between 5 and 40 per cent of the labour force.

17. Available statistical evidence shows that the level of concentration of income has not diminished, and the slowing-down of economic growth in recent years, with its subsequent effects and repercussions, has frequently brought with it a further deterioration in income inequality. Sample surveys carried out in a group of countries accounting for 90 per cent of the population of Latin America show that around 1970 the share of the top decile fluctuated between more than one third and nearly 60 per cent of total income, while the share of the income recipients in the bottom 40 per cent of the distribution varied from 6 to 14 per cent.

18. The existence of poverty is a permanent fact, widely recognized in the region. The notable economic growth achieved in recent decades has not had proportional repercussions on the income of the poor, who account for a considerable percentage of the region's population. The contrasts in the living conditions of the different sectors and strata of the population have been accentuated, and the existence of poverty has become more visible and also more deplorable.

19. This experience has given rise to some scepticism with regard to the traditional beliefs that economic growth would of itself bring with it the solution to the serious and widespread problems of poverty, uneven income distribution, and unemployment and underemployment, which have existed and continue to do so despite the considerable development of the forces of production. According to the latest estimates available, around 40 per cent of the population of Latin America was still living in conditions of poverty around 1970, while the proportion rose to 62 per cent in the case of the rural population. In other words, the fruits of economic growth have not been fairly distributed among the different population groups. Indeed, if present conditions continue, it can be foreseen with a high degree of certainty that the share of the poorer strata in the fruits of future growth will tend to remain at completely inadequate levels.

20. The combination of some measures to alleviate poverty, such as the free distribution of food, employment in public works on a subsistence wage, promotion and facilitation of housing construction in segregated areas and with self-help systems, public services which tend to be differentiated in terms of quality and accessibility, are necessary in short term, but run the risk of converting the present situation of the poor into a systematic and permanent segregation, with different levels of services, qualities of housing and educational possibilities.

21. More energetic and novel measures require to be introduced so that the great marginalized sectors can contribute to the production effort, satisfy their basic needs and organize themselves in defence of their own interests. These measures should ensure a different orientation of investment and production and of the services provided by the State in such a way as will effectively benefit the poor

and the needy. This policy, of course, should be promoted in a context of economic and social dynamism which will guarantee poor people sources of work and higher real incomes, while ensuring adequate growth of the economy.

22. The growth of the rates of open unemployment and the continued existence of high levels of generalized underemployment, which together result in a high degree of underutilization of the labour force in the region, constitute one of the most serious problems, owing to the low capacity of absorption of personnel in the modern and dynamic sector of the economy, and the loss of production potential which this implies. Open unemployment and underemployment around 1970 are estimated to have accounted for around 28 per cent of the labour force, i.e., no use was made of the productive potential of one out of every four persons of working age. Although the so-called informal sector has shown unexpected flexibility in offering subsistence opportunities to the urban poor, this has been achieved at the inadmissible cost of very low incomes and great insecurity in the sources of activity which generate them.

23. There are serious doubts as to whether the informal sector can continue to carry out the functions which it has relatively successfully engaged in to date. The growing demand for employment among sectors of increasingly educated young urban dwellers who are facing ever greater difficulties in finding suitable jobs can hardly be palliated by the substitute constituted by the informal sector, where the lowest-qualified, transitory and poorest paid jobs predominate. Something similar is to be expected as a result of the increased number of educated women seeking to enter the job market. This is a source of tensions which will tend to get worse with the rapid growth of these sectors of the population, particularly the new generations of men and women graduating from secondary and higher education, for whom the informal sector has no solutions to offer.

24. The progress achieved in rural production has not given the expected results because the needs of large sectors of the rural population who remain outside the processes of agricultural modernization or have been harmed by them remain unsatisfied. The compelling forces of migration towards the cities have not been countered either (nor the process of disintegration of the archaic but still prevalent forms of production for actual subsistence and social security in the rural milieu). Urban and rural differences continue to increase, frequently to the disadvantage of those groups living in rural areas who do not benefit from the modernization of agriculture.

25. The situation of women in the region varies according to the socio-economic stratum to which they belong. This also means variations in their share in economic, political, social and cultural life, and in the sources and manifestations of the discrimination of which they are the object. These differences should be taken into account in adopting measures to guarantee the equality of men and women and foster the economic and social development of the respective countries. Since the most alarming situations are to be found among women belonging to the poorest groups, and particularly poor rural women, they must be given priority in planning development strategies, and especially in action aimed at alleviating the burden of household chores and improving housing conditions, the infrastructure, health, employment, education and other social aspects. Special attention must also be given to reappraising the contribution of women to society and an effort must be made to improve their social image, which is at present distorted by the mass media and current cultural patterns.

26. Since nearly all adult women in the region are responsible for and actually carry out household tasks, and a considerable percentage of women from the poor strata are heads of households, this link with the family units should be taken into account both as regards its consequences for the situation of women and its effects on children, who are the population of the future. It will therefore be necessary to pay special attention to improving the living conditions of the family units, and this, in addition to lightening the burden of the work done by women and opening up new possibilities for their participation in society, will make it possible to improve the quality of living of the population as a whole. It must be acknowledged that some countries have already established special institutions to facilitate the full participation of women in the social and economic development of their respective countries.

27. Policies regarding human settlements should consider the great variety of problems relating to the habitat as regards the quantity, density and distribution of the population, regional and rural-urban disparities, and the distribution and allocation of production resources, so as to establish a satisfactory environmental and cultural balance in order to increase human well-being and ensure the correct use of natural resources.

C. THE EVOLUTION OF THE ECONOMY DURING THE 1970s AND THE GOALS
OF THE INTERNATIONAL DEVELOPMENT STRATEGY

28. The rate and structure of economic growth have undergone changes of great importance in the course of the past decade in Latin America. Taking the region as a whole, three phases can be clearly distinguished: during the first four years, the region maintained and boosted the economic growth it had been experiencing since the end of the 1960s; in 1975, the growth rate plummeted, while 1976 saw the start of a recovery phase of extreme lenitude in most of the countries, in which the average increase in the domestic product has been notably below its traditional rate and that of earlier periods.

29. Of particular influence in this sharply contrasted evolution were government economic strategies and policies, the potential and real economic development capacity of the region, and the course of international trade and the economy of the industrial countries, successively expressed as booms, crises and economic recessions, with recent tendencies towards some level of recovery in a milieu dominated by factors of instability and uncertainty.

30. Internally, the majority of the countries made some progress in mobilizing resources and in their financing efforts, although the variability of external conditions prevented full and continuing benefit from being extracted from this progress. The periods when external conditions were favourable served to illustrate the region's high economic growth potential, and the adverse periods confirmed that the growth rate was vulnerable to external factors.

31. During the 1970s important changes of an institutional nature were begun or continued in many of the Latin American economies, and progress was made in programming public and private activities, by making the definition of the economic policies more coherent. The organization of the financial markets was improved by giving impetus to the accumulation of savings and increased investment. Economic policy measures were applied to control inflation and the constitution of price levels and structures more in keeping with international patterns, and trade policy measures linked to the organization of the exchange markets and the reduction of tariffs and controls on imports to liberalize trade; and various promotion measures and direct stimuli were applied to expand and diversify exports, particularly with the introduction of flows of industrial products and other non-traditional items.

32. This action by the Latin American countries to expand and diversify their role in the world economy in order to give impetus to economic growth in adequate conditions of efficiency, has increasingly come up against the diverse protectionist-type measures which are spreading in the industrial countries.

33. Dynamism in investment was accompanied by the growth of domestic savings. After long periods of savings coefficients of around 18 per cent, the region raised them to over 20 per cent during several years in the course of the decade. In this way, domestic savings were able to cover a relatively large proportion of domestic investment - over 90 per cent most years, and about 95 per cent in 1973. However, in those periods when external relations produced a large deficit on the current account of the balance of payments, it was necessary to resort to large sums of external indebtedness which reduced the domestic financing of investment to percentages of around 85 per cent. The region's high domestic savings potential

and the restrictions on its use arising in periods of external bottlenecks has thus been demonstrated. In this context, the disparity between countries is very substantial and a considerable number of countries still have not achieved 20 per cent of domestic savings, and finance less than 80 per cent of their investment with their own resources.

34. During the first three years of the decade, the economic growth of the region speeded up, while the dynamism of the economy was particularly influenced by the evolution of exports, their diversification, and the improvement of the terms of trade. However, the favourable trend in the terms of trade was of short duration, and was concentrated in the biennium 1972-1973; furthermore, it did not benefit all the countries, since for many of them the rise in the purchasing power of their exports was offset. The increase in external purchasing power was to some extent reinforced by the greater use of external financing, and all this made possible a rapid inflow of imports, which helped to spur economic growth. In this way, during the period the Latin American economy tended to function unimpeded by the external bottleneck which had hampered it in previous periods, and showed relatively substantial growth potential capable of emerging once the economy had freed itself from the harmful effects of the external bottleneck.

35. In 1974 the Latin American economic picture began to change radically; the oil-exporting countries benefited from a further increase in prices and their terms of trade appreciably improved.

36. Most Latin American countries faced a weakening of external demand as a result of the economic slow-down in the industrial countries, the general decline of commodity prices and the rise in the prices of imports from the developed countries, which was accentuated by the rise in the cost of fuel imports.

37. In 1974 the volume of imports continued to increase, while real income from exports marked time or even dropped. This caused a serious balance-of-payments problem, which required the intensive use of both external finance and currency reserves. The countries of the region still managed to maintain the vigour of their economies, stimulated by domestic investment and demand, but were obliged to incur substantial external debts which later affected the policies adopted by the countries.

38. In 1975 the unfavourable trends in the external sector worsened. Exports declined, and the deterioration of the terms of trade became widespread. The worst hit countries had to adopt restrictive import controls and hold back domestic demand, and as a result the rate of growth of the domestic product fell drastically: the growth rate was practically the same as the rate of population increase; at the same time, the balance-of-payments deficit began to increase again and external indebtedness rose, although most of the debt was concentrated in a small number of countries.

39. In the oil-exporting nations, the real value of exports dropped from the high level achieved in the previous year, but the rate of economic growth was maintained.

40. The period 1976-1978 was marked by a slow recovery in economic growth. In the past four years (1975-1978) the growth rate of the gross product has reached only 4 per cent a year, reflecting the region's slowest growth in the past three decades.

The recovery was achieved through major efforts by the Latin American countries, especially the non-oil-exporting countries, which even cut back the value of their imports in absolute terms.

41. An intensive export promotion policy, together with a slight recovery in external demand, led to a substantial rise in exports. This considerable effort did not suffice to cover servicing of the large accumulated debt, and the deficit on the current account of the balance-of-payments of the non-oil-exporting countries could only be reduced to \$9,000 million in 1978.

42. Economic trends in the group of oil-exporting countries have also undergone important changes during recent years. In these countries economic growth has tended to rise, and imports have continued to increase, but surpluses on the external account have ceased to accumulate, and until the last two years they recorded a deficit on the current account of the balance of payments.

43. Unexpected and frequently uncontrollable developments of a temporary nature which occurred in some of the years referred to above, resulted in significantly higher export earnings from some primary products than they would normally have received, and this affected the general situations of the economies. The large-scale fluctuations of earnings in foreign currencies and their repercussions on other sectors forced the countries affected to make costly readjustments in their economic policies.

44. The differences in productive, technological and social terms between the agricultural sectors in various Latin American countries became sharper in the 1970s. At the national level the emergence of the modern enterprise provided a great stimulus to numerous subsectors, and also led to profound transformations among social groups in the countryside, in the roles of the various producers in the national agricultural markets and in the structure of agricultural exports. Nevertheless, social problems persisted through this process of change, and in some cases even appear to have worsened.

45. The relationships between the agricultural sector and the general economic circumstances of the countries intensified. As the sector's activities and links with urban and industrial activities became diversified, agriculture became increasingly influenced by events in the markets for goods and services and factors of production, by financial policies and machinery and by the actions of public institutions and urban social forces. Thus differences in levels of income degrees of urbanization, industrialization and technological development, and many other general and urban factors, caused substantial differences in agricultural development in the countries of the region.

46. The public sector intensified its agricultural activities and became more active in financing the sector and in guiding investment in agriculture. In various countries this greater governmental concern led to the provision of more resources for agricultural credit, rises in investment in infrastructure for marketing, the establishment of agro-industries, the development of unexplored natural resources and a marked increase in the areas under irrigation.

47. The processes of agrarian reform have encountered many obstacles. Owing to their high costs and slow realization in the majority of countries, many of the potential beneficiaries of these processes are excluded from them. Thus the capacity to use the land and the human resources of the rural sector remains low, and a large part of the increases in production are achieved through the modern agribusiness sector.

48. Average growth in agricultural output may be regarded as relatively low. A comparison of the levels of output of the region as a whole in the first and last years of the present decade shows an annual cumulative rate of less than 3.5 per cent, markedly below the 4 per cent target laid down in the International Development Strategy. Less than half the countries studied managed to reach or surpass this target. It is well known that agricultural output is subject to short-term fluctuations because of changes in climatic conditions, but even so that rate is in line with the slow historical trend. This contrasts both with the greater productive potential of the region, and with the fact that greater output is essential to meet the nutritional requirements of a vast mass of Latin Americans living in extreme poverty, as well as the additional requirements for raising exports of primary products and processed products from the agricultural sector, in order to secure the external purchasing power needed to acquire essential imports or avoid increasing the external debt.

49. The process of industrialization in Latin America continued during the 1970s. Industrial output has tended to become diversified as the industries producing intermediate, consumer and capital goods have developed. The characteristics and magnitudes of this process have differed greatly in the different countries of the region, and the differences in industrial productive structures have sharpened. It is also clear that, despite the advances made, expansion of the output of industrial intermediate goods, and particularly of capital goods, has to some extent lagged behind achievements in the other manufacturing activities, and this clearly indicates unbalanced industrial development. In this regard it should be pointed out that a group of Latin American Governments are currently making efforts to speed up the development of the branches which are lagging furthest behind.

50. Protection - in many cases excessive and indiscriminate - which has generally characterized industrial promotion, together with the existence of small national markets, made even smaller by the prevailing highly concentrated income distribution patterns, contributed in many cases to shaping productive structures operating on a scale below minimum economic levels, with insufficient degrees of specialization, and therefore with high costs.

51. The progress achieved in various aspects of the industrialization process was not, in general, accompanied as much as might be wished by a definite rise in the local capacity to select and adapt foreign technology, still less to generate technological innovations. The region has had a relatively passive attitude to technological matters, although here too marked differences may be observed between countries.

52. The growing importance of the export of manufactures as a means of industrial development further emphasizes the need to increase the local capacity to generate local technology to some extent, and to select and adapt foreign technology, so that, while also dealing with other equally important requirements, the region can play a growing and significant part in trade in manufactures within the region and on a world scale.

53. Regional exports of manufactures have grown relatively fast, and now make up almost 20 per cent of total exports. However, despite the progress made in diversifying the range of products exported, light manufactures still predominate. While a high proportion of exports of manufactures are destined for countries outside the region, the regional market also occupies an important place: in recent years it has absorbed about 40 per cent of such exports, with a relatively high proportion of engineering products.

54. The role the transnational corporations in exporting manufactures, and more generally in the process of industrialization, is especially important in the most vigorous and advanced areas of the manufacturing sector, sometimes to the detriment of national firms. Their economic, commercial and financial potential, together with their technological superiority, tend to give their activities such scope and range than it is essential to reconcile them with the direction of the industrialization process and, in a broader sense, with the guidelines for over-all economic development in each country.

55. The direct contribution of the manufacturing sector to solving the region's serious employment problem has been smaller than had been hoped. Only during periods of expansion has the generation of industrial employment reached relatively high levels. This indicates that accelerating the growth rate well above the average rates achieved in past decades would make it possible to broaden the role of industry in solving the region's serious employment problem, not only through the direct contribution of the sector, but also through its effects on other economic activities.

56. The industrial sector is contributing a growing share of the total product, and linkages both within the sector and with other sectors have increased. It is not surprising in such circumstances that the vigour of the sector has been closely related to the periods of expansion, decline and slow recovery of the economy as a whole. The industrial growth rate, which reached around 10 per cent in the biennium 1972-1973, barely exceeded 1 per cent in 1975, and was only 4 per cent in the biennium 1977-1978. These variations, which affected most of the countries to different extents, meant that the average growth rate between 1970 and 1978 for the region as a whole was barely above 6 per cent a year. Only three countries managed to reach or exceed the 8 per cent growth rate laid down in the International Development Strategy and in this respect the performance of industry was undoubtedly unsatisfactory.

57. In the course of the 1970s the Latin American countries stepped up efforts to transform their productive systems, which led to the expansion and diversification of industrial enterprises, some progress in the modernization of agriculture and growing linkages between the different sectors of the economy. The depth and dynamism of this process varied from one country to another and from sector to sector. In some countries and sectors a high degree of modernization was effected, based mainly on the direct incorporation of high-cost imported technology. Some efforts were made to adapt imported technology to local circumstances, but greater efforts have to be made in this direction. The development of indigenous technology to improve production techniques in subsistence agriculture and traditional industries has not progressed as rapidly as was anticipated; hence it is not uncommon to find sectors with a high degree of modernization and productivity coexisting with others using inefficient systems of production and characterized by low productivity.

58. As a result of the fluctuations in economic growth described above, growth in the present decade, as measured by comparing the domestic product in 1978 with that of 1970, has reached an annual average rate of only 5.7 per cent below the International Development Strategy target of 6 per cent. Only five countries reached or exceeded that target. The vast majority undershot it, and indeed 10 countries failed to reach the figure of 4 per cent a year, and some countries even recorded levels in 1978 which were similar to those of 1970. Thus for the region as a whole, and for a significant number of countries, the present decade has been one of contradiction, since while the growth potential has been demonstrated, the final results have fallen well short of that potential.

59. The decline in the growth rate of most of the countries in the second half of the 1970s has undoubtedly had severe social repercussions. It has severely limited the capacity for absorption in productive employment, in some cases leading to a rise in open unemployment, and still more in underemployment; and it has accentuated the adverse effects of the extreme concentration in the distribution of income, thus exacerbating the struggle for redistribution, with its subsequent effects on inflationary pressures. The conclusion is clear that one of the basic objectives which countries must pursue is the revival and acceleration of the growth rate in coming years, and especially in the 1980s, since this will furnish a better material basis for the establishment of clear, well-defined objectives in the field of social development and human advancement, which must accompany the process of economic growth.

60. Real per capita income as obtained by adding the terms-of-trade effect to the domestic product showed an average rate of increase of about 3 per cent a year between 1970 and 1978, a rate slightly above the rate of increase in the domestic product (2.8 per cent). A particular influence was the relatively improved terms of trade of some countries, such as the oil exporters, though in another large group the evolution in the terms of trade limited the rise in real income. If these trends were maintained, Latin America would take about another quarter-century to double its per capita income. As with the domestic product, changes in real incomes have been very different depending on the country. Of the 23 countries studied, only nine recorded a rate higher than the average of 3 per cent, and of the remaining 14 the vast majority achieved a growth rate well below the average; there were many cases where the per capita income in 1978 was practically the same as that of 1970, or only slightly higher. In this way the region as a whole, and a large number of the countries in it, recorded a rise in per capita income which was markedly lower than the rate of 3.5 per cent laid down in the International Development Strategy as a bench-mark for the developing countries as a whole.

II. THE EXTERNAL RELATIONS OF LATIN AMERICA ON THE THRESHOLD OF THE 1980s

A. CHANGES IN LATIN AMERICA'S PRIORITIES

61. All the countries of Latin America continue to manifest characteristics and experience problems which are specific to developing countries and shared by the entire third world. They include the still high share of exports of primary products in total exports; the low degree of development of some industries, especially those producing capital and intermediate goods; inadequate co-ordination in the use of the region's bargaining power, the persistent imbalance on current account and their status of net recipients of external capital in the form of loans and direct investment; and considerable inequality in the distribution of income and the high proportion of the population which is still living in extreme poverty. The latter problems can be solved only by complementing the domestic effort with appropriate international co-operation in the fields of trade and technological and financial matters.

62. These characteristics make it necessary to incorporate in the policies for international co-operation the common denominators shared by all developing countries.

1. Trade policy

63. During the first years of the post-war period, Latin America assigned high priority in its trade policy to primary products, which at that time made up over 95 per cent of the region's total exports. The region's concerns and ideas regarding price stability, a greater degree of processing of its products and participation in the distribution of these goods, which for many years were discussed in various United Nations bodies, were later brought to the attention of UNCTAD. In those first years, too, trade policy was designed to promote exports of manufactures, but the related problems and policies were given relatively lesser importance.

64. Today, Latin America continues to attach much importance to its primary commodity exports, since they still represent more than four fifths of their total income from exports. Serious problems in gaining access to the markets of developed countries which affect primary products exported by Latin America, sharp fluctuations in incomes arising from such exports and the unfavourable impact of inflation on their purchasing power are some of the main focuses of concern. However, at the same time other aspects of trade policy have been of great importance. The main thrusts of current policy in Latin America are the procurement of equitable prices for the region's exports, the promotion of its exports of manufactures and other non-traditional goods and the securing of broad and complete access for these goods in the markets of industrialized countries, and intensification of the process of diversifying markets. Regrettably, in recent years the efforts of the developing countries to increase and diversify their exports have run up against serious obstacles in the form of the protectionist tendencies observed in the industrialized countries; the accentuation of these tendencies is a matter of profound concern, not only among the developing countries but also in the international community.

2. Protectionism

65. Despite the undertaking made by the developed countries during the fourth session of UNCTAD, in its resolution 96 (IV), to maintain the status quo in the application of tariff and non-tariff barriers, new types of protectionist measures have proliferated in those countries in recent years, with a negative impact on the developing countries' exports both of primary products and of manufactures and semi-manufactures.

66. This protectionism, which in recent years has taken on new dimensions and characteristics, is of great concern to Latin American countries, since the new restrictions on trade which are being introduced systematically have a serious effect on agricultural goods and minerals and on semi-manufactures and manufactures of special interest for them (sugar, bananas, soya, flowers, meat, oils, dairy products, copper, zinc, tin, textiles and clothing, footwear and leather manufactures, preserved fish, electronic articles and consumer durables, motor cars, steel and ships).

67. This is of particular gravity since the expansion and rationalization of their domestic production, and opportunities for creating employment for the growing labour force, depend to a large extent on vigorous growth in exports from the sectors mentioned.

68. In view of the implications of protectionism for the world economy, it is necessary to agree upon and implement a co-ordinated international programme of action. In that respect, the Latin American countries should, in the appropriate forums, draw up policies for short-term action to restrain the growth of protectionist measures which can be linked with, and complement, other medium-term and long-term policies.

69. To that end, the countries of Latin America recommend the adoption of the agreements reached at the Latin American co-ordination meeting held under the umbrella of SELA and the Fourth Ministerial Meeting of the Group of 77, and especially those related to the inequitable nature of the new protectionist trends, voluntary measures in the economic, financial or trade fields within the framework of joint action, the limitations which should be incorporated into new protectionist measures to prevent their application to products from the developing countries, and institutional machinery to oversee the development of protectionism and the application of the steps agreed upon for the progressive elimination of the protectionist measures.

70. The countries of Latin America also recommend the strengthening and intensive use of existing forums in Latin America, with the aim of examining the general and particular aspects of protectionism and producing recommendations, in the light of the interests of the region, which will lead to their reduction or elimination.

71. CEGAN further recommends the denunciation, in all appropriate forums, of the flagrant contradictions between the recommendations addressed by the industrialized countries to the developing countries to the effect that they should open up their economies to international markets and become more closely integrated in the world economy, and the protectionist barriers raised by the former against access to their own markets for the manufactures produced by the latter, thus creating a source of undeniable frustration for the countries of Latin America and others in a similar position.

72. Furthermore, this type of protectionism includes arrangements and machinery whereby imports from developing countries are subject to greater restrictions than those from the industrialized countries, although the latter have substantial surpluses on the current account of their balance of payments and the developing countries are finding it difficult to overcome the economic crises they are experiencing.

73. CEGAN also recommends the denunciation of the tendency of the developed countries to take unilaterally measures which present the developing countries with a situation in which they must negotiate bilaterally on terms which are very unequal and contrary to the principles agreed upon multilaterally by the international community.

74. In the light of the principal causes of protectionism, the conviction is reaffirmed that the main solution to protectionism in the medium- and long-terms lies in the restructuring of industry which should take place within the developed countries, taking into account the real interests of the developing countries.

75. To this end, and in order to facilitate the restructuring of industry and the transfer of the developed countries' industrial capacity to the developing countries, the Latin American countries recommend that an attempt should be made to negotiate the establishment, in the developed countries, of effective systems of assistance measures for the restructuring.

76. Moreover, since Latin America as a whole has substantial purchasing power and enormous quantities of natural resources, which confer on it considerable bargaining power, CEGAN recommends that, in all the appropriate regional forums - especially within ECLA and SELA - a study should be carried out of the different possibilities of using this purchasing power and the most suitable means of making its use effective. In that regard, and in line with the various possibilities and the areas in which such an approach would be most feasible, emphasis should be placed on the promotion of joint or co-ordinated negotiation and purchasing, within the framework of the action committees of SELA.

3. Industrialization, access to markets and world industrial restructuring

77. In order to ensure more harmonious and balanced economic development, the Latin American countries should gradually replace the model based on import substitution with one which responds to the needs of the region and enables selected sectors of Latin American industry to compete in international markets, while proceeding with the transformation of the industrial structure and the development of new industries.

78. Manufactures are the most dynamic component for the behaviour of exports, and accordingly the expansion of manufactures is essential in order to stimulate the growth of the economy, combat the external bottle-neck and tackle the serious domestic problems of structural unemployment and low incomes with prospects of success.

79. The development of capital and intermediate goods industries which operate efficiently not only alleviates pressures on the balance of payments but also represents a necessary element in the present stage of Latin American technological and industrial development.

80. One of the principal causes of the stagnation in Latin American industry and its low level of utilization is the deterioration in the conditions of access to the markets of the industrialized countries, which continue to apply domestic policies supporting inefficient production sectors, with restrictions on the import of products from the developing countries.

81. The solution to this problem lies fundamentally in a restructuring of world industry compatible with the growth objectives of the developing countries.

82. The long-term policies aimed at a restructuring of world industry which will encourage optimum global growth require conscious efforts by the international community to institute rational productive arrangements in the world. In this regard, it is necessary to create appropriate monitoring machinery in order to follow closely the evolution of the world's production and trading arrangements and to facilitate the shift of production factors from the sectors which need to be restructured in the developed countries, with the aim of achieving the most effective inter-industry and intra-industry international specialization.

83. In this regard, the Latin American countries recommend the adoption of the agreements which emerged from the Fourth Ministerial Meeting of the Group of 77, 26/ and especially those relating to the establishment within UNCTAD of machinery to examine periodically the production and trading arrangements in the world economy and identify the sectors which require a structural readjustment, and those relating to the creation of an appropriate forum to speed up negotiations to ensure the establishment and application by the developed countries of measures and policies which are necessary to promote the readjustment process in the sectors identified and facilitate the shift of the production factors from those sectors; it is also necessary to ensure constant vigilance in order to avoid the creation, in the developed countries, of uneconomic excess capacity which might lead to demands for protection.

4. Commodities

84. Latin America faces not only the problems which affect the purchasing power of its exports, but also the lack of resources for identifying, exploring and developing its sources of basic commodities. Financing for these purposes has been seriously affected by problems of external indebtedness and social pressures in the developing countries. Moreover, there is generally not enough domestic saving capacity to make substantial investments in these fields. The result is that the main sources of financing have tended to be the transnational enterprises, on terms which in many cases have not been compatible with the interests and objectives of the recipient countries.

85. The fundamental problems which continue to affect earnings from the commodity exports of developing countries are: the instability of international commodity prices, the low degree of processing of exports of such products, and the scant participation of the developing countries in their marketing. In order to provide an adequate solution to these problems, resolution 93 (IV) on the Integrated Programme for Commodities was adopted at the fourth session of UNCTAD, some of the objectives of which are: (i) to achieve stable conditions for trade in commodities, particularly avoiding excessive fluctuations in prices; (ii) to improve and maintain

26/ See TD/236.

the real incomes of the developing countries, by protecting them against fluctuations in their export earnings, especially from commodities; (iii) to improve access to the markets for commodities and products processed from them, and (iv) to improve the market structure for commodities.

86. As part of the work schedule of the Integrated Programme, preparatory meetings have been held for negotiations on all the commodities covered by the above-mentioned resolution, with the exception of bananas and bauxite. Because of the lack of political will on the part of the developed countries, very little progress has been recorded, except in rubber, although in the case of some products sufficient elements already exist to convene the negotiating conferences. (To date only one of these, that on rubber, has been convened.)

87. It is considered that there is a need to develop policies aimed at the rational utilization of non-renewable products (such as minerals) to ensure that the use of these resources contributes to viable socio-economic growth and the protection of the environment in the short as well as the long run.

88. The developed countries are recommended to provide maximum collaboration so as to conclude as soon as possible the technical stage of identifying problems detrimental to international trade in those commodities covered by resolution 93 (IV) for which preparatory meetings have been held, so as to reach as rapidly as possible the phase of negotiating international agreements.

89. In the negotiations on the Common Fund, progress has been extremely slow and difficult as a result of insufficient political will on the part of the majority of the developed countries, so that the initial position of the Group of 77 has been deteriorating. The basic elements of the Fund have now been established, and this represents good progress, but there has been some weakening of the initial purpose for which this financial body was set up, namely to influence the commodity markets so as to stabilize the international prices of these products, and reduce the financial burden on the developing countries arising from the establishment of the international measures agreed upon within the international commodity agreements.

90. So as to promote joint action by the developing countries in the negotiations on the Common Fund and on individual commodities, important agreements were reached during the Fourth Ministerial Meeting of the Group of 77, notably on the Common Fund and on commodity negotiations. The aspects which should be highlighted in connexion with the commodity negotiations include the following:

(i) Negotiating conferences should be convened as soon as possible on the commodities at present in the preparatory phase, with regard to which sufficient progress has been made in the technical phase of the identification of problems, on the basis of action programmes to stabilize prices and other measures; these negotiating conferences should be concluded within the extended time-table for the Integrated Programme for Commodities. In order to facilitate the negotiation process, assistance should be given to developing countries which are also producers in their efforts to strengthen and harmonize their negotiating positions, through meetings between such countries or through commodity associations;

(ii) The signatory Governments to the existing international commodity agreements should be invited, in accordance with the appropriate procedure for the adoption of decisions laid down by these agreements, to consider the possibility of including other measures of the Integrated Programme for Commodities, which may be

relevant and also consider the participation of these international commodity agreements in the Common Fund, with a view to using both the financial facilities corresponding to buffer stocks and those of other types (first and second windows) where appropriate;

(iii) Provisions should rapidly be adopted for effectively applying appropriate measures and procedures for stabilizing and improving in real terms the prices of commodities exported by the developing countries, taking account of world inflation and the changes in the international economic and monetary situation - including exchange rates - the terms of trade, profits from investment and other relevant factors;

(iv) In the specific studies and negotiations the processed and semi-processed products manufactured with the raw materials contained listed in UNCTAD resolution 93 (IV) should be included when the developing countries consider this appropriate;

(v) "Horizontal" action should be encouraged permitting agreements between producer countries on specific commodities. The formulae for concerting agreements offered by the producers' associations would be adjusted in order to apply this type of guideline.

91. The commodity negotiations have so far been concentrated on price stabilization, which makes it necessary to carry out negotiations to establish measures required in areas of critical importance for the countries of the region, such as compensatory financing, the processing and development of commodities, marketing and distribution, research and development, horizontal diversification and the expansion and diversification of the production and trade in food-stuffs.

92. It is recommended that account should be taken of the agreements adopted by the ECLA-FAO Technical Meeting on Rural Social Development in Latin America and the Fifteenth FAO Regional Conference for Latin America, which were held in August 1978 in Montevideo, Uruguay, since they produced some declarations on agrarian reform, plant and livestock health, technical co-operation among developing countries and especially on the problems of the region's international trade in agricultural products.

5. Transnational corporations

93. The increasing share of the transnational corporations in the economic activity of the region has given rise to concerns which are reflected in the principles upheld by the international community in the Charter of Economic Rights and Duties of States and the efforts of the developing countries to draw up a code of conduct for transnational corporations. These basic concerns, which were grouped in the Guatemala Appraisal 27/ and which have progressively become accepted as principles, are fully valid and refer to the need for the implementation of the agreements reached on the subject by the countries in their regional forums, which include the agreements that the transnational corporations should comply with the laws and regulations and submit to the exclusive jurisdiction of the host country;

27/ See Official Records of the Economic and Social Council, Sixty-third Session, Supplement No. 11, part III, resolution 362 (XVII), part IV c, paras. 169-173.

refrain from any interference in the domestic matters, international relations and external policy of the host country; respect national sovereignty over natural and economic resources; comply with national policies, objectives and priorities; report on their activities; make net contributions of financial resources; contribute to the development of local scientific and technological capacity, and abstain from restrictive trade practices.

94. Within SELA the Latin American countries have established their position vis-à-vis the code of conduct for transnational corporations, and the corresponding proposals are now being analysed within the United Nations Commission on Transnational Corporations, in which the negotiations on this code are taking place.

95. The process of discussion, preparation and acceptance of a code of conduct for the transnational corporations at the international level is complex and difficult. In the meantime, the bargaining power of the Latin American countries must be improved, and they should make efforts to exchange among themselves and other developing countries the information they possess on negotiations with the transnational corporations, thus helping to enhance the individual and collective bargaining power of the countries. Both ECLA and the United Nations Centre on Transnational Corporations should continue to provide support in this regard.

96. In order to promote the position of the developing countries it is necessary to take as a basis the draft code of conduct for transnational corporations drawn up by a group of Latin American countries, and negotiate on it with the industrialized countries, bearing in mind the principles mentioned above, which are reiterated in the draft code: transnational corporations should comply with national legislation and jurisdiction, their activities should be in keeping with the development objectives of the region and with national interests, they should avoid interfering in the internal affairs of the countries in which they operate, shall not enjoy preferential treatment, shall refrain from seeking diplomatic or other support from their countries of origin, and shall not invoke the application of laws different from those applying in the host country.

6. Technology

97. The solution of the problems of the transfer of science and technology continues to have high priority in the establishment of the new international economic order. Questions continue to be asked about the prices used in the transfer of science and technology, the adequacy of the existing institutional arrangements and the degree to which this transfer is in keeping with the conditions of the countries of the region.

98. In the circumstances, the creation of an autonomous technological capacity in the countries of the region has not kept abreast of the progress achieved in the fulfilment of the targets by Latin America, in other areas of the International Development Strategy. Technical assistance from the international system has not given sufficient importance to research and development programmes, for example. The Latin American countries consider it opportune to reiterate the positions which Latin America agreed upon at the Fourth Regular Meeting of the Latin American Council (SELA, Caracas, 3-5 April 1978), when the following aspects were highlighted:

(i) The action arising out of the United Nations Conference on Science and Technology for Development to be held in 1979 should serve to promote the scientific and technological capacity of developing countries according to the conditions adopted by the Group of 77;

(ii) The contribution of UNCTAD in connexion with the function of the system of industrial property in the transfer of technology, in the context of the revision of the Paris Agreement for the Protection of Industrial Property which WIPO is carrying out. In this respect, the Latin American countries reiterate that this revision should provide the means for adopting appropriate measures aimed at preventing the abuses observed in this area;

(iii) Support and assistance from UNCTAD for setting up and strengthening sectoral, national, subregional and regional centres for effecting the transfer of technology and the establishment of links between these centres;

(iv) Application of the rest of the recommendations formulated at the Fourth Ministerial Meeting of the Group of 77 in Arusha (6-16 February 1979) 26/ on co-operation in the transfer and development of technology;

(v) The adoption of measures by the countries of the region to foster actively the transfer and mutual dissemination of technology in specific and critical sectors of their economies;

(vi) The full application of UNCTAD resolution 87 (IV), for which more assistance must be provided by the international community with regard to technological plans and policies, and development of local labour resources and technological infrastructure in order to carry out the commitments undertaken;

(vii) The need for joint action by all the countries, through UNCTAD, to correct the adverse aspects of the inverse transfer of technology relating to development.

99. The Latin American countries reaffirm the need to adopt a code of conduct for the transfer of technology, universally applicable under the conditions agreed upon by the Group of 77 in Arusha. The objectives of this code should be:

(1) To abolish the restrictive and unfair practices which affect the transfer of technology,

(2) To strengthen the technological capacity of the developing countries, and

(3) To increase the international flow of the different forms of technology in conditions favourable to the developing countries.

100. The law applicable to transactions of the transfer of technology should be the code of conduct and the law of the purchaser country, especially with regard to policy matters in which the country's policy is involved. Questions concerning government policy contained in legislation of the country purchasing the technology should normally be resolved by the authorities of that country. Arbitration is admitted as a means of solving controversies if the forms of selecting the arbiters and the procedures to be followed are fair and equitable, and if the law applied by the arbiter is the code and the national law laid down in the code.

101. The international transactions of the transfer of technology should remain within the context of application of the code, in accordance with the relevant national legislation. The code should moreover, apply to transactions or agreements between parent enterprises, subsidiaries established in the purchaser country, or between subsidiaries or affiliates of the same enterprises wherever they are located.

7. External financing and monetary problems

102. During the early post-war years, faced with the scarcity of private resources and the uncertainties which had characterized private flows of external capital towards the developing countries during the previous two decades, the international community gave great importance to public capital to increase capital flows to these countries. The concept of "targets" was included for the first time in the discussions on international financial policy to ensure a sufficient volume for the transfer of resources and give greater security to the financing of national development plans. In view of the very considerable sensitivity of Latin American balance-of-payments situations and those of other developing countries during those years, the concessionary aspect was highlighted with the object of ensuring more liberal terms and conditions which would be less of a load on official development assistance.

103. As from the collapse of the Bretton Woods system in 1971, international monetary relations have been characterized by extraordinarily high and persistent inflation and by great instability in the exchange rates of the main currencies. Although specific measures have since been adopted, the process of international adjustment has not been satisfactory and major imbalances continue to exist. This is particularly serious in the context of an international economy in which low rates of growth in production and trade exist alongside high rates of unemployment and underemployment, underutilization of resources and inflation.

104. Flows of multilateral public resources at the present time are not increasing at the rate required and are losing relative importance. Furthermore, the OECD countries, both bilaterally and in multilateral forums, are adopting the limited criterion of linking capital flows to per capita income, so that above certain levels, official development assistance is small or has been abolished altogether. Since many Latin American countries at the present time are above these levels of per capita income, the region as a whole is virtually excluded from the official aid flows.

105. Despite the second amendment to the articles of IMF, international monetary relations continue to be characterized by a high degree of instability, with exchange rates changing frequently and sharply. Correction of the imbalances hits the developing countries particularly hard, since a major part of the burden of the adjustment measures falls on them, and moreover they have had to cut back their development programmes and incur extremely high external debts in relation to the size of their economies.

106. The so-called "interim period" intended to solve the severest problems of the international monetary crisis is not regarded as having been satisfactory. As a result, the international monetary system will require structural reforms which ensure the effective participation of the developing countries in the organization and management of a new international monetary system which, among other features, will offer them adequate resources to overcome the problems of disequilibrium in their balance of payments.

107. To this panorama may be added new developments such as the recent introduction of the European Monetary System (EMS), which make it desirable to transfer concern and recommendations regarding the above, to the appropriate forums as subjects for negotiation.

8. Specific aspects of relations with developed areas

108. One of the most striking features of the 1970s is the continuation of the growing internationalization of the region and its economic and financial linking with the developed economies. The external relations of Latin America and the Caribbean have become more complex and diversified, encompassing aspects of trade, technology and financing, and the transnational corporations are playing a very significant role in them. Nevertheless, for reasons which will be indicated below, the region's exports to each of the developed areas have recorded a significant decline in terms of their relative share; in addition, the region has recorded substantial trade deficits with each of those areas. This section deals with some specific problems in these relations in the sphere of trade.

(a) Relations with the United States

109. Despite the changes which have taken place in the centres of economic power in the world economy, the United States maintains its predominant position. It is Latin America's major trading partner, supplying the largest percentage of its imports and purchasing the major part of its exports; it is the main source of investment flows into Latin America, and the most significant supplier of technology. It is involved in the ownership and exploitation of a significant number of basic resources which are of critical importance in the economy of many countries. Finally, it is a major source of tourists; expenditure by these visitors accounts for a significant part of the foreign exchange earnings of several Latin American countries. In Latin America's relations with the United States, the prospects and trends observed at the beginning of this decade have further deteriorated, as the analysis hereafter will show.

110. Exports to the United States have continued to be the least dynamic sector of Latin American trade. The growth of Latin American exports of manufactures to the United States is the natural result of the region's development process and its efforts to diversify production and trade. On these efforts the possibilities of increasing Latin America's imports of intermediate equipment and manufactures and the growth of the economies of the region partly depend.

111. As far as basic commodities and agricultural products are concerned, protectionist measures of various types have also proliferated. Mention should be made of those related to quality control and phytosanitary considerations.

112. Also of importance are the periodic inconsiderate sales of strategic reserves of mineral products, principally tin, which have a harmful effect on international prices for such products; and an indefinite freeze on such sales is essential in view of their effect on the economies of the producing countries.

113. The Latin American countries have viewed with concern protectionist tendencies in the United States which affect goods of high priority in Latin American exports. Some examples of the re-emergence of protectionism in the United States are: (i) the establishment of the trigger price mechanism for steel products early in 1978, following similar action establishing minimum, or "basic" prices for such products in the European Economic Community; (ii) the Beef Import Act of October 1978, providing a valve to shut off imports of beef when domestic production rises and allow them to increase when it falls; (iii) the duty increase and additional charge on sugar imports; (iv) passage in the Senate and House of Representatives of a bill to prevent the President from making trade concessions in respect of United States textile and apparel imports at the multilateral trade negotiations and (v) the failure of Congress to extend the President's authorization to waive countervailing duties.

114. Concern also exists at the trade restrictions originating in the United States legislation on countervailing duties and its application which does not always comply with GATT standards. For that reason great importance is attached to the negotiations on a code of conduct on the subject currently being held in Geneva, which, it is hoped, will lead to special and differential treatment in favour of the developing countries in respect of subsidies and countervailing duties.

115. With regard to the Generalized System of Preferences, the main instrument which the United States has employed in recent years for executing its trade policies designed to benefit the developing countries, concern continues regarding:

(i) The exclusion of Ecuador, Venezuela and Cuba, contravening the principle of non-discrimination in the Generalized System of Preferences accepted by the industrialized countries when they committed themselves to implementing these preferential systems;

(ii) Rules on origin. In order for a product to qualify for preference, at least 35 per cent of its value added must have originated in the exporting country; the figure is 50 per cent in the case of a product with value added in two or more countries forming part of a trade association or integration area. The restrictive nature of these percentage specifications increases very significantly owing to the fact that the value added is limited, for purposes of the law's application, to direct costs;

(iii) The application of the competitive need formula which restricts Latin American exports of many goods, thus implying the annual elimination of export products of importance to Latin America from the United States preferential system. These provisions prevent the countries from effecting investment derived from the incentives which the system should provide;

(iv) The exclusion of numerous goods of great interest to Latin America.

116. The Latin American countries consider that the Generalized System of Preferences should not constitute an instrument of economic coercion, and that accordingly discrimination in the United States Generalized System of Preferences against Cuba, Ecuador and Venezuela should be eliminated.

117. About 700 United States tariff items have been left out on the grounds that they are sensitive and that their exclusion is mandatory under the 1974 Trade Act. Many of the excluded items are of real or potential interest to Latin America (textiles, apparel, footwear, etc.). However, the list of exclusions which is the longest and the most discouraging is that containing all of the products whose absence from the scheme is discretionary. These products have been excluded by decision of the President, after public hearings and recommendations by the International Trade Commission, owing to the possibility of unfavourable effects of imports on United States industries and employment.

(b) Relations with the European Economic Community (EEC)

118. The European Economic Community continues to be the second most important market for the Latin American region, after the United States. Exports by the region to the Community, however, have not succeeded in growing at a rate similar to that of imports from the Community, especially in recent years, and this has meant that the balance of trade with the Community, which was a surplus up to 1970, has given way to frequent deficits since then.

119. A review of conditions of access to the EEC market made by ECLA in 1978 showed that it is highly protected. This affects exports of manufactures and commodities. The obstacles in the way of the free access of Latin American exports to the Community markets are manifested in different forms, and vary from one group of products to another. Tropical products, for example, are largely subject to high and escalating tariffs as the degree of processing of the product increases. The application of the STABEX system to some products may, moreover, persuade the Community to choose to purchase them from the signatory countries of the Lomé Convention (the ACP countries). Several others, mainly temperate-zone products, are subject to the agricultural policy of EEC, which effectively protects Community farmers and applies various restrictions to imports for this purpose.

120. The different agreements drawn up between EEC and groups of countries have formed a network which covers a large number of the developed and developing countries; this may have adverse consequences for exports by Latin American countries which are not part of the network.

121. The Community GSP scheme offers better conditions of access to the developing countries for a large number of products; nevertheless, the treatment of the "sensitive" and "semi-sensitive" products affects precisely those manufactures which Latin America is endeavouring to export.

122. The series of protectionist measures adopted by EEC with increasing frequency, and the serious economic harm arising from them, led the First Advisory Meeting on Latin America's Relations with EEC, held under the umbrella of SELA in Punta del Este in November 1978, to draw up specific recommendations to the Latin American Council for consideration at its fifth ordinary meeting.

123. With specific reference to the aspect under consideration, mention should be made of the procedures which might be adopted to strengthen the region's negotiating position vis-à-vis EEC. These might basically involve action by the countries which considered themselves affected, without prejudice to bilateral action which was deemed necessary, to carry out consultations with the other interested countries with a view to deciding on the desirability of formulating and implementing appropriate joint action.

124. This joint action would include such voluntary measures in the economic, financial or trade fields as:

(a) Even-handed trade treatment applicable to exports from the developed country or countries;

(b) The drawing up of guidelines to restrict or stimulate imports to the developing countries from the developed country or countries;

(c) Persistent and co-ordinated action designed to secure adequate participation in the international negotiations or operational machinery in all appropriate forums, in order to safeguard the interests of the countries of the region and for that purpose to promote collective action in such negotiating forums.

(c) Relations with Japan

125. As part of a policy to diversify the external relations of Latin America, it is important to increase the links between the region and Japan in trade, technology and financing. Latin American exports to Japan have increased more slowly than imports. A growing deficit has emerged since 1970, reaching \$2,800 million in 1976, i.e., 136 per cent of exports. Commodities with a limited degree of processing figure largely in Latin America's exports. Product coverage must thus be expanded and the obstacles restricting the access of both primary goods and manufactures to this market must be removed. Japan's Generalized System of Preferences must be improved and applied to the full, and agreements implemented in order to make it possible to increase exports of commodities and semi-processed products. New agreements must also be reached in the field of technology.

(d) Relations with other developed countries

126. Trade flows with Canada have expanded considerably, and there have been examples of valuable technical and financial co-operation, although still on a small scale. It is important for the studies begun by the secretariat to be brought to a conclusion and their approach should be such as to contribute to solving the problems pending and to detecting new forms of co-operation which will better respond to Latin American needs. The secretariat should consider how technical meetings can be held on relations with Canada and Japan, based on its ongoing studies, in order to obtain useful conclusions for action.

(e) Relations with the European members of the Council for Mutual Economic Assistance (CMEA)

127. The countries of Latin America have maintained trade relations and signed agreements with the European members of the Council for Mutual Economic Assistance (CMEA), but nevertheless in the past two decades their relative importance in the region's total trade has been very small. Starting in the first years of the 1970s Latin American exports have reached a higher annual rate of growth than in previous years, while the number of countries of origin of such exports has risen although there has been no substantial change in the high proportion accounted for by two countries in the total amount of exports. As far as Latin America's imports from CMEA countries are concerned, the trend has been different, since these imports have grown much more slowly than exports, so that the total trade balance has recorded a growing surplus in recent years.

128. The trends and facts indicated above refer to all Latin American countries except Cuba. Starting at the beginning of the 1960s, Cuba was obliged to redirect most of its external trade (because of the trade blockade against it) which it effected largely towards the European members of CMEA, which at the beginning of the present decade absorbed 64 per cent of Cuba's exports and supplied 63 per cent of its total imports. In more recent years the CMEA countries' share in Cuban trade has been smaller, but relations in the field of co-operation have become much deeper and wide-ranging, particularly since 1972, when Cuba became a member of CMEA.

129. The expansion in trade which has been referred to was further accompanied by a qualitative change in the relationship between the Latin American countries and those of CMEA, to the extent that the strictly commercial agreements have been progressively replaced by agreements of a broader nature, which include aspects of economic, scientific and technological co-operation. To date a substantial number of Latin American countries have signed about 200 agreements of various kinds with the various CMEA countries (including agreements defining the general framework and arrangements for co-operation in various fields), which represent the contractual basis on which the relations between the two groups of countries rest. In that respect it should be pointed out that most of the economic co-operation agreements have entered into force only recently, and consequently in many cases the concrete co-operation projects are in their initial stages of implementation, while in other cases they are in the study or negotiation stage. As a result, it is reasonable to assume that in the medium term Latin American trade with the CMEA countries will continue to increase, especially if advantage is taken of the possibility of negotiating agreements for sales of specific volumes of products for fixed periods.

130. The concerns of the Latin American countries in connexion with these relations are in connexion with, among other matters, the drawing up of multilateral agreements for the settlement of trade balances, and the interest of the countries of the region in diversifying their exports, which are at present concentrated on traditional products with an insufficient degrees of processing.

9. Regional and interregional economic integration and co-operation

131. During the 1970s the regional economic integration schemes have come up against serious problems with the exception of the Andean Group, despite which there has been a significant increase in real links and co-operation among Latin American countries. Owing to the importance of regional co-operation in the development and diversification of regional production, economic integration should constitute a basic point of departure in the international development strategy for the 1980s and the establishment of a new international economic order.

132. In the cases of LAFTA and the Central American Common Market, one of the aspects which have aggravated the delays and problems of some formal integration processes has been the lack of political will which has obstructed the operation of the programming machinery and has delayed progress despite achievements in trade matters. Another element which has contributed to hindering the implementation of the objectives of these systems is the difference in the economic structure and the initial degree of development of the member countries which has not made it possible to balance benefits and costs.

133. Despite these difficulties of progress in the formal integration machinery, strong links have been developed in the field of trade, industry, the infrastructure, agriculture, technology and the defence of common interests and in cultural exchange.

134. The creation of SELA constitutes an important instrument for giving impetus to co-operation activities in specific fields and defining common regional positions for negotiation in international forums, as adopted in the constituent agreement of Panama.

135. Also of importance is the recently signed Amazonian co-operation treaty, which established regular machinery for co-operation among eight Amazonian countries for the purpose of promoting the harmonious development of their respective Amazonian territories and the sound use of the natural resources of those territories.

136. The strategy to be defined for the 1980s should contain the formulae and modalities which will facilitate the convergence and interconnexion of the different integration systems and machinery; the integration systems and SELA in their respective spheres of competence, should play an important role in this task and in the harmonization of the formal system and the de facto forms of co-operation.

(a) The integration processes

137. During the second half of the 1950s and the 1960s, regional co-operation efforts were mainly channelled towards drawing up integration schemes of an all-embracing nature, and materialized in the establishment of the Central American Common Market, the Latin American Free Trade Association, the Caribbean Free Trade Association which later became the Caribbean Community (CARICOM) and the Cartagena Agreement. The Latin American Free Trade Association, which recorded substantial progress in its early years, is going through a period of relative stagnation with regard to new negotiations. This may be a backward step to some extent, owing to the reduction of area preferential margins as a result of the general cuts in customs tariffs by some member countries. The ending of the period of transition of the Montevideo Treaty in 1980 has opened up a phase of activities of a preparatory nature to be implemented this year, so that the meeting of the Council of Ministers can review the process and adapt the legal structure of the Association to present requirements and the needs for its future development, so that it may recover its original dynamism and once again act as the powerhouse of regional integration.

138. The Central American Common Market showed marked dynamism during the first decade in which it functioned, and was successful in giving a firm boost to the industrialization of the Central American countries and in forging ahead with the diversification of their structures of production. The machinery set up included measures for liberalizing trade and joint industrial programming. Since growing difficulties emerged in the application of the latter, the rate of industrial change which had arisen out of the integration process came to a standstill, although inter-area trade continued to expand moderately. In recent years, further specific problems arose and delayed an in-depth reformulation of the original treaty proposed by the secretariat of the Treaty to imbue the Common Market with new dynamism.

139. In the CARICOM region (formerly CARIFTA) significant progress has been made in the expansion of trade, the development of financial, administrative and other institutions and consultations on agricultural development and industrial planning. In the past three years the economic difficulties experienced in some of the largest countries of the region have led them to introduce quotas which apply to all imports, including those from other CARICOM countries. This has temporarily affected the development of CARICOM.

140. The Andean Group has stood out by its dynamic development, both in the decisions adopted and in the growth of intra-zonal trade. The progress made by the different mechanisms contained in the Agreement is promising, and is reflected in the decisions already adopted, which are aimed at influencing the industrial diversification of the countries and arriving at an appropriate distribution of the benefits among them. Among its achievements mention should be made of decision 24 referring to a common treatment for foreign investment; since its adoption, there has been significant growth in investment. This subregional integration mechanism has substantial political support from its member countries.

141. Despite the problems experienced by some integration processes, Latin American interregional exports have increased several times more rapidly than extra-regional exports and at present account for nearly 17 per cent of the total. This favourable development has made it possible to lessen the difficulties generated by the protectionist tendencies of the developed countries. During the difficult economic conditions of recent years, the regional market showed its ability to absorb the effect of the drop in exports to extra-regional markets.

142. Exports to the regional market are characterized by a higher content of new products which are industrially and technologically more complex than those sold to the extra-regional market. For some of these new products, particularly in the engineering industries, the regional market made it possible to gain the necessary experience to penetrate the markets of developed countries at a later date. In this way, the real link existing between the economies of Latin America is contributing to the regional industrialization process. Latin American integration and complementarity is a feasible and efficient road to the development of new industries and to imbuing those already in existence with new dynamism. In the field of agriculture, progress has been scanty despite the great potential.

(b) Forms of co-operation in specific aspects

143. An important mechanism for regional co-operation is the Latin American Economic System (SELA) whose action committees constitute a new, expeditious and novel form of co-operation among the countries which compose it. These committees are bodies of the system set up for a limited period to channel and implement projects of common interest to three or more member countries of SELA, which are open for the rest of the Latin American countries to join.

144. Among the committees constituted to date within SELA are those on fertilizers, food supplements, handicrafts, public housing and sea and freshwater products; other committees projected are for a technological information network, milk products and meat and meat products, cereals, seeds, fruits and oilseeds and tourism.

145. In addition to action by SELA, joint activities have recently been carried out by two or more Latin American countries in the fields of trade, the infrastructure production services, technological development and financial co-operation. In the field of intra-regional trade bilateral agreements have been strengthened, particularly between countries situated in the Southern Cone of the continent and in Central America. Examples of this form of trade co-operation are the bilateral trade liberalization programmes, agreements aimed at intensifying trade in products contained in special lists, supply commitments for commodities over a number of years, and arrangements aimed at promoting direct purchases among public enterprises.

146. In some geographical areas, progress has been made in integrating the physical infrastructure, particularly in the field of transport, communications and energy. Road transport presents an unbroken physical structure throughout the region; rail interconnexions are concentrated more in the Southern Cone, and river transport is used to a large extent in the River Plate Basin. However, serious transport problems remain which affect land-locked countries and certain regions as regards their access to the sea. For their solution an important contribution should be made by the action envisaged in the strategy being drawn up for the next decade. In the same way, it should be noted that regional and subregional efforts aimed at economic co-operation and integration are seriously limited by the incipient state of development of the physical infrastructure of transport and communications between the different subregions and subsystems in the interior of the continent. The Inter-American Telecommunications Network is making rapid progress, with a few micro-wave interconnexions remaining to be completed.

147. In the field of energy, joint activities are focused on the electricity sector with a substantial increase in binational projects for hydroelectric development, notably at Itaipú, Yaciretá, Puyango Tumbes, Laguna Marín, Salto Grande and Corpus economic complementarity in the sectors of production has acquired considerable dynamism. The importance of the investment made in other countries of the region by firms located in Latin American countries may be appreciated, as well as the fact that such investment represents flows not only of finance but also of entrepreneurial and technological skills. In the field of technology, recent studies show a potential for internal flows of technological know-how to supplement imported know-how, and this will help to create fields of horizontal co-operation between countries of the area.

148. In the financial sphere there are various examples of machinery in Latin America for co-operation both in finance and trade and in balance-of-payments support. These include the Andean Development Corporation, the Caribbean Development Bank, the Central American Clearing House and the LAFTA Reciprocal Payments and Credit System. They have been joined by the temporary balance-of-payments support machinery of the LAFTA countries and the Dominican Republic (Santo Domingo Agreement), the Latin American Export Bank and the Latin American Tourist Bank. The Latin American Arab Bank is a joint effort by the two groups of countries. The Venezuelan Investment Fund is a national body which in addition to its programmes of concessionary aid promotes investment in the region, while the Andean Reserve Fund, which was established recently, offers opportunities for both financial and policy co-operation. Finally, the Latin American Bank Acceptances (ABLA) system, while not a co-operative effort in itself, reflects collaboration by the countries in drawing up banking documents with common features to facilitate their handling in external financial markets.

149. Also of importance are the subregional economic and infrastructure co-operation arrangements between various groups of Latin American countries, such as the River Plate Basin Agreement, the Amazon River Basin Treaty, the Caribbean Development and Co-operation Committee and the Central American Co-operation Committee.

150. Latin America also has public and private sectoral organizations which engage in co-operative activities involving the organizations and enterprises of various countries in a given sector. The Latin American Energy Organization (OLADE), the Latin American State Oil Assistance Association (ARPEL) and the Commission for Regional Electrical Integration (CIER) are operating in the energy sector, the Latin American Railways Association (ALAF), the Latin American Road Transport Association (ALATAC), the Latin American Shipowners Association (ALAMAR) and the Caribbean Multinational Shipping Association (NAMUCAR) in the field of transport; the Latin American Industrial Association (AILA), the Latin American Canning and Allied Industries Association (ALICA), the Latin American Iron and Steel Confederation (ILAFSA) and the Latin American Association of Tourist Organizations (COTAL) in the industrial and services sector; in the financial sector there are the Latin American Association of Financial Institutions for Development (ALIDE) and the Latin American Bank Federation (FELABAN), as well as regular meetings of the Governors of the region's central banks.

151. In recent years regional machinery has been established to safeguard jointly the market position of certain basic products of interest to Latin America, including the body representing a group of Latin American and Caribbean Sugar Exporters (GEPLACEA) and the Union of Banana-Exporting Countries (UPEB).

152. The establishment and development of all these bodies and the experience they have acquired furnish a real institutional basis to facilitate the development, expansion and deepening of co-operation within the region and with other developing countries, so that this co-operation can play a vanguard role, especially in the face of the difficulties the international economy may encounter in coming years.

(c) Countries in special situations

153. The countries of the region present a heterogeneous picture of different national situations which are reflected in their stages of development and diversification of their economies, and in other economic and social indicators. This picture alone makes it difficult to generalize and seek solutions to the economic and social problems of the region; but is even more complicated if it considers the existence of less advanced developing countries, islands and landlocked countries. In the efforts required to maintain unity and solidarity in the region vis-à-vis the problems which affect it and are common to it, measures should be established which as far as possible will alleviate or solve the specific situations facing these countries, so that they can go ahead with their development.

(d) Economic and technical co-operation among developing countries

154. In the progress towards the establishment of a new international economic order, co-operation between developing countries acquires great importance. It is a topic which in recent years has tended to occupy the attention of the international organizations, the developing countries and the international community.

155. This importance has been recognized in various resolutions, declarations, and decisions by the General Assembly and by the agencies and bodies of the United Nations. The Conference on Economic Co-operation among Developing Countries held by the Group of 77 in Mexico in September 1976; the United Nations Conference on Technical Co-operation among Developing Countries held in Buenos Aires in 1978, and various meetings of the non-aligned countries, particularly the Fifth Summit Conference held in Colombo in 1976, have confirmed the enormous importance which the developing countries and the international community give to technical and economic co-operation among the developing countries themselves.

156. It is a significant fact, and one which constitutes a commitment for Latin America, that two of the international conferences on this topic have been held in the region. This co-operation is not new for the Latin American countries, since in addition to having developed in the region, it has occasionally extended bilaterally to other regions.

157. This is the moment for this projection towards Africa and Asia to acquire new dimensions. As was said at the Buenos Aires Conference on Technical Co-operation among Developing Countries, such co-operation is a decisive force in initiating, planning, organizing and fostering co-operation among developing countries so that they can create, acquire, adapt, transfer and share know-how and experience to their mutual benefit, and achieve the national and collective self-reliance which is essential for their social and economic development. 28/

158. ECLA has taken the first steps towards the materialization of co-operation possibilities between Latin America and Africa. This incipient effort must be maintained and amplified. Latin America, with adequate international support and co-operation can play a major role in this effort by underdeveloped countries towards achieving one of the main aspects of the new international economic order, and the implementation of the measures adopted at the Mexico Conference on Economic Co-operation among Developing Countries. 29/

159. The new formula of SELA action committees makes it possible to identify the areas and sectors which will play the role of nuclei, and also facilitate the implementation of projects by setting up interregional action committees in which Latin American, African and Asian countries interested in a specific project take part.

B. EVOLUTION OF THE NORMS AND PRINCIPLES WHICH GOVERN INTERNATIONAL ECONOMIC RELATIONS

160. In order to facilitate the structural changes necessary for the establishment of the new international economic order, it is necessary to reformulate and renegotiate the rules and principles at present governing international trade and economic relations, in the light of the agreements reached at the sixth special session of the General Assembly and in the Charter of Economic Rights and Duties of States.

28/ See Report of the United Nations Conference on Technical Co-operation among Developing Countries, Buenos Aires, 30 August - 12 September 1978 (United Nations publication, Sales No. E.78.II.A.11 and corrigendum), p. 4.

29/ See A/C.2/31/7, part one.

161. The present rules and procedures of the International Monetary Fund and the General Agreement on Tariffs and Trade (GATT) have failed to satisfy the developing countries' expectations and should be changed in line with their trade development and financial needs.

162. The results of the current negotiations on a code of conduct should reflect the situation of the developing countries, and the General Agreement should be revised to make it more flexible.

163. It is necessary to denounce forcefully the attempts of the developed countries to introduce new concepts, norms and principles in international economic relations which are inconsistent with the norms and principles laid down in the documents relating to the new international economic order, since they would produce very harmful consequences, neutralizing the effect of the measures and structural changes required to establish that order. Accordingly, the Latin American countries recommend rejection of:

- (i) The new general framework of "basic needs", which rests on an inadequate conception and systematization which would limit the field of action in the areas included in the programme for the establishment of the new international economic order, and which, if applied, would produce enormous pressures on the developing countries to accept objectives incompatible with their development policies;
- (ii) The concept of selectivity which the developed countries are in fact applying to exports from the developing countries, and for which they are attempting to gain acceptance in the multilateral trade negotiations within the code of conduct on safeguard clauses;
- (iii) The concept of "access to supplies", which would affect the principle of permanent sovereignty over natural resources and economic activities;
- (iv) The concept of "grading", which implies discrimination in matters related to trade, financing and development through an attempt to classify the developing countries into different categories. In that regard, the Latin American countries recommend the forceful denunciation of the effective application of this concept - which has not been accepted by the international community - by various Governments of developed countries, which are discriminating against the Latin American countries in diverse protectionist measures, and by the international financial institutions, which have increasingly been focusing their attention on concessional and preferential policies basically designed to assist developing countries with per capita incomes below certain fixed levels, thus excluding almost all the Latin American countries.

164. In view of the foregoing, the Latin American countries recommend that all appropriate forums should denounce this international economic climate, which appears to be in the process of becoming increasingly unfavourable to Latin America, precisely at the most critical stage of its development.

III. LATIN AMERICA'S PRIORITIES FOR THE 1980s

A. GENERAL ASPECTS

165. In section II above some conclusions and guidelines for action were outlined which derive directly from the analysis of the external economic relations of Latin America. These guidelines for future action should be considered together with the priorities outlined below in this section.

166. Latin America is a region in transition, with great potential for economic development, and at the same time serious problems and fundamental limitations which prevent this potential from being rapidly exploited.

167. In the domestic sphere, Latin America faces serious socio-economic problems which are principally associated with unemployment and the low incomes of large sectors of the population. A solution to these problems depends to a large extent on proper solution of the region's external problems, independently of the efforts which must be made at the domestic level.

168. Inflows of foreign exchange into the region continue to originate basically in the export of primary commodities. The prices of these commodities lack the necessary stability in real terms, so that the planning of economic development in Latin American countries is practically impossible.

169. Latin America's industrialization efforts depend to a large extent on the evolution of the markets of the developed countries, and on access to them. In this regard serious obstacles have arisen in the form of the protectionist trends recorded in the industrialized countries in recent years, the accentuation of which has caused grave concern among the countries of Latin America.

170. Efforts by the Latin American countries to achieve uninterrupted economic development, the sharp fluctuations in international commodity prices and the intensification of protectionism have made an enormous contribution to the emergence of a Latin American balance-of-payments deficit, which the countries of the region have increasingly had to cover by means of external borrowing, with the consequent increase in external pressures that make it difficult to solve social problems and redistribute income. As a result, Latin America's external financial position is very closely linked to the solution of the problem of fluctuating commodity prices and the vigour of its exports.

171. The major challenge facing the region is to combine its domestic and external approaches in a consistent integrated policy so as to maintain uninterrupted and balanced economic development.

172. The fundamental external constraints will persist unless the structural changes which are necessary for the establishment of the new international economic order, in accordance with the guidelines laid down by the General Assembly in resolutions 3201 (S-VI), 3202 (S-VI), and 3281 (XXIX), are introduced.

173. The absence of political will on the part of the industrialized countries to

achieve more rapid progress in the negotiations on the establishment of the new international economic order, which would permit the gradual adoption of global policies with the full participation of the developing countries in the various fundamental fields for such purposes, continues to limit seriously the integration of the region in the international economy.

174. In recent years, additional phenomena have appeared whose seriousness obstructs the region's economic development efforts, especially those relating to the increasing discrimination suffered by Latin America in various schemes of international co-operation, including in some cases its exclusion from such machinery. This phenomenon is particularly evident in the policies guiding official development assistance, and those which institutions for financial co-operation have adopted or plan to adopt, which in fact constitute an application of the concept of grading into categories in the international financial and technical sphere. To this may be added the fact that some global policies, such as those which refer to access to markets, have particular impact on the region.

175. The sterility of the present international economic order adversely affects not only the developing countries but also the recovery and level of activity in the industrialized countries. The active role of the developing countries, and particularly of Latin America, in providing anti-cyclical stimuli in periods of international recession, is frequently ignored. That role could be observed in the sustained capacity to import of the countries of the region in recent years. Exports from the industrial countries to the developing countries have expanded sharply in recent years: between 1969 and 1975 the developing countries absorbed almost a third of the total rise in exports of manufactures from the industrial countries. In 1976, exports of manufactures from the North to the South totalled \$125,000 million, while the flow in the opposite direction was only \$25,000 million. The positive influence of this volume of sales on the level of employment in the developed countries cannot be denied.

176. From the above one may observe two contradictions which the Latin American countries energetically denounce. Firstly, while the industrialized countries demand from the developing countries a high capacity for debt repayment, their trade policies minimize the debtors' chances of making such repayments by increasing their capacity to export. Secondly, while the industrial countries have adopted a counter-inflationary policy, restrictions are imposed on products from the developing countries whose productive processes are labour-intensive and which are of high technological quality; the markedly lower costs of the developing countries could logically be of benefit to the consumers of the developed countries.

177. In order to tackle Latin America's fundamental problems, substantial progress should be demanded in the negotiations on the establishment of the new international economic order, in a spirit of equity as regards opportunities for all the countries of the world to enjoy the benefits of progress; here there is no place for discriminatory policies of grading into categories which can provoke disagreement in negotiations whose essential features should be universality and mutual benefit, within the framework of the general principles which govern the United Nations system, including the Charter of Economic Rights and Duties of States.

B. OBJECTIVES OF THE INTERNATIONAL DEVELOPMENT STRATEGY
IN THE THIRD UNITED NATIONS DEVELOPMENT DECADE

178. The formulation of a new international development strategy must form an integral part of the efforts of the international community to accelerate the economic and social development of the developing countries and establish the new international economic order.

179. Consequently, the formulation of the strategy should follow the guidelines laid down by the General Assembly in resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and Programme of Action on the Establishment of a New International Economic Order; in resolution 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States, and resolution 3362 (S-VII) of 16 September 1975, on development and international economic co-operation.

180. The strategy should be aimed at achieving the objectives of the new international economic order which are included in the resolutions mentioned above, and, in addition to defining targets, objectives and policies, should contain a set of interrelated and concerted measures in all development sectors with the purpose of promoting the economic and social development of the developing countries and ensuring their full and effective participation, on an equitable basis, in the formulation and application of all decisions in the sphere of development and international economic co-operation.

181. The strategy should also contribute to promoting the objective of the national and collective self-reliance of the developing countries, in particular through the encouragement of economic and technical co-operation among them and unconditional support for such co-operation by the United Nations system and the industrialized countries.

182. For the above purposes and with a view to the preparatory work for the formulation of the new international development strategy, the Latin American countries endorse General Assembly resolution 33/193 and further recommend that CEGAN itself should continue to meet periodically in order properly to prepare Latin America's contributions to the formulation of the new strategy, providing support to the Latin American group which is participating in accordance with the resolution.

C. THE INTERNAL EFFORT BY THE LATIN AMERICAN COUNTRIES
AND REGIONAL ECONOMIC CO-OPERATION

183. Development must be regarded as an integral process, characterized by the achievement of economic targets in terms of objectives of social change which ensure the full involvement of the entire population in the efforts and benefits of development. In this context, the countries of Latin America should, individually and free of external interference, strengthen their economic, cultural and social structures so as to achieve coherent development based on national self-determination.

184. The highest priority should be given to the organization and participation of the traditionally backward sectors of the population. In this context, the particularly important role of grass-roots organizations, which should be encouraged by means of material, technical and financial support, must be clearly visible.

185. It is considered that Governments should intensify activities aimed at achieving a genuine redistribution of income and high levels of employment in favour of the marginal groups, so as to increase their social well-being by improving the quality of life (health, nutrition, housing, social security) and social and economic status (mass participation, education and training).

186. Latin America should recover and achieve a high level of economic growth during the next decade, as an essential requirement for facilitating the achievement of the social aims put forward above.

187. This economic growth must be accompanied by an intensive process of change in production which will permit rapid industrialization of the economies and a deep-seated change in the agricultural systems of production, in order adequately to meet the nutritional needs of the population of Latin America and contribute to the growth of the exports required to enable the countries to afford supplies of essential imports.

188. The uncertainties and difficulties which the international economy is now traversing highlight still further the need to strengthen the role assigned to internal efforts and co-operation among developing countries, and particularly regional co-operation.

189. This greater domestic effort should be focused on the intensification of national savings, which necessarily implies a constraint on consumption - currently polarized in small sectors of society - so that in combination with the accumulation of other resources it can be selectively directed towards agricultural and industrial development, as was observed in earlier paragraphs.

190. Concerning regional co-operation, the priorities set out in the following paragraphs, especially as regards commodities, are to be added to those relating to similar topics set out below in part E of this section, dealing with international economic co-operation.

191. The promotion of regional and subregional co-operation, which is one of the mainstays of the action programme for the establishment of the new international economic order, should be conducted in a co-ordinated manner in Latin America, principally through the existing formal integration schemes and SELA, and with support from other regional and subregional institutions and machinery.

192. In order to facilitate this, the Governments of the member countries of Latin America should co-ordinate their economic policies with efforts of this kind and provide maximum collaboration for the best possible use of the technological capacity and natural resources of the region. For this purpose, they should make intensive use of the relevant forums existing in the region, which should be adequately reinforced so that they can carry out the complex tasks which will arise in connexion with the achievement of the basic objective of the third international development strategy, which is to establish the new international economic order.

193. In order to impart greater dynamism to the economic integration process in Latin America, reforms must be carried out in order to advance in other fields of economic development in addition to tariff reduction and the establishment of industrial complementarity programmes and agreements, such as the infrastructure, agriculture, technology, transport and the defence of common interests. Measures must also be taken within the formal integration schemes to facilitate an effective

solution of the problems involved in the fair distribution of benefits and risks among the participating countries, ensuring a real and timely transfer of financial and technological resources to the less developed countries.

194. Moreover, formulae and machinery must be established to facilitate the convergence and interconnexion of the different integration schemes and machinery for this purpose, the integration systems themselves and SELA, in view of its flexibility, should play an important role within their respective spheres of competence, giving impetus to co-operation activities in specific fields aimed at drawing up common regional positions for negotiations in international forums or for making use of the joint bargaining and purchasing power of Latin America.

195. Considering that in view of the forthcoming conclusion at the end of 1980 of the period of transition of the Montevideo Treaty, LAFTA - which recorded progress in its early years but has experienced a period of relative stagnation - is in the process of carrying out preparatory negotiating activities with a view to the revision of the process, it is recommended that the Governments of the member countries should introduce reforms to bring LAFTA into line with present requirements, so as to restore it to its original dynamism, giving it greater flexibility as a forum for consultation and co-operation and strengthening the machinery for commodity negotiation and industrial complementarity agreements.

196. As far as the Central American Common Market is concerned, it is urgently necessary to find formulae and practical machinery which will give it new dynamism and permit the speeding up of the rate of industrial change in its member countries. With regard to the Andean Group, which stands out as a result of its dynamic development, new forms of support must be found which will enable it to implement its important decisions more thoroughly.

197. The Latin American countries must strengthen SELA, whose action committees, which constitute a new, flexible and novel form of co-operation among their members, offer unlimited potential for facilitating economic co-operation.

198. It is also necessary to mention that if the obstacles to economic integration in Latin America are to be overcome, it is of vital importance to speed up the integration of the physical infrastructure of the Latin American countries, particularly in the fields of transport, communications and energy.

199. In order to avoid duplication of efforts by the different secretariats of the integration bodies, periodic meetings should be promoted among these bodies, which can give each other mutual support and exchange experience. ECLA could play an important role as supporting body and technical assistance agent through specific studies which would supplement the work of these secretariats.

200. In the spirit of the resolutions adopted internationally and regionally, the new development strategy should develop machinery which will make it possible to deal with problems which may affect the economies of the less developed countries of the region, particularly the island and land-locked countries.

201. CEGAN recommends that the physical linking-up of the continent should not take place exclusively along the coastal strip, but also towards the interior, so that the land-locked countries can find improved means of solving the problems involved in marketing their products.

202. With regard to basic commodities, consultations should be stepped up with a view to making the best possible use of the experience and resources of the region. Among possible action is the following:

- (i) Establishment, within the framework of the new international economic order, of financial machinery capable of providing the resources needed for the identification, exploration and development of the basic commodities of the region, on the basis of the principle of respect for the permanent sovereignty of countries over their national resources and economic activities;
- (ii) Strengthening of the present producers' associations and the creation of new ones in the light of co-operation possibilities and the international negotiations in progress;
- (iii) Establishment of a system of self-sufficiency in agricultural products;
- (iv) Creation of offices of the producer countries of the region in the commodity exchanges which operate in the developed countries so as to observe the evolution of the transactions which cause fluctuations in international commodity prices and ensure that the information they channel on world supply and demand and weather factors is correct and does not distort real trends in this respect;
- (v) Establishment of common regional positions with a view to negotiations within the permanent bodies which govern the international commodity agreements and those taking place within the Integrated Programme for Commodities;
- (vi) Application of common strategies, agreed upon within SELA, vis-à-vis protectionist measures affecting regional exports of commodities and vis-à-vis the sale of the strategic reserves of such commodities by the developed countries;
- (vii) Establishment of special machinery to facilitate the consultations and exchange of experience among the countries of the region, with a view to modernizing farming methods and mining and thus increase productivity;
- (viii) Increase of research and development within the region with the object of identifying new commodity uses;
- (ix) Adoption by the Latin American countries of appropriate plans for expanding and diversifying production of and trade in foodstuffs;
- (x) Establishment, as far as possible, of a joint programme for the marketing and distribution of commodities in the region;
- (xi) Establishment of a regional financial institution providing technical and financial support for the development of national marketing and distribution systems in the Latin American countries, in particular the financing of the creation of national reserves and storage installations, and the constitution of funds for horizontal diversification funds.

203. With regard to industrialization, in order to speed up the economic and industrial development of the Latin American countries, their collective efforts to expand and create multinational industries based on the development of local resources must be intensified. Similarly, infrastructure must be created to allow a more rational absorption of external capital and technology, expand national and regional markets and substantially increase Latin America's share in the world trade of manufactures.

204. Suitable instruments for quality control must also be adopted, so that exports of manufactures and semi-manufactures become more competitive in the international markets.

205. In order to make better use of the regional market as a whole, the Latin American countries must make full use of every possibility of industrial programming and complementarity, and adopt a joint position with regard to the restrictive trade practices imposed by the transnational corporation, in accordance with their position on the code of conduct for transnational corporations within SELA, since these corporations hinder the rational use of natural resources and labour. It is necessary to reinforce sectoral meetings of entrepreneurs and promote consultations between entrepreneurial bodies so as to observe the evolution of the intentions of the transnational corporations in the application of such practices. It is also necessary to strengthen the machinery for consultation, establishment and application of standards to quality.

206. With regard to legislative matters, without prejudice to the efforts being made in this respect at the international level the Latin American countries should adopt, inter alia, effective rules, in accordance with national development policies, to govern foreign investment, the conditions in which the transfer of technology takes place, the restrictive trade practices of the transnational corporations, and questions concerning industrial property, so as to avoid the harm which could stem from possible exclusivity agreements and abuses of market power.

207. Since the growth of industrialization largely depends on the evolution of external factors such as protectionist measures, financing, technology, quality control and transport, it is essential that consultation on these subjects should be intensified and that the region should adopt common positions for the purposes of the international negotiations which are at present being held on the above subjects within the United Nations system, and in associated bodies such as GATT.

208. In the field of technology it is necessary to create special machinery to facilitate the transfer of indigenous technology and the exchange of technical assistance. For these purposes it is recommended that national centres for technological development should be set up which can link up with regional institutions or centres, such as the Latin American Technological Information Network (RITLA), set up during the fourth regular meeting of the Latin American Council of SELA.

209. These links between the national centres and subregional and regional centres for the development and transfer of technology will assist in putting into practice initiatives in such fields as:

- (i) The suitable exchange of information on the various possibilities open to the developing countries in the field of technology;

- (ii) The establishment of joint technological research and training programmes;
- (iii) The identification of technological needs and the supply of technical assistance for the development of training programmes and the drafting of model contracts for the granting of licenses.

210. It is also important to develop appropriate intermediate technology to deal with such problems as subsistence agriculture, which affects vast sectors of the rural population of Latin America.

211. In order to ensure that the international code of conduct for the transfer of technology which is being negotiated in UNCTAD includes all aspects of interest to the Latin American countries, continued co-ordinated action is essential.

212. As far as transnational corporations are concerned, their increasing participation in economic activity in the region has led to concern which is reflected in the principles upheld by the international community in the Charter of Economic Rights and Duties of States and by the developing countries in the negotiation of a code of conduct for transnational corporations.

213. An information system on technology and on transnational corporations must be established in the region, combining resources from the United Nations Centre on Transnational Corporations and those of the regional commissions, plus the necessary additional resources.

214. It is necessary to stimulate the use of new contractual arrangements with the transnational corporations, taking advantage of the region's joint bargaining power, in order to select those elements in which the contribution of the transnational corporations is irreplaceable and minimize the costs involved in such negotiations.

215. As regards the negotiations on the code of conduct for transnational corporations, the Governments of Latin America continue their co-ordination activities in defining and applying joint positions, with the support of ECLA and SELA.

216. With regard to protectionism, it is essential to combat the present protectionist trends in the developed countries, in order to allow Latin American exports of commodities, manufactures and semi-manufactures to grow suitably.

217. Independently of the action being advocated at the international level to halt the new wave of protectionism, regional machinery might be established to monitor the evolution of the trends and the implications of protectionism in the interests of Latin America.

218. This machinery might decide on the steps which the Latin American countries deem necessary in the economic, financial and trade fields, such as:

- (i) Even-handed trade treatment applicable to exports from the developed country or countries;
- (ii) Guidelines to restrict or stimulate imports by the developing countries from the developed country or countries;

- (iii) Persistent and co-ordinated action designed to secure adequate participation in the international negotiations or operational machinery in all appropriate forums, in order to safeguard the interests of the countries of the region, and the encouragement of collective action in those negotiating forums.

219. A rapid information system might also be established which would make it possible to identify more quickly and accurately the non-tariff barriers applied by the developed countries and the forms in which they are applied.

220. As far as energy products are concerned, Latin America as a whole depends more on hydrocarbons than other regions of the world for its energy supply. In addition, because of the level of development of the region, it is very difficult in the short or medium term to divorce economic growth from a parallel rise in energy consumption. Furthermore, the firm intention to raise the level of welfare of the marginal sectors of our societies higher and higher will result in growing energy consumption. In addition, it is clearer day by day that in the 1980s man's demand for this resource will exceed the capacity to produce it. This raises serious problems in devising a strategy for sustained social and economic development in Latin America.

221. Furthermore, the geographical spread of Latin America, with huge unexplored areas with oil-bearing potential in addition to the wide availability of other little-used conventional energy resources, such as water, and other sources which are still unconventional and untried, mean that in the next decade the countries of Latin America, individually and jointly, must adopt integrated energy policies taking account of projections of their requirements, the availability of resources and technological progress in this field. These policies must tend towards the achievement of self-sufficiency in energy in the region, which will ensure a transition to a post-oil energy era without major difficulties.

222. This individual and joint effort offers a broad field for international co-operation between the countries of the region and the rest of the world. For this purpose, national efforts must be supplemented by support for and strengthening of the efforts which are being carried out by our regional organizations which specialize in this area, such as OLADE, ARPEL, CIER, UCEL and CEE.

223. On the basis of UNCTAD resolutions and the results of earlier regional meetings, it is recommended that at its eighteenth session ECLA should decide to convene a meeting of Latin American insurance and reinsurance supervisory officials in order to move ahead on the decisions already taken for the establishment of a regional association in this field.

D. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

224. Economic co-operation among developing countries is one of the fundamental pillars of the programme of action for the establishment of the new international economic order, and since it is a matter of fundamental concern to them, it should be formulated and promoted by the countries themselves at the subregional, regional, interregional and global levels.

225. The developed countries and the organizations of the United Nations system have a role to play in supporting and participating in this process, which they

should fulfil unconditionally in compliance with the various resolutions of the General Assembly and UNCTAD.

226. The fundamental framework of economic co-operation among developing countries consists of:

- (i) The decisions adopted at the Conference on Economic Co-operation among Developing Countries (Mexico, 13-22 September 1976);
- (ii) The Programme of Action on Economic Co-operation and the corresponding resolutions adopted by the Fifth Conference of Heads of State or Government of Non-Aligned Countries (Colombo, 16-19 August 1976), concerning co-operation among developing countries, as well as the recommendations on the subject drawn up at the Conference of Ministers for Foreign Affairs of Non-Aligned Countries (Belgrade, 24-29 July 1978);
- (iii) The first short- and medium-term plan of action for global priorities relating to economic co-operation among developing countries adopted by the Fourth Ministerial Meeting of the Group of 77 (Arusha, February 1979);
- (iv) The Buenos Aires Plan of Action, adopted at the United Nations Conference on Technical Co-operation among Developing Countries (30 August-12 September 1978).

227. On the basis of the Mexico programme, the Commission on Economic Co-operation among Developing Countries adopted a programme of work which served as a background for the drawing up, at the Fourth Ministerial Meeting of the Group of 77, of the first plan of action in the short and medium term for economic co-operation among developing countries.

228. With the aim of facilitating agreements and the adoption of joint positions by the region concerning the subjects and action referred to in the above-mentioned plan of action, it is recommended that the appropriate regional bodies, especially SELA and ECLA, should be strengthened.

229. It is also recommended that SELA in co-operation with ECLA and the regional and subregional organizations for Latin American integration, should draw up a programme of studies designed to identify the characteristics of the problems of the region in each of the areas included in the above-mentioned Plan of Action; and that on the basis of those studies, intergovernmental meetings of experts from Latin American countries should be convened to identify the problems which arise from the commitments to, and characteristics of the economic integration of Latin America, and adopt joint positions most in accordance with the interests of the region.

230. In order to make possible the fulfilment of such tasks, the links of co-operation between the regional and subregional organizations for economic co-operation and integration in Latin America and the United Nations Development Programme should be intensified. In this regard, CEGAN recommends that the desirability should be studied of setting-up special divisions on economic co-operation among developing countries should be created in the secretariats of SELA, ECLA and the various subregional organizations for economic integration in Latin America, on the understanding that the possible creation of such divisions would entail a reallocation of, and not necessarily an increase in, their resources.

231. Finally, UNCTAD should continue to furnish technical assistance to the regional and subregional organizations for economic integration in the region.

232. As far as technical co-operation among developing countries is concerned, it should be emphasized that the form in which such co-operation has been conceived by the developing countries on various previous occasions and by the United Nations Conference on Technical Co-operation among Developing Countries, held in Buenos Aires, represents a fundamental instrument to stimulate economic co-operation among developing countries.

233. The Buenos Aires Plan of Action and resolutions adopted at that Conference must be implemented promptly and effectively. Among the very important provisions of the Plan of Action, mention should be made in this context of the need to promote the creation of national research and training centres of multinational scope in the developing countries, or strengthen those which already exist, which is also the subject of one of the resolutions adopted by the Conference.

234. Furthermore, in support of the implementation of the Plan, emphasis should be placed on the importance of the contribution of the developed countries and the international organizations to raising the national and collective capacity of the developing countries to assist themselves and one another, with the aim of implementing, among other provisions, those in the agricultural and industrial fields.

235. Since the first meeting of the United Nations intergovernmental forum to which global consideration of technical co-operation among developing countries has been entrusted, in accordance with the agreement reached in Buenos Aires, is to take place in 1980, it is necessary for the Group of 77 to take the necessary steps to ensure that it is properly prepared, in order to arrive at a joint position prior to these meetings.

E. INTERNATIONAL ECONOMIC CO-OPERATION

236. In addition to the developing countries' efforts at the domestic, regional and interregional levels, the co-operation of the industrialized countries is needed in order to eliminate the external factors which block the economic development of the developing countries.

1. Trade policy

237. In order to secure greater access to the markets of the developed countries it is necessary to draw up and apply in the relevant forums and incorporate in the legislation of the developed countries new rules on subsidies and countervailing duties to enable the developing countries to carry out vigorous export promotion policies.

238. In the field of tariffs, it is necessary to combat the present protectionist tendencies in order to permit proper expansion of Latin American exports of basic commodities, manufactures and semi-manufactures, by eliminating or reducing the tariffs of the industrial countries which affect their imports from the Latin American countries. It is also necessary to eliminate or reduce the tariff escalation which imposes higher duties as the goods are more processed, thus

discouraging the process of industrialization. For that purpose, it is necessary to negotiate on the basis of effective rather than nominal protection, so as to achieve greater reductions in those tariffs which rise in line with the value added in manufacturing.

239. Concerning non-tariff barriers, action should be taken in three areas:

- (i) To establish new information systems which can indicate with greater speed and security which are the existing non-tariff barriers, how they are applied and where;
- (ii) To achieve their elimination in the case of products of interest to Latin America, or, if that is not possible, agreement that they should be applied only as an exceptional measure;
- (iii) To envisage the possibility of responding vigorously when new non-tariff barriers are established to trade or when existing barriers are increased. To that end, it is necessary to make intensive use of and strengthen the existing machinery and to envisage the possibility of establishing additional machinery to carry out this monitoring and to organize the response.

240. For this purpose, the Latin American countries recommend the adoption of the agreements reached in the meeting on Latin American co-ordination held under the umbrella of SELA and during the Fourth Ministerial Meeting of the Group of 77.

2. Protectionism

241. The implications of protectionism for the world economy make it necessary to agree upon and implement a co-ordinated international programme of action. In the face of protectionist measures proposed or adopted by an industrialized country or group of countries which affect exports of products from the developing countries, especially those of Latin America, including the conclusion or extension of voluntary limitation agreements, the Latin American country or countries affected, without prejudice to the bilateral action which they may deem desirable, may consult the other interested developing countries with a view to determining the desirability of drawing up and implementing appropriate joint action. For this purpose, maximum possible use should be made of the margin of action within the agreements and institutional framework, by defining and applying appropriate trade policy measures.

242. Furthermore, such joint action would include voluntary measures in the economic, financial or trade fields, such as:

- (i) Even-handed trade treatment applicable to exports from the developed country or countries;
- (ii) The drawing up of guidelines to restrict or stimulate imports from the developed country or countries to the developing countries;
- (iii) Persistent and co-ordinated action designed to secure adequate participation in the international negotiations or operational machinery

in all appropriate forums, to safeguard the interests of the countries of the region, and for that purpose to promote collective action in such negotiating forums;

- (iv) Strengthening of the bargaining power of Latin America as a whole in the international trade negotiations, and making maximum use of it. For this purpose, it is essential to co-ordinate the negotiating positions of the Latin American countries among themselves and with the rest of the developing world.

243. It is considered that one of the main medium- and long-term solutions vis-à-vis the protectionist policies lies in the industrial redeployment which should take place within the developed countries, with the full participation of the developing countries. This redeployment would be based, among other elements, on a high degree of intra-industry specialization.

244. Long-term policies to restructure world industry and thus encourage optimum global growth will require deliberate efforts by the international community to institute rational production arrangements in the world.

245. In this regard, the Latin American countries recommend the adoption of the agreements originating in the Fourth Ministerial Meeting of the Group of 77, and especially those relating to the establishment, within UNCTAD, of machinery to analyse periodically production and trade in the world economy and identify the sectors which require a structural readjustment, and to the creation of an appropriate forum to accelerate negotiations with a view to the drawing up and application by the developed countries of measures and policies required to promote the process of readjustment in the sectors identified and facilitate the shift of those countries' production factors, and permanently to keep a close watch in order to avoid the creation in the developed countries of uneconomic excess capacity which might provoke demands for protection.

246. The Latin American countries also recommend the intensive use and strengthening of existing forums in Latin America to examine the general and particular aspects of protectionism and, in the light of the interests of the region, generate recommendations to reduce or eliminate it.

247. They further recommend the denunciation, in all appropriate forums, of the flagrant contradictions between the recommendations addressed by the industrialized countries to the developing countries to the effect that they should open up their economies to international markets and become more closely integrated in the world economy, while the former raise protectionist barriers against access to their own markets for the goods produced by the latter, thus creating a source of undeniable frustration for the countries of Latin America and other countries in a similar position.

248. Since Latin America as a whole has substantial purchasing power and enormous quantities of natural resources, which confer on it considerable bargaining power, it is recommended that, in all the appropriate Latin American forums - especially within ECLA and SELA - studies should be carried out of the different possibilities of using the purchasing power and the most suitable means of making its use effective. In that regard, and in line with the various possibilities and the areas in which such an approach would be most feasible, emphasis should be

placed on the promotion of joint or co-ordinated negotiation or purchasing activities, within the framework of the SELA action committees.

249. The rules which currently govern international trade should be revised so that they take full account of the interests of the developing countries and facilitate the elimination of the new protectionist measures.

3. Restructuring of world industry

250. In order to prevent the developed countries from continuing to apply protectionist measures to protect their inefficient industries, and in order to achieve a new international division of labour, it is necessary to restructure world industry in a way which will encourage optimal, rational global growth in industrial production in the world.

251. In this regard, the developed countries must establish effective assistance measures for redeployment in all sectors where inefficiency and lack of competitiveness call for a structural readjustment.

252. For the above purposes, monitoring machinery must be created to analyse periodically world production and trade in order to identify the sectors which require structural readjustment, and to review the efforts of the developed countries in the adoption of the measures and policies required to promote the process of redeployment in the sectors identified and facilitate the shift of the production factors from these sectors. With regard to this area, it is also recommended that the agreements reached at the Fourth Ministerial Meeting of the Group of 77 should be adopted.

253. In order that the restructuring of world industry should work in favour of the interests of the developing countries, it is essential that these countries should play a full part in all the decisions taken in this regard, so that the new international division of labour represents a harmonious and equitable balance between the interests of the developed countries and those of the developing countries, and ensures that industrial development in the developing countries is not concentrated solely on basic and light industries, and that the latter can also develop products in the heavy industry and high technology sectors, in accordance with the guidelines of their industrial policy.

4. Commodities

254. It is felt that the objectives proposed in the Integrated Programme for Commodities should continue to be pursued so that they may help to achieve fair terms of trade with prices which are remunerative in real terms and fair for all concerned. However, certain products already possess their own negotiating forums which are therefore the appropriate bodies to decide on the measures to be taken on those products.

255. The application of the strategy of the Integrated Programme must be made more flexible in order to achieve effective integration of the negotiations on the different measures which are applicable, and to continue as soon as possible in the commodity negotiations to the phase of the negotiation of international commodity agreements.

256. There should be a tendency towards the application of appropriate measures and procedures for the stabilization and improvement in real terms of the prices of commodities exported by the developing countries, taking into account world inflation and the changes which occur in the world economic and monetary situation with regard to exchange rates, trade conditions, rate of return on investment and other relevant factors.

257. The common fund to be set up should be an efficient and economically viable institution for the financing of the arrangements on the constitution of reserves and other measures relating to commodities aimed at stabilizing the commodity markets and greater processing of commodities. Its operations should contribute towards improving the structure of the market and international trade in commodities of interest to the developing countries, and towards achieving stable conditions for this trade at price levels which will be just and remunerative for the producers, and fair for the consumers.

258. Should the common fund not fulfil these objectives, it will be necessary to create supplementary machinery which will effectively stabilize the international markets in these products.

259. The commodity negotiations should include manufactures and semi-manufactures fabricated with the raw materials appearing in the list contained in UNCTAD resolution 93 (IV).

260. The compensatory financing facility used in IMF should be expanded and made more flexible in order to offset the deficits in the export earnings from commodities in developing countries. A framework must be established for international co-operation with a view to increasing the processing of primary products in developing countries and access to the markets of the developed countries for such products.

261. Commitments must also be established to regulate production and investment in synthetic substitutes which compete with natural products. It is also indispensable to establish a framework for increasing the share of developing countries in the marketing and distribution of the commodities they export. Programmes should also be adopted for research and development, market promotion and horizontal diversification. With regard to the aspects listed above, the Latin American countries recommend the adoption of the agreements reached at the Fourth Ministerial Meeting of the Group of 77.

5. Specific aspects of relations with industrialized countries

262. The international economic policy of the developed countries, including economic groupings of such countries, and their national policies which have international repercussions, should contribute to promoting growth in the developing countries, bearing in mind their short-term and long-term needs. The United States and the European Community should adopt a more favourable attitude towards the problems and needs of Latin American countries, and the developing countries generally, in trade in manufactures and basic commodities.

263. Highly important in Latin America's relations with the United States are not only specific aspects of their mutual relations but also the role of the United States in the solution of international, multilateral problems which are the subject of the North-South dialogue. The matters of priority interest for Latin America include:

- (i) The need for the Generalized System of Preferences not to be used as an instrument of economic coercion, and accordingly for the elimination of the discrimination in the system against Cuba, Ecuador and Venezuela;
- (ii) Improvement of conditions of access to the United States market for exports from Latin American countries, for example by means of improvement of the United States Generalized System of Preferences, and especially its extension to a larger number of products of interest to the region, and the elimination of the restrictions arising from the application of the competitive need formula and rules of origin;
- (iii) The gradual elimination of tariff and non-tariff restrictions on primary, semi-manufactured and manufactured goods of major export interest to the region;
- (iv) Support by the United States for the search for special and differential arrangements for the use of subsidies and countervailing duties, which should go beyond the narrow limits of what is emerging on this issue from the multilateral trade negotiations;
- (v) Adherence by the United States to the measures to reduce and eventually eliminate instability in export revenues vis-à-vis the import requirements of the developing countries caused by factors external to their economies.

264. The aspects of greatest interest to Latin America in the trade policy of the European Economic Community are:

- (i) The elimination of phytosanitary and other restrictions which impede access for various products of interest for Latin America, and especially meat and meat products;
- (ii) The elimination of obstacles to trade in goods for which Latin America has competitive advantages, and avoidance of a revival of protectionism;
- (iii) The adoption of a programme for the gradual elimination of harmful features of the Common Agricultural Policy.

265. Improvement of the EEC Generalized System of Preferences is needed, to benefit not only the relatively less developed countries, but all developing countries. In this regard, mention should be made of:

- (i) The expansion of quotas for "sensitive" products;
- (ii) The inclusion of a larger number of agricultural products in the Generalized System of Preferences;
- (iii) The widening of the margins of preference for agricultural products which have an excessively narrow margin of preferential treatment.

266. Of importance for Latin America within the general policy for the expansion and diversification of economic relations is the expansion and diversification of its trade and other economic relations with other developed countries, particularly Canada and Japan; it is necessary to correct the deficit trend in the region's trade balance and broaden the range of goods exported.

267. Exports from Latin American countries to the European members of the Council for Mutual Economic Assistance (CMEA) have recorded relatively rapid growth in recent years. A large number of trade and payments agreements have been signed between countries of the two areas, many of which go beyond the strictly commercial field and include issues of industrial, scientific and technological co-operation. The existing contractual basis augurs well for further expansion in trade, although this may in part depend on satisfactory solutions being found for the establishment of multilateral arrangements for the settlement of trade balances. Mention should also be made of the interest of Latin American countries in diversifying their exports to the CMEA countries (which at present consists almost entirely of primary products) by exporting manufactured products.

6. Transnational corporations

268. Strong impetus should be given to the work aimed at concluding an international code of conduct for transnational corporations which will regulate their activities.

269. The Latin American countries should uphold their view, expressed in the Guatemala Appraisal, that the transnational corporations should conform to the following principles:

- (i) Transnational corporations must comply with the laws and regulations of the host country and, in the event of litigation, they must submit to the exclusive jurisdiction of the courts of the country in which they operate;
- (ii) They must refrain from any interference in the internal affairs of the States where they operate;
- (iii) They must refrain from interference in or disruption of the relations between the Government of the host country and other States;
- (iv) They must not serve as instruments of the foreign policy of another State or as a means to extend to the host country legal provisions of their country of origin;
- (v) They shall be subject to the permanent sovereignty exercised by the host country over all its wealth, natural resources and economic activities;
- (vi) They must comply with national development policies, goals and priorities and make a positive contribution to attaining them;
- (vii) They must supply the Government of the host country with the relevant information on their activities in order to ensure that these are in keeping with the national development policies, goals and priorities of the host country;

- (viii) They must carry on their operations in such a way that these result in a new inflow of financial resources for the host country;
- (ix) They must contribute to the development of the domestic, scientific and technological capacity of the host country;
- (x) They must refrain from restrictive trade practices.

270. At the same time, it is important to prepare guidelines for the future negotiations on direct investment between Governments and transnational corporations, on the basis of recent experience in this regard both in Latin America and in other regions of the world. High priority is assigned to more intensive use of the potential bargaining power of the Latin American countries, of which limited use has been made until now.

271. The Latin American countries should make efforts to exchange among themselves and with other developing countries the information they possess on negotiations with the transnational corporations, so as to enhance their individual and collective bargaining power. In this regard, it is considered necessary to strengthen the Latin American focal point in the ECLA secretariat so that, in co-ordination with the United Nations Centre on Transnational Corporations, it can collect and disseminate all the information on the corporations on a regular and systematic basis.

7. Technology

272. Latin America considers that it is of fundamental importance to emphasize the urgent need to adopt a mandatory international code of conduct for the transfer of technology.

273. The region also attaches great importance to:

- (i) The establishment in the countries of the region of appropriate institutional machinery, particularly national centres for the development and transfer of technology;
- (ii) The strengthening of the region's own capacity for adapting and creating technology, this being an objective which, together with the transfer of technology from abroad, should be achieved in the conditions required by the development of each country and in accordance with the orientations established by each country;
- (iii) The introduction and improvement of machinery in the public sector to contribute to the search for and dissemination of technologies suited to these conditions, which will enable the State to fulfil its responsibility in acquiring in the world market technologies which are suitable for development;
- (iv) The drawing up of preferential agreements for the development and transfer of technology between Latin America and other developing regions;
- (v) The establishment in Latin America of subregional and regional centres for the development and transfer of technology which will serve as a

link with the national centres of the other developing countries, or the strengthening of existing centres;

- (vi) The establishment or strengthening of subregional, regional or interregional centres in Latin America for the development and transfer of technology in specific sectors of key importance.

274. Since substantial technological progress has been achieved in Latin America, the countries of the region should adopt measures actively to encourage the mutual transfer and dissemination of technologies in areas which can stimulate balanced economic and social development.

8. External financing and monetary problems

(a) What is required of the international monetary system

275. It is necessary to work for the strengthening of the decisions recently adopted within IMF concerning the increase in quotas, the establishment of the additional financing facility and the new allocation of Special Drawing Rights (SDRs). In this regard the Latin American countries recommend:

- (i) That account should be taken in future increases of quotas of the proposal made on the occasion of the seventh general review that the developed countries should finance the SDR component of the quota increases of the developing countries;
- (ii) The establishment of a complementary long-term financial facility for the purchase by the developing countries of capital goods on the most favourable possible terms, is also necessary;
- (iii) Significant progress in the implementation of the decisions adopted to make SDRs the principle reserve asset in the international monetary system, with the aim of ensuring that world liquidity does not originate in the structural imbalances or payments deficits of the reserve-currency countries.
- (iv) More flexible conditionality for the use of the IMF balance-of-payments resources to stimulate a recovery in general economic activity in the developing countries, the growth of their trade and employment in particular and to facilitate a more balanced process of adjustment.

276. When overseeing the principal exchange rates in the present system of dirty floating, IMF should intensify its vigilance over the principal currencies and pay due attention to the special circumstances of the developing countries.

277. It will be necessary to improve and extend the existing compensatory financing facilities with the aim of fully offsetting the drop in the purchasing power of the exports of the developing countries resulting from changes in relative prices or from falls in volume measured against the trend in the growth rate. In this regard the Latin American countries reiterate the recommendations of the meeting of high-level officials of the Group of 77, held in Arusha in February 1979, which had previously been approved at the Latin American Co-ordination Meeting for the Fourth Ministerial Meeting of the Group of 77 (Caracas, 15 to 19 January 1979) preparatory to the fifth session of UNCTAD.

278. Of the recommendations adopted in Arusha, the Latin American countries emphasize the following:

- (i) Inclusion of measures by virtue of which the developed countries with surpluses and the reserve-currency countries accept a fair share of the burden of adjustment and the institution of a link between the creation of SDRs and the financing of development, in accordance with the forms proposed at the Arusha meeting;
- (ii) Ensuring fairer and more effective participation by the developing countries in the taking of decisions in the institutions of the international monetary system;
- (iii) Opening of a subsidy account so that the developing countries can seek loans from the complementary facility of IMF;
- (iv) Making use of the IMF and Group of 77 meetings to be held in Belgrade in 1979 to study the desirability of convening an international conference on currency reform in close consultation with the Group of 24;
- (v) Reaffirmation of the principle that the international financing institutions should fulfil their role without establishing distinctions among their member countries, and without co-operation being tied;
- (vi) Advocating that the multilateral monetary and financial institutions should grant credits without invoking political criteria; in addition, that they should not make their balance of payments support financing conditional on the acceptance by the developing country of measures and programmes which involve social costs and damage, thus running counter to the fundamental purposes and objectives for which they were created.

(b) Net flows of resources and the terms of their transfer

279. The Latin American countries support not only the objective that the developed countries should earmark 0.7 per cent of their gross product for official development assistance, but also the objective of achieving a higher level with an appropriate share for Latin America, without jeopardizing the flows of resources to the remaining developing countries. The policies of the official development financing institutions should be subject to the priorities of the developing countries.

280. New criteria should be agreed for the allocation of official assistance resources, to replace the sole criterion of per capita income.

281. The transfer of resources should be depoliticized and realized in an increasingly secure, continuous and automatic manner and be distributed in a rational and fair way among the developing countries. The quality of Official Development Aid (ODA) should be improved in accordance with the forms agreed upon at the meeting of officials of the Group of 77, held in Arusha preparatory to the fifth session of UNCTAD.

282. The developed donor countries should deposit the ODA resources in a revolving fund once they have been earmarked, in view of the fact that there are substantial

amounts destined for such and which have still not been disbursed, and they should increase the resources of the international financial agencies, such as the World Bank, IDB and CDB, including in them concessional resources to an amount compatible with the increased investment requirements of the countries of the region.

283. The developing countries should renew their demands for the reactivation of the third window of the World Bank, with subsidized interest for economic infrastructure projects in the Latin American countries in particular.

284. They should also work towards a parallel increase in transfer of financing resources which are concessional in nature for social development programmes and low-income sectors, within the context of the objective of establishing the new international economic order.

285. It is reiterated that the proposal for the establishment in the World Bank of a long-term facility for the financing of the purchase of capital goods by the developing countries should be examined at the earliest opportunity, with the aim of taking a positive decision as soon as possible.

286. It is likewise urged that a greater volume of multilateral technical assistance should be furnished, both for the formulation and for the implementation of development projects.

287. The principle of "grading" in financial aspects which is being introduced in the World Bank and other international financing agencies is rejected. In this respect, it recommends the elimination of the criteria of graduation by the international agencies, in view, among other aspects, of the recent drafting by them of a list of 44 food priority countries which includes only four from Latin America, and the fact that such agencies are attempting systematically to exclude Latin America from international loans on concessionary or soft terms.

288. The special programmes being put forward in favour of the least developed of the developing countries should be "additional" to the measures taken to benefit all the developing countries. When United Nations resolutions relating to the least developed countries are implemented, the interests of all the developing countries should also be taken into account.

(c) Private capital

289. The Development Committee of the International Monetary Fund and the World Bank have examined the problem of access to the capital markets of the industrial countries. It is necessary to expand access to the capital markets of those countries. To that end, action by IMF may be very important and should take into account the recommendations of the Third and Fourth Ministerial Meetings of the Group of 77 (Manila, January and February 1976, and Arusha, February 1979) to assist in eliminating the present obstacles.

290. The recently approved European Monetary System should not lead to a currency realignment which may redound in excessive costs for the countries of the region with liabilities in those currencies.

291. Direct private investment should be compatible with national legislation and with the development priorities of the countries of Latin America, including

the aim of permitting greater local participation in management, administration, employment and in-service training of local staff, as well as greater local participation in ownership of the enterprises concerned. In that regard, mention should be made of the urgent need to draft a code of conduct to govern the activities of transnational corporations.

(d) International financial co-operation

292. At the Fourth Ministerial Meeting of the Group of 77, the countries of Latin America, together with other developing countries, approved a programme of action on monetary and financial issues to whose application the region attaches great importance. CEGAN wishes to stress in particular in this appraisal that Latin America reiterates the need for the developed countries to commit themselves effectively to the drawing up of a broad system of financial co-operation in the firm conviction that this would prove to be of benefit to the entire international community. The objectives of the system should include the following:

- (i) Transfer of resources in real terms should be ensured so that the developing countries reach the targets they have laid down for development;
- (ii) The form and composition of these capital flows should be compatible with the development plans of these countries and fully in keeping with their development priorities;
- (iii) The terms of this transfer of resources should be in keeping with the debt servicing capacity of the developing debtor countries;
- (iv) The developed countries which have not yet reached the internationally accepted target for ODA should increase their aid substantially so as to attain the target and introduce qualitative improvements in their aid;
- (v) A multilateral framework should be established for the future borrowing operations of interested developing countries, which should safeguard their development plans on the basis of resolution 165 (S-IX) of the Trade and Development Board;
- (vi) The transfer of resources should be founded on a predictable and increasingly secure basis so that the developing countries can prepare their development programmes with certainty;
- (vii) Periodic checking or evaluation should be effected both of the inputs required from the developed donor countries and multilateral institutions and of the operation of any of the elements of the system of international co-operation in order to correct shortcomings.

(e) Other aspects

293. The Latin American countries urge that due attention should be paid to the recommendations for the establishment of a separate multilateral guarantee facility for interested developing countries and recommends a change in the basic instruments of the multilateral financial institutions so that they can offer guarantees, including partial guarantees, more easily. Such guarantees should lead to additional flows of capital for the countries concerned and should not affect the access to capital markets which some countries of the region already have.

294. The Latin American countries support the proposal agreed in Arusha for the establishment of a multilateral export credit guarantee facility designed to increase access by the developing countries to the international capital markets and facilitate the diversification of their exports, on the understanding that this multilateral facility would not affect in any way the access to capital markets already enjoyed by some developing countries.

295. The possibility might be examined of setting up special working groups at the regional level to consider both official development assistance and private capital, with the co-operation of ECLA, IDB, CDB, the Latin American Center for Monetary Studies (CEMLA) and SELA.

296. The Latin American countries invite the developed countries to apply fully and without discrimination the special measures referred to in resolution 165 (S-IX) of the Trade and Development Board.

9. Transport

297. Maritime transport should continue to be emphasized during the third United Nations development decade, since it remains the principal means by which foreign trade is conducted. The approach adopted for the Second Decade should be expanded to embrace not only the behaviour of liner conferences but also the manner in which they introduce and respond to technological change. A problem of continuing importance is the difficulty in obtaining liner rate reductions to reflect port improvements. It is also necessary to study the adaptation of the region's merchant marine policies in order to deal with unilateral decisions of the liner conferences and their negative effects on the developing countries. In addition, during the next decade the developing countries should achieve full participation in the formulation of policies or decisions at the international level for this sector in keeping with those adopted for the region.

298. Another serious problem for Latin America concerns the introduction of new transport technology, particularly that associated with the use of containers. This affects not only ships themselves but also port, road and railway infrastructure as well. If the introduction of container or other cargo handling services is not adequately planned and regulated, it can lead to the obsolescence of transport units and handling equipment of the developing countries which, for economic reasons cannot respond to the challenge of the new technology, or to staggering investments in new units and equipment. Account should also be taken of the evolution, both at the technical level and as regards costs, being registered in the world as a result of the adoption of multimodal transport.

299. In the next decade, the Latin American transport system should be reshaped on the basis of the physical linking of the Atlantic and Pacific subsystems in South and Central America so as to make it possible to incorporate the interior of the continent into economic activity and eliminate the problems resulting from the traditional peripheral development. In addition, account must be taken of the use of different modes of transport and combinations of them, and the necessary technological advances must be introduced.

300. With regard to international land transport, encouragement should be given to Latin American meetings aimed towards integration, such as the annual meetings of Ministers of Public Works and Transport of the countries of the Southern Cone, at which promising results have been obtained.

F. RECOMMENDATIONS TO THE SECRETARIAT OF ECLA AND FUTURE
ACTIVITIES BY CEGAN WITH REGARD TO REGIONAL
PARTICIPATION IN THE PREPARATION AND APPLICATION OF
THE NEW INTERNATIONAL DEVELOPMENT STRATEGY

301. The Latin American member States of ECLA should play an active part at the political and technical level in the discussions being held in connexion with the preparation of the new strategy, so that it will come to constitute a genuine and effective international action programme to promote the economic and social development of the developing countries, taking adequate account of the interests and viewpoints of the countries of the region. The central element in an international development strategy should be the implementation of the action programme for the establishment of a new international economic order, and measures should be taken to allow an increase in the part played by the developing countries in the processes for the international adoption of decisions for the administration of the world economy.

302. In order to contribute to the materialization of these aims, the secretariat is requested:

- (i) To press forward in the basic studies on the nature and scope of the new strategy, and other matters not considered in section III of this Appraisal, or in matters which it is considered desirable to study in greater depth, in accordance with the relevant resolutions of the General Assembly, and also in the analysis of the objectives, targets, policies and measures which the new strategy should contain, and in particular the machinery which might be established for analysis and appraisal;
- (ii) To review the various aspects of the role which ECLA and the countries of the region should play in the application of the new strategy to be adopted by the General Assembly;
- (iii) To consider the best way of complementing and expanding the international development strategy to be adopted by the General Assembly by means of a regional action programme for the forthcoming decade which will promote the strategy's efficient application and corresponding periodic appraisals;
- (iv) To convene CEGAN in accordance with the pre-established machinery, taking into account the progress of the work of the secretariat and the programme of activities of the Preparatory Committee for the New International Development Strategy;
- (v) To provide all possible support for activities which SELA may have to carry out in connexion with the preparatory work for the new international development strategy and for its implementation.

Appendix

STATEMENTS ON THE LA PAZ APPRAISAL

Canada

"The Canadian delegation congratulates the Latin American group on the preparation of the document which served as a basis for the preparation of the La Paz Appraisal. As an agreed position paper of the Latin American group we can accept its adoption by this Committee, although there are aspects of the document which reflect a different view of the issues under discussion and on which, therefore, I must reserve Canada's position.

"Before detailing those reservations, the Canadian delegation would like to express its admiration for the whole of section B of chapter I, that is, paragraphs 9 through 27, which appear to us not only to describe situations but to analyse problems and to propose ways towards their solution. Section C, as well, paragraphs 28 through 60, is very good.

"Canada first reserves its position with respect to decisions or recommendations of a body to which it does not belong, and with whose decisions and recommendations this delegation is not familiar. I refer particularly to the frequent references in the document to the Fourth Ministerial Meeting of the Group of 77, in Arusha.

"With respect to paragraphs 71, 72 and 73, Canada has made serious efforts to resist protectionist pressures. When it has been necessary to take any action to prevent unacceptable loss or damage to Canadian industry, such action has been completely in accordance with Canada's international obligations. The Generalized System of Preferences, in Canada's experience, has had a high rate of utilization and has offered considerable security of access to its users. I should note that the Canadian International Development Agency was instrumental in setting up several seminars on the GSP, which were attended by representatives of Governments of the ECLA region.

"We should like to reserve Canada's position on the following paragraphs: 74 and 75, 80 through 83, 165 through 177, 241 through 253, 258 through 261, 282 and 283.

"The Canadian delegation notes paragraph 279 and, in connexion with paragraph 280, notes that the criteria for allocation of official assistance resources are at present under review in Canada.

"At the opening of the eighteenth session of ECLA, we were struck by the following passage from the statement of the President, the Minister of Planning and Co-ordination of the Republic of Bolivia:

"The exaggerated belief that growth had to precede distribution blinkered economic thought and constituted the fundamental pattern for investment policy. The maximization of the gross domestic product sidestepped other

equally important aspects of society for which that policy had been formulated, including social justice and the elimination of poverty. When all is said and done, what is growth for, if the great majority have not managed to secure any significant increase in their income levels or in their demand capacity? Here the words should be recalled of that eminent economist Raúl Prebisch when he argued that: 'Man shall not live by GDP alone'.

"Those words, very much to the point of this meeting, came to mind again when we read paragraphs 184, 185, 187 and 188 of the La Paz Appraisal. Our only regret is that these paragraphs, excellent as they are, are not accompanied by the breadth of detailed analysis and proposals that surround such subjects as external trade.

"In making this point I should emphasize that Canada is aware of the importance of external trade - in many ways, Canada is also a developing country: a net importer of capital, a net importer of technology, and a major exporter of many of the basic commodities mentioned around this table. Therefore, even though our positions are different on many of those issues, we understand and empathize with the struggle of the countries in the region to overcome these problems.

"Although I do not wish to propose changes to the text, I believe two paragraphs should be deleted, as they duplicate earlier ones: paragraph 248 is the same as paragraph 71, and paragraph 251 appears to be the same as paragraph 75.

"I do not want to conclude without paying a tribute to the work of the secretariat, whose comprehensive background document, E/CEPAL/1061 and Add.1, supports so well the document under consideration and all the considerations of this committee."

United States

"The CEGAN report which served as the basis for the La Paz Appraisal represents a massive effort of work. I understand that it took nearly one month to prepare. There are a number of points made in the report with which we concur strongly.

"It is commendable, for example, that its drafters reject the goal of economic growth for its own sake and recognize the need to change the style of development. We warmly welcome the view of development as an integral process aimed at achieving both economic and social targets.

"The report notes the inadequacy of the structure of production. It generates a form of employment leading to limited participation of the masses of the people in the growth process. We congratulate the drafters of the report for their frankness on this topic.

"With respect to the other portions of the report, we feel it lacks completeness on some issues. We also have a number of reservations on points that are made. I would like to speak of this, issue by issue.

Protectionism

"The United States is committed to an open trading system. Despite strong domestic pressures, we have continued to pursue liberal trade policies. The results of the multilateral trade negotiations are evidence of this commitment.

"The growth in total LDC exports to the United States has been quite impressive in recent years. Taken as a whole, Latin America has not shared in this over-all dynamic growth - as the report points out, non-petroleum trade remained at a constant 11 per cent of total LDC exports to the United States from 1970 to 1976. However, this figure conceals the fact that the composition of Latin American exports to the United States is changing. Total Latin American basic commodity exports dropped from 79.0 per cent in 1970 to 74.5 per cent in 1976. In 1978 OAS concluded that, excluding petroleum, the relative share of manufactures in total United States imports from the region grew from 20 per cent in 1970 to 34 per cent in 1976.

"This encouraging trend towards greater diversification in trade reflects the positive results to be gained from pursuing open market growth strategies.

"While the number of private-sector petitions submitted to the United States Government seeking import relief (escape-clause action) under Section 201 of the Trade Act has increased, the United States has taken relatively few restrictive trade-policy actions even in those instances where injury has been determined. Since 1 January 1975, 38 Section 201 cases have been filed with the International Trade Commission. ITC has ruled on all 38. Of the 35 cases that the President has acted on, he has granted tariff relief action in only 7.

"The La Paz Appraisal has not taken these developments into account and has pressed for more radical measures involving, however, no changes in the policies of the Governments of the region to correct Latin America's relatively lagging export performance. The Appraisal calls for structural adjustment by the developed countries and transfer of industrial capacity to the region; for monitoring trade restrictive actions of developed countries; for structural changes in GATT which in its view inadequately addresses the trade problems of LDCs in general and Latin America in particular. The United States Government believes that through GATT, the multilateral trade negotiations and the GSP programme it has made substantial efforts to support increased export growth of the region.

Multilateral Trade Negotiations (MTN)

"The subsidy code was negotiated with the full participation of interested LDCs; two Latin American countries represented here today are among the countries that prepared the draft that is open for signature. By strengthening international discipline over the subsidy practices of all countries (including the immediate prohibition of export subsidies for developed countries), this code minimizes the risk of a 'subsidies war' in which the LDCs, with their limited resources, have the most to lose. As part of these negotiations, the United States will introduce an injury test into its domestic legislation. In addition, the code provides significant special and different treatment, whereby LDCs need not fulfil all the obligations of the code, while still enjoying its benefits.

"We must recognize that no country or group of countries will achieve all its objectives in the MTN. Compromise is the essence of negotiation.

"Nevertheless, the MTN will result in a substantial reduction of trade barriers by the United States and other major markets. We have offered tariff reductions on \$3 billion of Latin American non-petroleum trade. We are pleased that we were able to negotiate tariff agreements with many Latin American countries. The extent of tariff reductions should lead to renewed growth of Latin American exports to all major markets. In addition, improvement of the trading rules resulting from the codes will help the world trading system operate more openly and equitably, which will be of particular benefit to new and small suppliers.

"We urge the Latin American countries and other LDCs to participate actively in GATT in the post-MTN period. This is the most effective means to influence the future evolution of the international trading system and to ensure that their special problems are adequately addressed within that system.

Generalized System of Preferences (GSP)

"GSP is a non-negotiable, temporary (United States authorizing legislation expires in June 1985) and unilateral concession, the purpose of which is to help LDCs gain increased access for their exports of manufactures to the United States market. The United States GSP provides duty-free entry on a broad range of products (about 2,800 tariff categories) to 98 developing countries and 40 dependent Territories. Certain more sensitive products are statutorily excluded entirely from preferences. There are also maximum limits on each eligible product (competitive need) above which the normal MTN rates are imposed the following year. These limits are generous: (a) \$37.3 million per product per country (the amount is adjusted annually to reflect growth in United States GNP); or (b) 50 per cent of total United States imports of any product originating in a single beneficiary country. While we have agreed in many international forums to continue to review our GSP scheme to provide the maximum feasible benefits to LDCs, the unilateral nature of the GSP precludes bilateral or multilateral negotiations with the countries of the Group of 77. We do have consultations within the Organization of American States (OAS) on an ex post basis on the operation of our GSP scheme. The United States has an annual review with public hearings where we consider product additions to GSP requested by beneficiary developing countries, as well as product withdrawals petitioned by United States producers of goods competing with imports.

" - 98 (i) - The elimination of the OPEC exclusion clause of Section 502 (b) (2) would require a Congressional Amendment to the Act.

"The United States delegation realizes that the Congressionally mandated exclusion of OPEC countries from GSP benefits has been a source of friction in our relations with a number of OPEC countries, and in the Western Hemisphere with Ecuador and Venezuela. The United States Government has discussed this problem with the countries involved. Given Congressional and public sensitivity on a wide range of energy and trade-related issues, however, we are not able to judge if and when the Administration might

introduce any amendment modifying the OPEC exclusion. The Administration is not inclined to introduce legislation that would be defeated.

"_ 98 (ii) - Imported materials can be counted as local materials toward the 35 per cent value-added requirement provided that they have been substantially transformed within the country. A number of rulings issued by United States Customs in this area have been published and publicized by UNCTAD. In addition, the United States Customs is prepared to make a ruling on any question submitted by a Latin American beneficiary.

"_ 98 (iii) - The competitive need limitation in the Trade Act was designed to remove the preference when it is no longer needed by a particular country for a particular product and to ensure that the benefits of GSP would be spread as widely as possible among all beneficiaries. Even with competitive need limits, 70 per cent of all United States duty-free benefits in 1978 were received by the top five beneficiary countries. Competitive need criteria are thus clearly justified to help keep the benefits from being even more unequally distributed. Any amendment to the GSP that might have the effect of increasing the benefits to more advanced developing countries at the expense of the less developed would have no chance of passage by the United States Congress.

"_ 98 (iv) - The United States Government has considered many items of interest to Latin America and has added many of these to the GSP list. We are willing to consider additional requests in our annual product review, subject, of course, to the legislative constraint that only products which are not import-sensitive may be added to GSP. Latin American beneficiaries should note that a product added to GSP is eligible for duty-free importation from all 140 beneficiary countries. This means that a Latin American country which is a small supplier of a particular product might not gain a preferential advantage from GSP vis-à-vis larger, more competitive suppliers who are also GSP beneficiaries. It also means that a product which does not appear to be import-sensitive from the viewpoint of a small Latin American supplier might be sensitive when United States imports from all potential GSP beneficiaries are added up.

On commodities

"We have made a serious, concerted effort over the last three years to participate constructively in the deliberations on the Integrated Programme for Commodities, including the Common Fund and the individual commodity discussions. The allegedly slow pace of preparatory work on specific commodities is attributable to the technical and economic complexities of the issues involved, not to political obstruction. Decisions to move from the preparatory phase into formal negotiations for any particular commodity should be left to the producers and consumers directly involved in those talks. Such decisions should also be based on clear findings that international producer/consumer arrangements are called for and are feasible. We are gratified at the success of the latest rounds on the Common Fund and the rubber negotiations, which have produced substantial progress toward agreement.

"The portions of the Arusha Declaration dealing with commodity issues contain a number of proposals with which the United States does not agree. These issues should properly be discussed during the fifth session of UNCTAD in Manila rather than being adopted as part of the declaration of this meeting of the Commission.

Transnational corporations (TNCs)

"The United States believes that TNCs can and do make a positive contribution to the growth process. Not only do they offer capital, but also important managerial, technical and marketing skills unavailable through aid mechanisms or foreign trade. We respect the host countries' right to establish conditions for foreign investment that will best meet their development needs. The United States recognizes, and encourages the parties to such investment to explore, the many forms, including joint ventures, wholly-owned subsidiaries, management contracts, etc., this investment can take. While United States investors, including TNCs, have shown considerable flexibility and adaptability in meeting national aspirations and economic objectives (i.e., export goals) of the countries where they are located, the United States Government does not wish to recommend any particular investment form or economic objectives, since these are a matter of choice and negotiation between a firm and the host country,

"The United States is participating actively in the United Nations negotiations on a code of conduct relating to transnational corporations. It is our view that a code must cover not only the responsibilities of transnational enterprises but also those of the Governments of the countries where they operate, both home and host. For the TNCs, the United States recognizes and fully accepts that guidelines should be established covering all areas of their operations, and current United Nations negotiations cover the whole spectrum of such activities - political, social, and economic. Government responsibilities include such areas as non-discriminatory treatment of national and foreign enterprises, respect for contracts, standards of expropriation and compensation, predictability and clarity of national laws and policies, free transfer of capital, and dispute settlement procedures. The United States considers that the code must be voluntary (as is the case with the OECD Guidelines and the ILO Declaration on employment and labour standards) and should seek to establish international standards, recommended and supported by Governments, which would represent good practice for both foreign and domestic enterprises. TNCs covered by the code should include all forms of ownership, whether State-owned, private, or of mixed ownership.

Transfer of technology: code of conduct

"We have sought to respond constructively to the initiative of the Group of 77 and the UNCTAD secretariat for a code of conduct. As set forth in the Group B opening statement at the United Nations Conference this fall, we agree fully that a code of conduct with benefits for all would constitute an important instrument for promoting and facilitating the international transfer of technology. Developed countries, however, generally view the code in the wider context of global interdependence in the flows of trade, investment and technology and of the equally important needs of all countries to strengthen basic technological capabilities.

"We believe that the code should enhance a mutually beneficial climate for technology transfer. To this end, the code should address, in a balanced manner, the conduct of both Governments and commercial parties and its provisions should be consistent with the necessary freedom of the parties to negotiate the terms and conditions of their transactions. It is also our view that the code should not serve to diminish economic and legal incentives for

the generation and dissemination of technology. In respect of the code's legal nature, it is our position that voluntary guidelines, with appropriate arrangements for overview and review, offer the only prudent and workable basis for agreement, given the complexity and novelty of the subject, its dynamic and diverse nature and the fundamental importance and far-reaching implications of some of the questions addressed. These guidelines would thus be intended to identify uniform expectations of conduct to supplement, not substitute for, relevant national law.

"We believe that the resumed United Nations Conference in the fall of 1979 could make further progress on the code along the above lines. At the fifth session of UNCTAD the prospects of universal agreement on a code of conduct will be served best by a spirit of pragmatism and moderation, by reasoned and measured dialogue.

"Under the heading of External Financing and Monetary Problems, the La Paz Appraisal contains a number of suggestions drawn up from the Arusha Declaration of the Group of 77. The proposal that developed countries should finance the SDR component of IMF quota increases for developing countries we feel is neither practical nor necessary, because an SDR portion of quota subscriptions does not reduce a country's reserve assets. Moreover, such action could adversely affect the smooth functioning of the SDR system. The United States does agree with the position favouring evolution of the SDR toward becoming the principal reserve asset in the world monetary system.

"We would not favour creation of new institutions or facilities for balance-of-payments financing. The IMF is the appropriate institution for dealing with balance-of-payments problems and has effective arrangements for assisting countries experiencing difficulties. The new IMF guidelines on conditionality are responsive to the concerns expressed by many members, including developing countries, and take into account the changing international economic situation and the special characteristics of member countries.

"We believe that policy conditionality is essential to ensure the adjustment and stabilization of a country suffering from payments disequilibrium and to maintain the financial viability of the Fund.

"The United States favours effective IMF surveillance of exchange rate systems and supports a strengthening of the Fund's ability to promote the balanced and symmetrical functioning of the adjustment process.

"The suggestion made in the Appraisal regarding modification of the IMF compensatory financing facility is one of several ideas on this subject. A more comprehensive analysis of the facility is required before any decision can be made on whether or not further changes in the facility are warranted. The institution of a link between SDRs and development financing would be inconsistent with the monetary character of the IMF and damaging to the development of the SDR as the principal reserve asset. The United States therefore, continues to oppose this idea. Past discussions on an IMF subsidy account have failed to reach agreement; however, the United States agrees to further IMF study of the idea.

"In recent years the voice of developing countries in IMF decision making has increased considerably and, where appropriate, developing country quotas and voting shares should be increased to reflect those members' increased relative economic position.

"We do not believe that the convening of an international conference on currency reform is desirable. IMF is the appropriate forum for negotiations and decisions on monetary issues and, indeed, discussion of monetary issues occurs continuously in the Fund.

Gradualism

"The CEGAN report states that multilateral public resources are not increasing at the rate required; actually, lending from the World Bank and the IDB has been growing significantly in real terms. And, Latin America received more of the World Bank's loans last year than any other developing region.

"It is true, however, that public financial flows have constituted a falling share of total external resources flowing to Latin America; but that is a reflection of Latin America's growing ability to tap private financial markets. With the growing diversity in sources of external finance available to Latin America, it is only fair that nations of the region which are able to do so should gradually relinquish their call on scarce concessional lending to poorer countries and regions of the world. The principle of gradualism is not one of discrimination against countries which have achieved some developmental success, but rather is a principle ensuring that the bulk of available development assistance is channelled to those who need it most.

Massive transfers

"As part of a real system of gradualism, we welcome study of various ideas which have been presented for increasing financial flows to middle-income countries.

"There are a variety of proposed schemes, and care must be taken to identify which proposal we are talking about.

"In general, we are interested in learning more about the mechanics of each proposal, bearing in mind that what is important is (1) who finances the transfer?; (2) who benefits either directly or indirectly?; and (3) what is the effect on other types of flows?

"The Mexican proposal, which was given a preliminary examination in the IMF World Bank Development Committee, requires further study on its technical merits. In particular, the potential cost and benefits of the third-party guarantee mechanism to enhance marketability of longer-term bonds merits careful consideration.

"Additional questions are: Would it serve to increase over-all access or merely improve the terms for a few countries? Would it increase total flows? How can it be related to projects? How does it differ from co-financing or partial MDB guarantees?

"The United States stands ready to join with its hemispheric neighbours in facing the third development decade with a renewed resolve, maintaining the region's growth momentum, and ensuring that the benefits of that growth become available to all."

The Economic Commission for Latin America,

Bearing in mind the provisions of General Assembly resolutions 2626 (XXV) on the International Development Strategy, 3201 (S-VI) and 3202 (S-VI), which contain the Declaration and the Programme of Action on the Establishment of a New International Economic Order; 3231 (XXIX), which contains the Charter of Economic Rights and Duties of States, 3343 (XXIX), on a special session devoted to development and international co-operation, and the Buenos Aires Plan of Action adopted at the United Nations Conference on Technical Co-operation among Developing Countries, 31/

Recalling General Assembly resolution 3362 (S-VII), in accordance with which the United Nations Conference on Science and Technology for Development (UNCSTD) was convened, as well as resolution 32/115 and others which defined the terms of reference of the Conference,

Also considering decision (I) of the First Preparatory Committee for UNCSTD, which assigned the regional commissions responsibility for convening regional preparatory meetings for that Conference,

Bearing in mind Economic and Social Council resolution 2028 (LXI) and ECLA resolution 374 (XVII), in which the Commission requested the Executive Secretary to convene a Latin American preparatory conference for UNCSTD,

1. Expresses its satisfaction at the results of the two Latin American regional preparatory meetings for the United Nations Conference on Science and Technology for Development (Panama City, 16-21 August 1978 and Montevideo, 29 November-1 December 1978), 32/ at which a regional document was adopted and recommendations were made for an action programme for the utilization of science and technology in development;

2. Notes that at the Second Latin American Regional Preparatory Meeting it was decided to convene an ad hoc working group to consider the possibilities and limitations of the existing machinery for the financing of scientific and technological development and forward its conclusions and recommendations to the Commission at its eighteenth session;

30/ See paras. 585 and 587 in vol. I of this report.

31/ See Report of the United Nations Conference on Technical Co-operation among Developing Countries, Buenos Aires, 30 August-12 September 1978 (United Nations publication, Sales No. E.78.II.A.11 and corrigendum), chap. I.

32/ For the reports of these meetings, see documents E/CEPAL/1058 and E/CEPAL/1059.

3. Also notes the resolution containing the conclusions and recommendations of the meeting of the Ad Hoc Working Group on Financing Machinery for Scientific and Technological Development (Lima, 26 and 27 March 1979), 33/ at which the basic principles for international financing machinery for the scientific and technological development of the developing countries were set out and the Andean Group proposal was considered;

4. Decides to forward the report and proposals of the Lima meeting to the Secretary-General of the United Nations Conference on Science and Technology for Development and request him to convene an open international working group on financing machinery for scientific and technological development with the responsibility of preparing a report before UNCSTD takes place;

5. Requests the ECLA secretariat to compile a set of international and national financing mechanisms for scientific and technological development and submit it for study to the countries of the region and the open international working group which is to be set up;

6. Also requests the Executive Secretary of ECLA to continue to collaborate with the member Governments of ECLA and the Secretary-General of UNCSTD in the preparations for the Conference and in subsequent follow-up activities.

33/ See document E/CEPAL/1079.

The Economic Commission for Latin America,

Recalling the relevant provisions of the General Assembly resolutions concerning economic co-operation among developing countries 34/ and bearing in mind that regional trade and transport facilitation in Latin America, by its very nature, is a co-operative endeavour among developing countries,

Recalling further the principle, stated in article 49 of the Treaty of Montevideo and in other regional forums, that facilitation of trade and transport is a tool for bringing about regional economic integration,

Recognizing that to achieve the objectives of its resolution 356 (XVI) of 13 May 1975 the ECLA secretariat must actively support national, subregional and regional trade and transport facilitation programmes and that there must be suitable institutional arrangements for this purpose,

Taking into account section IV of the annex to General Assembly resolution 32/197 of 20 December 1977, in which the Assembly recognized the role of the regional commissions as principal centres for economic development, co-ordination and co-operation in their respective regions,

Having examined secretariat document E/CEPAL/1064 on ECLA's role in trade and transport facilitation, which demonstrates, inter alia, the need to establish priorities for the secretariat's facilitation work programme,

Taking into account what was stated in the report of the Intergovernmental Preparatory Meeting 35/ on the possibility of continuing the preparatory work on a draft Latin American Convention on Civil Liability of Carriers in International Land Transport (CRT), and in view of the need for a uniform regional land transport liability régime for loss or damage to goods, or for delay in delivery,

Requests the Executive Secretary of ECLA:

(a) To convene in the principal geographical areas of the region, in consultation with Governments, subregional meetings of experts in facilitation matters from both national and regional organizations to identify the main facilitation problems encountered in each area, set priorities and suggest measures that may assist countries in overcoming these problems, and help the secretariat to establish a more permanent and stable facilitation action programme;

(b) To prepare the studies requested in the report of the Intergovernmental Preparatory Meeting 35/ on a draft Latin American Convention on Civil Liability of Carriers in International Land Transport (CRT) and circulate these studies to the Governments of member States for their comments and suggestions.

34/ Resolutions 3177 (XVIII) of 17 December 1973, 3241 (XXIX) of 29 November 1974, 3442 (XXX) of 9 December 1975, 31/119 of 16 December 1976, 32/180 of 19 November 1977, and 33/195 of 29 January 1979.

35/ E/CEPAL/1054.

The Economic Commission for Latin America,

Bearing in mind that the inherent disadvantages of land-locked countries are exacerbated in the case of the Latin American land-locked countries, Bolivia and Paraguay, by the lack of an articulated internal transport system or, in some cases, the lack of its prolongation in neighbouring countries,

Aware that the creation of an adequate transport infrastructure in Bolivia and Paraguay, besides making a significant contribution to their own economic and social development, would make it possible to link the Atlantic and Pacific countries by land, thus opening up major opportunities for Latin American integration and trade,

Considering that although Bolivia and Paraguay possess studies which identify their needs in terms of infrastructure and transport services, regrettably their resources do not allow them to complete that infrastructure within a reasonable time, and that furthermore the advantages deriving from an integrated transport system in the hinterland of the continent would also benefit the coastal countries, which could use it in their transcontinental communications,

Bearing in mind the valuable technical and financial contributions made by bodies such as the Inter-American Development Bank, the World Bank, the Board of the Cartagena Agreement, the Financing Fund for the River Plate Basin and the Pan American Highways Congress of the Organization of American States to assist Bolivia and Paraguay in the improvement of their internal transport infrastructure and their transport links with neighbouring countries and, through them, with overseas regions,

Recalling the special interest shown by the General Assembly, the Economic and Social Council, the United Nations Development Programme, the United Nations Conference on Trade and Development and the regional commissions in the problems of the land-locked countries of the world,

Taking note of the studies on international land transport carried out by the secretariat, in some cases with the valuable assistance of the Institute for Latin American Integration and the Andean Development Corporation, which highlight the need for close co-operation among all countries to improve, in particular, transport conditions in the regions of the interior of the South American continent, thereby promoting transcontinental mobility whose benefits are widespread,

Aware that account must be taken of the fact that the Institute for Latin American Integration is making a study of a transport network in the Southern Cone which could provide a valuable contribution,

1. Requests the Executive Secretary of ECLA to prepare a study which should:

(a) Identify the investment in infrastructure and transport equipment needed to establish adequate communications between the different regions of Bolivia and Paraguay and overseas ports;

(b) Give special attention to projects which form part of an integrated regional transportation system designed to facilitate transcontinental land communications between Atlantic and Pacific countries;

(c) Take account of the available national studies, which should be supplemented by new studies when necessary;

(d) Evaluate as far as possible the benefits which would accrue to the different countries from the planned investment in transport infrastructure and services in Bolivia and Paraguay, with a view to facilitating international co-operation for its financing;

(e) Indicate the institutional measures which must be taken to ensure that the use of the infrastructure built in Bolivia and Paraguay facilitates the creation and operation of efficient and economical transport services, as part of a genuine regional integrated transport system;

2. Also requests the Executive Secretary:

(a) To convene meetings of government experts of the countries covered by the studies mentioned in paragraph 1, in order to guide the secretariat in carrying out those studies and review them once they have been completed;

(b) To take suitable measures to ensure close co-ordination, in the execution of the studies mentioned in paragraph 1, with the international, regional and subregional bodies which have a particular interest in the matters dealt with by them;

(c) To negotiate with the United Nations Conference on Trade and Development for that organization's participation in the study mentioned in paragraph 1;

3. Declares its particular interest that the above-mentioned study should be a regional project of the United Nations Development Programme or a project of the United Nations Special Fund for Land-locked Developing Countries.

392 (XVIII). MIGRATION OF UNSKILLED LABOUR 30/

The Economic Commission for Latin America,

Considering that the problem of international migrations, especially of unskilled labour, is of growing importance in the region, and particularly in the small and relatively less developed countries, whose prospects of development it affects,

Recognizing that it is urgently necessary to confront this problem and seek ways of solving it,

Instructs the Executive Secretary of ECLA to study, in co-ordination with other bodies of the United Nations system, the interregional migration of unskilled labour between countries of the region. The study should indicate the principal economic and social causes of such migration, evaluate its effects and recommend measures to retain, reintegrate and increase the human resources of the countries of the region, especially those which are relatively less developed.

393 (XVIII). GUIDELINES FOR THE STATISTICAL ACTIVITIES OF
THE ECLA SYSTEM 30/

The Economic Commission for Latin America,

Bearing in mind Economic and Social Council resolution 1947 (LVIII) of 7 May 1975, in which the Council requested the organizations and agencies of the United Nations to assist Member States in the planning and implementation of the 1980 World Population and Housing Census Programme,

Also bearing in mind that in its resolution 2055 (LXII) of 5 May 1977, the Economic and Social Council requests the Secretary-General, in co-operation with the regional commissions and the appropriate United Nations specialized agencies, to provide all necessary support for this Programme in order to develop national capability for taking household surveys,

Considering, moreover, that the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries 36/ establishes, inter alia, the objectives of promoting and strengthening collective self-reliance through exchanges of experience, the pooling, sharing and utilization of technical resources, and the development of complementary capacities,

Aware of the fundamental importance of access to timely statistics for an adequate review of the problems raised by the economic and social development process,

36/ See Report of the United Nations Conference on Technical Co-operation among Developing Countries, Buenos Aires, 30 August-12 September 1978, (United Nations publication, Sales No. E.78.II.A.11 and corrigendum), chap. I.

Requests the Executive Secretary of ECLA:

- (a) To maintain an up-to-date broad regional framework of statistical data on the economic and social situation of the countries of the region, and for this purpose to set up and maintain an economic and social statistical data bank;
- (b) To promote and develop the application of appropriate methods of quantitative analysis for the investigation of the economic and social problems of the countries of the region;
- (c) To intensify efforts to develop and apply appropriate methods of measurement for obtaining comparable data on the social situation, income distribution, poverty, economic development and employment in the countries of the region;
- (d) To disseminate in a widespread and timely manner the statistical data collected and prepared by the ECLA secretariat, the results of the qualitative analyses and the measurements effected, and the methodologies used;
- (e) To help the countries to develop and increase their capacity for the timely production of economic and social statistics to facilitate the diagnosis of economic and social problems and contribute to orienting the development processes and for this purpose convene meetings of working groups on specific topics, with the participation of national experts;
- (f) To promote technical co-operation among the countries of the region, making use of the experience of those countries which have developed statistical methods and capacities;
- (g) To take part in international efforts to develop and improve statistics, and contribute to ensuring that the region's statistical needs are considered in international recommendations;
- (h) To collaborate with the countries of the region so that they can develop and consolidate national capability for taking household surveys, with a view to collecting demographic, social and economic statistics;
- (i) To co-operate with the countries of Latin America in the organization, execution and processing of the population and housing censuses which they are to conduct as part of the 1980 World Population and Housing Census Programme;
- (j) To co-ordinate the efforts made by the secretariat in the field of statistical development with those of other regional and subregional agencies, particularly in the estimation of the real product in a common currency, the measurement of well-being and the formulation of regional statistical recommendations.

The Economic Commission for Latin America,

Recalling the Declaration of the Principles of International Cultural Co-operation, adopted in Paris in November 1966 by the General Conference of the United Nations Educational, Scientific and Cultural Organization, which states, inter alia, that "cultural co-operation is a right and duty for all peoples and all nations", and that "international co-operation, while promoting the enrichment of all cultures through its beneficent action, shall respect the distinctive character of each",

Considering that in January 1978, Latin American and Caribbean Ministers of Culture spoke in favour of "the need to develop cultural bonds among the countries of the area, as well as the urgency to revive our countries' native cultural manifestations",

Considering also that the Constituent Declaration of the Caribbean Development and Co-operation Committee recorded the importance of incorporating the cultural experience of the Caribbean peoples into programmes and activities designed to strengthen co-operation and relations among the countries of the area,

Noting that at its fourth session, held in Suriname in 1979, the Caribbean Development and Co-operation Committee adopted a resolution expressing the strongest support for the holding of the regional cultural event CARIFESTA in 1979,

Convinced that the development process can be made more fruitful by the continuous acquisition of knowledge from all sources and the awakening of sensibilities,

Recognizing that the traditions of thought and ways of life, as well as the values of peoples in their everyday life, must be strengthened and made articulate for the common tasks facing the Latin American region in the coming decade,

Persuaded that the collective experience accumulated by the different social groups and communities in Latin America, which give the region its distinctive features, should be enhanced and communicated through the accepted regional and international channels so that this experience can serve to inspire self-confidence in the peoples of Latin America today and better equip them to fulfil their common destiny and prepare for the future,

Mindful that only the deepest personal and collective involvement can bring about conditions which enable individuals and communities to understand their own problems and cope with them,

Conscious that only by being faithful to fundamental values which give meaning and a sense of belonging to our own environment can we affirm the cultural pluralism of Latin America and provide a concrete basis for the culture and intellectual co-operation which is necessary for the establishment of the new international economic order,

Emphasizing that such co-operation should be founded on respect for others and a concern for our mutual enrichment,

1. Requests the Executive Secretary to seek the views of the Governments of the region as to the merits of proclaiming an International Year of Autochthonous Traditions and prepare a study on the basis of these views to be submitted at the nineteenth session of the Commission;

2. Invites the Director-General of the United Nations Educational, Cultural and Scientific Organization and other United Nations agencies concerned with the promotion of culture to support the efforts of the Executive Secretary to realize the objectives of the present resolution.

The Economic Commission for Latin America,

Bearing in mind that the ECLA secretariat, in the course of its regular activities, produces studies and reports in the economic and social field which are of particular interest to governmental, technical and academic circles in the countries of the region,

Reaffirming the need for these publications to be made available to Spanish, English, French and Portuguese-speaking States members of the Commission,

Emphasizing the great importance attached to technical co-operation among developing countries and regions following the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries: 36/ a fact which renders even more necessary the wide distribution of the publications of the ECLA system in its four official languages,

Reiterating its resolution 380 (XVII) of 5 May 1977, and particularly the section concerning the desirability that publications and documents should be prepared and distributed at the lowest possible cost,

1. Takes note with satisfaction of the report of the Executive Secretary of the Commission on the publications programme 38/ and the list of the principal ECLA/ILPES/CELADE publications issued between April 1977 and March 1979; 39/
2. Also takes note with satisfaction of the efforts of the secretariat to increase the number of publications in English and French, to distribute the principal works of the secretariat in a more efficient and timely manner, using electronic systems, and to bring them to the public at prices which are within the means of broader sectors of users;
3. Reiterates its desire that the secretariat should continue to publish and distribute the results of its intellectual work as widely as possible in the Commission's four official languages;
4. Expresses renewed concern over the limited resources, which prevent the secretariat from issuing many of its publications in English, French and Portuguese;
5. Requests the Secretary-General, bearing in mind the importance of distributing the publications of the Commission within and outside Latin America in the official languages of the Commission in an extensive and timely manner and at prices within the means of the users, to consider what measures might be taken

37/ See paras. 585, 586 and 587 in vol. I of this report.

38/ E/CEPAL/1070.

39/ E/CEPAL/1080.

to ensure that adequate resources are available to enable the publications programme of the ECLA system to continue developing at a suitable rate;

6. Urges the member Governments of the Commission to provide assistance, in the form of either financial aid or technical co-operation, so that the studies and reports of the ECLA system reach the Spanish, French, English and Portuguese-speaking member countries as well as the countries in other regions to which they may be of interest.

396 (XVIII). STRENGTHENING RELATIONS WITH NON-GOVERNMENTAL
ORGANIZATIONS 30/

The Economic Commission for Latin America,

Recalling that Article 71 of the Charter of the United Nations calls for collaboration with non-governmental organizations by stating that "the Economic and Social Council may make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence. Such arrangements may be made with international organizations and, where appropriate, with national organizations after consultation with the Member of the United Nations concerned",

Recalling also that several plans of action adopted by the General Assembly emphasize the need to secure the participation of non-governmental organizations in the implementation of these plans, and contain special provisions in this respect,

Taking note that in its resolution 1296 (XLIV) of 23 May 1968, the Economic and Social Council established the procedures for non-governmental organizations to obtain consultative status with the Council and its subsidiary bodies, so that the latter can secure expert information or advice from organizations having special competence in the subjects for which consultative arrangements are made, as well as to enable organizations which represent important sectors of public opinion in a large number of countries to express their members' views,

Bearing in mind paragraph 7 (b) of the terms of reference and rules 50 and 51 of the rules of procedure of the Commission,

Recognizing that the Commission has benefited from its relations with non-governmental organizations,

Recognizing further the desirability of expanding and strengthening links with non-governmental organizations within the areas of competence of the Commission,

1. Requests the Executive Secretary:

(a) To continue promoting and expanding collaboration with non-governmental organizations to the fullest practical extent, particularly with regard to areas of work which have been given high priority by the Commission;

(b) To seek to make the best possible use of the expertise that non-governmental organizations can offer in the technical areas of the Commission's work programme;

(c) To make appropriate use of the channels of information and communication of non-governmental organizations for the dissemination of information concerning the activities, work and reports of the Commission;

2. Invites interested non-governmental organizations with consultative status to attend meetings convened by the Commission as observers, in accordance with rules 50 and 51 of the rules of procedure of the Commission, and requests the Executive Secretary, subject to the prior approval of the member States, to invite when he deems it necessary those regional or subregional non-governmental organizations which, even if they do not at present have consultative status, have special competence in areas of interest to the Commission's work programme.

397 (XVIII). LATIN AMERICAN INSTITUTE FOR ECONOMIC AND
SOCIAL PLANNING 30/

The Economic Commission for Latin America,

Recalling resolution 340 (AC.66) of the ECLA Committee of the Whole, adopted on 25 January 1974, which provides for the incorporation of the Latin American Institute for Economic and Social Planning (ILPES) as a permanent institution of the Commission and establishes a Technical Committee of ILPES consisting of representatives at the appropriate levels of the planning ministries of the countries of the Latin American region,

Also recalling ECLA resolution 371 (XVII) of 5 May 1977 on the creation of a system of co-ordination and co-operation among planning bodies of Latin America and strengthening of the Latin American Institute for Economic and Social Planning,

Highlighting the contributions made by some Governments of the region, by the United Nations Development Programme and by some Governments of developed countries,

Recognizing that ILPES is fulfilling the important role of giving impetus to the planning process in the region through its training, advisory, research and co-operation activities among the planning bodies of Latin America,

Also recognizing that ILPES should play an increasingly important role in the promotion of co-operation among the countries of the region in the sphere of economic and social planning, within the framework of the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries, 36/

1. Notes with satisfaction the report on the activities of ILPES between 1977 and 1979 and future prospects; 40/

2. Expresses its satisfaction at the initiative taken by ILPES to co-operate actively with the member Governments of the Caribbean Development and Co-operation Committee (CDCC) in accordance with a minimum work programme adopted at the fourth session of CDCC (Paramaribo, 21-27 March 1979) on the basis of the recommendations of the First Meeting of Planning Experts of the member Governments of CDCC (Havana, 25-31 January 1979);

3. Notes with approval the resolutions adopted at the Second Conference of Ministers and Heads of Planning of Latin America and the Caribbean (Lima, 15-18 November 1978);

4. Takes note of the report of the Technical Meeting of the Second Conference of Ministers and Heads of Planning of Latin America (Lima, 15 and 16 November 1978);

40/ E/CEPAL/ILPES/L.1.

5. Endorses the recommendations contained in the report of the meeting of the Technical Committee of ILPES, held in Lima on 16 November 1978, pursuant to ECLA resolution 371 (XVII);

6. Stresses that the System of Co-ordination and Co-operation among Planning Bodies of Latin America set up at the First Conference of Ministers and Heads of Planning of Latin America (Caracas, 13-16 April 1977) has had very satisfactory results since its inception and has strengthened mutual co-operation links;

7. Requests the Executive Secretary of ECLA to ensure that the work programme of ILPES for the forthcoming period includes, inter alia;

(a) Assignment of special priority to studies on the situation and evolution of planning in Latin America with a review of the progress made and the obstacles encountered, with a view to facilitating the formulation of lines of action aimed at the improvement of planning as a basic instrument for raising the levels of development of the countries of the region;

(b) Intensification of training activities, including joint activities with national or subregional training centres, giving high priority to projects aimed at the relatively less developed countries of Latin America and the Caribbean;

(c) Intensification of advisory services to the less developed countries and the less developed areas of the developing countries;

(d) Intensification of support for the System of Co-ordination and Co-operation among Planning Bodies of Latin America by promoting mutual co-operation activities among the countries at the intraregional and interregional levels;

8. Also requests the Executive Secretary of ECLA, in conjunction with the Chairman of the Technical Committee of ILPES, to approach the Administrator of the United Nations Development Programme to secure the necessary support to continue the activities of ILPES in a sixth phase as from 1 January 1980;

9. Acknowledges with gratitude the voluntary contributions made by some member Governments of the Commission to finance part of the activities of the Institute, and urges them to continue to provide this support and to make the greatest possible effort to increase their contributions as much as they can;

10. Expresses particular gratitude to the Administrator of the United Nations Development Programme for the decided support given to ILPES since its establishment and urges him to continue this support as from 1 January 1980;

11. Thanks most sincerely the Governments of the Netherlands and the Federal Republic of Germany as well as the International Development Research Centre of Canada for the generous voluntary contributions made during the last biennium in support of the training and documentation activities of ILPES, and invites them to continue to make contributions during the forthcoming biennium in order to strengthen certain specific top priority programmes.

The Economic Commission for Latin America,

Considering:

(a) The substantial and sustained external imbalances of the developing countries and the consequent need for external financing on suitable terms and conditions for the countries of the region,

(b) The sharp fluctuations in the exchange rates of the principal currencies, with their effects of uncertainty regarding trade and private capital flows between countries,

(c) The protectionist trends observable in some industrial countries, which adversely affect the possibilities of placing products exported by developing countries, and in particular by Latin America,

(d) The process of permanent evaluation and review of the international monetary system carried out by the international agencies concerned,

(e) The need to keep up to date information and analyses in the international monetary and financial field with the aim of improving the external economic policies of the countries of the region,

(f) The valuable work already done by the secretariat with the financial support of the United Nations Development Programme,

1. Recommends that the secretariat:

(a) Continue to maintain close contact with the Centre for Latin American Monetary Studies and with the meetings of Governors of Central Banks of the countries of the region, supporting them, within its possibilities, in the study of the monetary and financial aspects of the economies of the Latin American countries;

(b) Undertake a continuing analysis of the main developments in the international monetary and financial field and an appraisal of their effects on the countries of the region in co-ordination with SELA and other specialized regional bodies when considered advisable;

(c) Continue to formulate new ideas in the field of monetary and financial co-operation in the region and suggest improvements in the existing machinery, with a view to improving the conditions and terms of financing;

(d) Maintain and strengthen its contacts with other national and international agencies working in these fields inside and outside the region;

(e) Carry out a systematic appraisal of the implementation of the relevant United Nations resolutions as they concern the Latin American countries and the

effects of the graduation criteria which are being introduced in some international financing institutions;

(f) Examine the possibility of carrying out a study on the long-term financing requirements of the countries of the region, taking into account the criterion of additionality, to serve as a basis for the formulation of recommendations;

2. Requests the United Nations Development Programme to continue to provide financial support to the secretariat with the purpose of carrying on its work in the international monetary and financial field.

399 (XVIII). ACTIVITIES OF THE CARIBBEAN DEVELOPMENT
AND CO-OPERATION COMMITTEE 30/

The Economic Commission for Latin America,

Recalling its resolution 358 (XVI) in paragraph 1 of which it invited the Governments of the countries within the sphere of action of the ECLA Office for the Caribbean, the Governments of Cuba, the Dominican Republic and Haiti and other Caribbean countries as they achieve independence, to form a committee on development and co-operation to act as a co-ordinating body for activities relating to development and co-operation and as a consultative organ of the Executive Secretary of ECLA,

Bearing in mind its resolution 372 (XVII), in which it endorsed the Constituent Declaration, functions, rules of procedure and work programme of the Caribbean Development and Co-operation Committee (CDCC) and took note of the reports on the first and second sessions of CDCC,

Taking into account Economic and Social Council decision 1973/64, in which the Council expressed concurrence with the view of CDCC that it was urgently necessary to implement the priority projects selected at its third session,

Noting that the CDCC work programme provides for action in the Caribbean area towards the objectives set out in the global decisions on economic co-operation among developing countries,

Considering the machinery and facilities that CDCC provides for co-ordinating the related activities of the specialized agencies and other United Nations bodies working in the Caribbean.

Recognizing that the activities of CDCC are fully in accord with the concepts and recommendations of the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries, 36/

1. Takes note of the report of the third session of CDCC 41/, held in Belize City, and of the report of the fourth session, 42/ held in Paramaribo, Suriname;
2. Takes note with satisfaction of the progress achieved in the implementation of the approved work programme since the second session of the Committee;
3. Endorses the programme of activities approved at the third and fourth sessions of CDCC;

41/ E/CEPAL/CDCC/44/Rev.3.

42/ E/CEPAL/CDCC/54/Rev.1.

4. Requests the ECLA Office for the Caribbean, which serves as the CDCC secretariat, to proceed with the implementation of the tasks assigned by CDCC at its third and fourth sessions, giving particular attention to the priorities identified;

5. Urges the secretariat to seek necessary inputs and support from the specialized agencies and other United Nations bodies, and from the programmes of technical co-operation among developing countries;

6. Renews its request to the Executive Secretary of ECLA to make the necessary representations concerning the additional resources identified by the Committee, for consideration at the thirty-fourth session of the General Assembly, so that the tasks can be undertaken expeditiously.

The Economic Commission for Latin America,

Bearing in mind that in resolution 345 (AC.68) of the tenth extraordinary session of the ECLA Committee of the Whole it was recommended that the secretariat should study the adoption of appropriate machinery to enable Latin American Governments to participate in a more direct, regular and effective manner in the field of population and its relations with economic and social development,

Taking into account its resolution 357 (XVI), in which it was decided, as an interim measure, to instruct the Committee of High-Level Government Experts set up under ECLA resolution 310 (XIV), to take up, at specialized meetings, matters related to the field of population,

Also bearing in mind its resolution 376 (XVII), in which CEGAN was entrusted with the task of considering matters relating to population in the region, in conformity with the proposals of the International Development Strategy, the new international economic order and the recommendations of the World Population Plan of Action, and with due regard to national policies,

1. Re-emphasizes the importance of the relations between economic and social development and population characteristics and dynamics, as well as the need to consider the population variable in development plans and strategies, the implications of the demographic trends prevailing in the countries in the process of industrialization for economic, social and environmental problems, and the effect of the forms of development on those trends;

2. Takes note with satisfaction of the results of the First Meeting on Population of the Committee of High-Level Government Experts, 43/ held in Quito from 12 to 14 March 1979:

3. Approves the conclusions and recommendations made by CEGAN at its First Meeting on Population, especially as regards the endorsement of the CELADE work programme for 1979-1980, the general objectives of the ECLA population programme, and the recommendations concerning the priority to be given to technical co-operation and to training courses and seminars in the fields of population and the planning of professional training, as well as the promotion of the decentralization of these activities to permit proper participation by the subregions;

4. Instructs the Executive Secretary of ECLA, in continuation of the practice established by the Commission at its sixteenth session, 44/ to convene periodic meetings of CEGAN at least once every two years in order:

43/ See E/CEPAL/1072.

44/ See resolution 357 (XVI).

(a) To provide general orientation on the Latin American Regional Population Programme,

(b) To serve as a consultative mechanism for the Executive Secretary of ECLA in defining the activities carried out by the ECLA system in the field of population under that Programme and in evaluating their results,

(c) To take note of the progress reports and work programmes of the Latin American Demographic Centre (CELADE) and present its conclusions and recommendations to the Commission.

401 (XVIII). PROGRAMME OF WORK 1979-1981 45/

The Economic Commission for Latin America,

Having examined the draft programme of work of the ECLA system for the period 1979-1981, in all its various fields of activity, including the Latin American Institute for Economic and Social Planning and the Latin American Demographic Centre,

Having introduced the modifications proposed by the representatives of the member Governments and the changes stemming from the resolutions adopted at the eighteenth session of the Commission,

Mindful that adoption of the programme of work calls for approval of the resources required to carry out the activities described therein,

1. Adopts the programme of work of the ECLA system for 1979-1981 with the amendments introduced in conformity with the resolutions and decisions of the Commission at its eighteenth session;
2. Calls on the Executive Secretary to submit suitable proposals to the Economic and Social Council and the General Assembly to enable the programme of work thus adopted to be carried out;
3. Requests the Executive Secretary to report at the nineteenth session of ECLA on the implementation of this programme in the form in which it was adopted.

402 (XVIII). ECONOMIC INTEGRATION 30/

The Economic Commission for Latin America,

Bearing in mind resolution 365 (XVII) on economic integration and co-operation, in which the Commission recognized the progress made in linking together the economic systems of the countries of Latin America, through the multilateral integration schemes of the Central American Common Market (CACM), the Latin American Free Trade Association (LAFTA), the Cartagena Agreement and the Caribbean Community (CARICOM), and through the Latin American Economic System (SELA), the Caribbean Development and Co-operation Committee (CDCC), the Organization of the Treaty on the River Plate Basin and other institutions and forms of economic co-operation,

Also bearing in mind the fact, noted in the same resolution, that despite those advances the economic potential of regional integration and co-operation has not yet been adequately exploited,

45/ For the detailed review of the programme of work, see paras. 328-444, 450-462, 469 and 470, and the final adoption of the work programme in para. 587 in vol. I of this report.

Considering that, in the face of the difficulties besetting the international economy and the uncertain prospects for a sustained vigorous rate of growth in Latin America's trade with the developed world, co-operation among Latin American countries, and between them and other developing regions, should play a fundamental role in facilitating the transformations in the structure of production which are essential for the process of economic development,

1. Reaffirms its decision to strengthen the existing integration processes and other forms of Latin American economic co-operation and the intention of the Governments of the region to assign all due importance in their national policies to means of strengthening the integration and co-operation processes;

2. Requests the ECLA secretariat to complete the preparatory work for the technical seminar on Latin American integration and co-operation and to convene the meeting as soon as possible;

3. Also requests that, in the technical preparations for the seminar, the Institute for Latin American Integration should work in co-ordination with ECLA, since the programmes of both institutions for 1979/1980 include various projects with potential interlinkages;

4. Further requests the secretariat to study the integration processes of the Latin American Free Trade Area, the Andean Group, the Central American Common Market and the Caribbean Community, and to strengthen its support to them and to the Latin American Economic System with the aim of recommending measures to ensure the joint development of those countries; this calls for the preparation of studies and the provision of advisory services to the Governments or secretariats at their express request;

5. Also requests the secretariat to continue to analyse other forms of co-operation both within the region and between Latin American countries and other developing countries with the aim of broadening and extending such arrangements in the fields of industry, agriculture, trade, technology and investment;

6. Reiterates its recommendations to Governments and economic integration and co-operation bodies that they should extend the fullest possible co-operation to the ECLA secretariat in connexion with the work assigned to it in the present resolution;

7. Calls upon the United Nations Development Programme to provide full support to the various integration schemes, and to the ECLA secretariat for the implementation of these tasks.

403 (XVIII). ECONOMIC RELATIONS BETWEEN LATIN AMERICA
AND DEVELOPED AREAS 30/

The Economic Commission for Latin America,

Considering the slow progress recorded in the negotiations on the implementation of the new international economic order, and the uncertainty and difficulties encountered by the region in its external economic relations in view of the problems of recession and inflation in the developed economies,

Also considering the expansion and diversification which must be achieved in Latin America's relations with specific developed areas in keeping with the requirements of the present stage of Latin American development,

Taking note with satisfaction of the progress achieved in the implementation of its resolution 370 (XVII) of 5 May 1977,

Bearing in mind the studies carried out by the secretariats of ECLA and the Economic Commission for Europe on economic relations between the regions served by the two regional commissions, and the generous collaboration offered by the Centro Iberoamericano de Cooperación for the holding of a technical seminar which would permit the fulfilment of the provisions of ECLA resolution 368 (XVII) of 5 May 1977,

Taking note with satisfaction of the progress achieved in the ECLA study on Latin America's relations with the member countries of the Council for Mutual Economic Assistance, and expressing appreciation for the co-operation provided to the study by the United Nations Development Programme and the United Nations Conference on Trade and Development (UNCTAD),

Also taking note with satisfaction of the studies initiated by the ECLA secretariat concerning Latin America's relations with Canada and Japan, and expressing appreciation for the co-operation of the Canadian International Development Agency, and of the Japanese International Development Centre, with the support of the Government of Japan,

Considering the progress made by the ECLA secretariat in analysing the policies followed by the Latin American countries for the export of manufactures, and expressing appreciation for the co-operation of UNDP and the World Bank, and especially the generous contribution of the Government of the Federal Republic of Germany for the continuation of the project,

Expressing appreciation for the valuable co-operation of other governmental development agencies in support of the activities of ECLA, ILPES and CELADE,

1. Requests the Executive Secretary of ECLA:

(a) To maintain priority for the continuing analysis of problems and policies regarding Latin America's external relations with the principal developed areas;

(b) To organize in co-operation with the Economic Commission for Europe, on completion of the current studies on Latin America's relations with the countries of Europe, a technical seminar of experts to discuss problems and forms of co-operation with the European members of the Organization for Economic Co-operation and Development in the fields of trade, financial flows, investment and technology;

(c) To complete the well-advanced studies on Latin America's relations with the European members of the Council for Mutual Economic Assistance, to organize, in co-operation with UNCTAD, a technical seminar, to discuss problems and possibilities of co-operation in the fields of trade, financing and technology between the countries of the two regions, and, following the seminar, to examine more thoroughly sectoral and specific aspects of these relations, in such a way as to produce conclusions of direct utility for action by Governments;

(d) To examine past trends in Canadian-Latin American economic relations, in particular those involving commercial transfers and financial and technological co-operation, with a view to maintaining and expanding the growing flows of goods, services and capital that have characterized economic relations between the two regions during the post-war years, and especially during the 1970s;

(e) To intensify its study of Latin America's economic relations with Japan, particularly in the fields of industry, trade, agriculture, mining and transport, to continue to carry out such studies in co-operation with the Japanese International Development Centre, with a view to the holding of a technical seminar at an appropriate time, and to seek from the Government of Japan an increase in its support for the execution of these tasks;

(f) To provide the member Governments of the Commission, at their request, with advisory services in the field of export promotion policies, in co-operation with the UNCTAD/GATT International Trade Centre, and with similar services for the practical application of the results of the multilateral trade negotiations;

2. Requests the United Nations Development Programme to provide the ECLA secretariat with maximum possible co-operation and financing in the implementation of all these activities.

The Economic Commission for Latin America,

Taking into account the fact that the recent General Assembly resolution 33/193 on preparations for an international development strategy for the third United Nations development decade lays down that the strategy should:

(a) Include a set of interrelated and concerted measures in all sectors of development, covering the macroeconomic, social and sectoral levels, regional, horizontal and international trade, the real transfer of resources and the monetary system,

(b) For the purpose of achieving the objectives set forth, within the framework of viable quantitative and qualitative objectives - both over-all and sectoral - define agreed commitments of all countries for the adoption and implementation of policy measures and, where appropriate, include such commitments expressed in quantified terms or in a time framework, or in both,

(c) Envisage appropriate arrangements for reviewing the progress in its implementation and its possible adaptation in the light of new needs or developments,

Bearing in mind that the nature of the objectives envisaged by the new strategy and the desire to consider them in a coherent qualitative and quantitative framework, the intention to specify quantitatively the policy commitments, and the decision to establish machinery for the appraisal and adaptation of the strategy in the light of new needs and developments, for the purpose of which ECLA must contribute to the formulation, appraisal and adaptation of the new strategy in the conceptual and methodological framework set out above, will involve broad-ranging and intensive work on the forecasting of scenarios on the future of Latin American development and the preparation of the corresponding quantitative analyses,

Recalling, furthermore, that in its resolution 3508 (XXX) on the examination of long-term trends in the economic development of the regions of the world the General Assembly recommends that the regional commissions should prepare studies on the long-term trends in and forecasts of the economic development of their respective regions, taking into account the national development programmes of individual countries and the particular characteristics and priorities of the regions,

1. Requests the secretariat to continue and heighten its efforts to make progress in the prospective studies and medium- and long-term projections of the economic and social development of the Latin American countries as a whole, also taking into account the particular characteristics of each one of them;

2. Further requests that, in particular, it should advance in and intensify the research and projections required in order to contribute initially to the formulation of the new strategy and subsequently to its appraisal and adaptation to the new circumstances or conditions which may arise in the coming decade;

3. Urges the secretariat, for the purpose of carrying out the above-mentioned studies, to enter into contact with the Governments of the countries of the region in order to gain a better knowledge of the methodological bases, objectives, goals and strategies of their national development plans and policies;

4. Also urges the secretariat to collaborate in methodological matters with the Governments when they specifically so request.

The Economic Commission for Latin America,

Bearing in mind General Assembly resolutions 3405 (XXX) of 28 November 1975 on new dimensions in technical co-operation, 32/197 of 20 December 1977, particularly section IV of the annex thereto, and 33/202 of 29 January 1979 on the restructuring of the economic and social sectors of the United Nations system,

Also bearing in mind Economic and Social Council resolution 1978/74 of 4 August 1978 on regional co-operation and development,

Recalling that resolution 32/197, annex, section IV, asserts that the regional commissions should:

(a) Play their role as the main economic and social development centres for their respective regions,

(b) Exercise team leadership and responsibility for co-ordination and co-operation at the regional level,

(c) Provide inputs for the global policy-making processes of the competent United Nations organs and participate fully in the implementation of the relevant policy and programme decisions taken by these organs,

(d) Be consulted on the definition of the objectives to be included in the medium-term plan of the United Nations covering fields of interest to them,

(e) Participate actively in United Nations operational activities and function expeditiously as executing agencies for intersectoral, subregional, regional and interregional projects,

(f) Intensify their efforts to promote subregional, regional and interregional co-operation and expand existing arrangements for the exchange of information and experience as a means of promoting more effective interregional co-operation, and

(g) Rationalize their structures,

Considering that decentralization is a process in which due account should be taken of the operational activities, research and analysis which the secretariat of the Commission can carry out more efficiently on behalf of the States members of the Commission,

Recognizing that although the global bodies of the United Nations have the important role of providing general and over-all guidance and furnishing the required framework at this level, ECLA is perfectly equipped in matters of its competence to operate independently in adapting these global principles and policies and applying them to specific situations in the region,

1. Notes the progress made in transferring the management functions relating to subregional and regional projects from United Nations Headquarters to the secretariat of the Commission, and requests the Secretary-General to make the necessary arrangements to transfer the resources corresponding to those functions;

2. Requests the Secretary-General, in consultation with the Administrator of the United Nations Development Programme, to take steps to implement the relevant resolutions of the General Assembly and the Economic and Social Council in matters relating to ECLA, in order to confer on the Commission full rights to act as executing agency for the categories of projects described in General Assembly resolution 32/197, annex, paragraph 23;

3. Also requests the Secretary-General to adopt suitable measures as soon as possible, particularly with reference to ECLA, to decentralize the appropriate research and analysis activities by transferring them from United Nations Headquarters to the secretariat of the Commission, in accordance with the provisions of the annex to General Assembly resolution 32/197, and to make available to the Commission adequate budgetary and financial resources, especially through redeployment, in order to strengthen the capability of the Commission;

4. Affirms that the secretariat of the Commission, being in constant and permanent contact with the Governments of the region at the working or other levels, is clearly in the best position to carry out effectively operational activities, research and analysis of a subregional and regional nature;

5. Requests the Executive Secretary of ECLA:

(a) To intensify his efforts to promote subregional, regional and interregional co-operation, with special attention to the activities to which the member Governments of the Commission have assigned priority, in accordance with Economic and Social Council resolution 1978/74;

(b) To identify the activities which should be carried out by the Commission as a result of the restructuring of the economic and social sectors of the United Nations system, in the light of General Assembly resolution 32/197, annex, section IV;

(c) To consider ways of rationalizing the structure of the Commission to enable it to carry out effectively the duties indicated in General Assembly resolution 32/197, annex, section IV, and in Economic and Social Council resolution 1978/74;

(d) To convene, in consultation with Governments, a special session of the Committee of the Whole with the aim of considering, in the light of the results of the decentralization of the operational, research and analytical activities, an appropriate structure for the Commission and its subsidiary bodies, and analysing alternative methods of strengthening the Commission financially.

406 (XVIII). THE NEEDS OF CHILDREN AND THE SHAPING OF THE
COMING GENERATIONS WITHIN THE FRAMEWORK
OF DEVELOPMENT PROCESSES 20/

The Economic Commission for Latin America,

Noting that the United Nations has laid down for the International Year of the Child the objective of prompting Governments, public and private institutions, communities and families themselves to engage in more thorough analysis and reflection concerning the needs and problems of children, reviewing the services provided to them, appraising the resources effectively channelled to them, and defining the role of the coming generations in the planned development processes of the countries,

Noting also that the International Year of the Child is not an anniversary or a celebration, but a means devised by the international community to ensure that in each country, and in international relations, effective measures are adopted which will have positive significance in the shaping and development of children,

Considering that the population of Latin America and the Caribbean is predominantly young, since 41 per cent of the total population is made up of children under 15 years of age, who have the right to improved living conditions for their physical growth and intellectual development,

Taking into account the fact that the situation of children is markedly different in the various countries of Latin America and the Caribbean and between the various social groups and regions within those countries,

Taking into account also the fact that the region contains more than 50 million children living in extreme poverty and more than 25 million living in total destitution,

Aware that some of the problems affecting the development of children can largely be attributed to the patterns of growth of the economies of many countries in the region,

Convinced that the healthy growth of children and the positive upbringing of the coming generations are prerequisites for stable development and for planning for the future,

Recognizing that children under six years of age require priority assistance, since they are at a critical stage in their development and growth, yet in the countries of Latin America it is precisely these children who receive least support and services;

1. Recommends to the Governments of Latin America and the Caribbean that they should:

(a) Provide resolute support during the International Year of the Child for activities and programmes which will permit better and more accurate knowledge of the problems of children, and draw up strategies for services to children which offer wider coverage and fairer opportunities;

(b) Ensure that national and regional development plans include policies, programmes and activities which are specifically oriented towards promoting the healthy growth and positive upbringing of the coming generations;

(c) Establish machinery for ensuring co-ordination with the private institutions which provide social services at the national, regional and local levels, with the aim of permitting the all-round development of the child;

(d) Give a greater boost to social planning so that action by the social sectors is better guided, social development programmes are formulated at the national and regional level, and the action of public and private bodies is co-ordinated more effectively;

(e) Channel more resources to programmes and activities designed to create social and environmental conditions which will improve the development of the coming generations;

(f) Assign greater priority to children of families in underprivileged situations, and to children under six years of age, who require support both within their families and from public services of various sectors;

2. Expresses its appreciation to the United Nations Children's Fund for the firm support provided in the past biennium for ECLA's activities in the social sector;

3. Requests the Executive Secretary of ECLA, in the studies on social policy being undertaken by the secretariat, to consider in a broader and more penetrating manner the effects on children of the prevailing patterns of development;

4. Urges the international co-operation agencies to place greater emphasis in their co-operation programmes on activities which improve the situation of children.

407 (XVIII). REGIONAL CO-OPERATION IN THE FIELD OF
HUMAN SETTLEMENTS 30/

The Economic Commission for Latin America,

Recalling General Assembly resolution 32/162, and especially its provisions concerning organization at the regional level,

Taking into account the fact that the resolution recommends the establishment of intergovernmental regional committees and corresponding support units in each of the economic commissions,

Also taking into account the fact that, under that General Assembly resolution, such intergovernmental committees would be responsible for formulating and implementing regional and subregional policies and programmes,

Bearing in mind that the Regional Human Settlements Programme proposed by the member countries of the Commission at its eighteenth session lacks the resources required for its implementation,

Recognizing the interest of the member countries of the Commission in improving their human settlements, and the importance of international co-operation for that purpose,

Also recognizing the effort made by the secretariat to implement the regional human settlements programme in part, using extrabudgetary resources, and the importance of this type of resources in supplementing ordinary resources,

Noting that the Economic Commission for Latin America is the only commission which has no intergovernmental bodies dealing with human settlements, and that its secretariat has no administrative unit responsible for such activities,

Recognizing, finally, that the region requires as soon as possible institutional machinery to assure co-operation in this field both among the countries and between them and the international co-operation agencies,

1. Decides that regional co-operation in the field of human settlements should be the subject of analysis and specific examination by committees especially established for the purpose at the sessions of ECLA;
2. Requests the Executive Secretary to study the financial implications of setting up an intergovernmental committee on human settlements, and the possibilities of financing it;
3. Urges member Governments to send to the sessions of the Commission, or of the Committee which may deal with the subject, at least one expert in this field to provide the necessary technical support to their delegations.

The Economic Commission for Latin America,

Considering:

(a) That the implementation of the new international economic order by all countries in the world is one of the fundamental bases for solving the serious problems of the developing countries, and particularly those of Latin America,

(b) That Heads of State of the region have proclaimed that as regards hydrocarbons, their better distribution and the possible reinforcement of their exploration, exploitation and integrated development should be effected within the framework of the new international economic order, as a basis for active peace with development for mankind,

(c) That all the Latin American countries depend largely on hydrocarbon energy products to supply their energy needs,

(d) That the achievement of the development targets which these countries have set themselves calls for growing consumption of energy,

(e) That Latin America should aim at self-sufficiency in energy supply, in the light of the development plans of the countries,

(f) That the region possesses energy resources other than hydrocarbons which in many cases have not been utilized owing to the absence of appropriate technologies and the lack of adequate financing,

(g) That the use of non-conventional sources of energy, such as solar and wind power, has not been disseminated in a form consonant with energy needs,

Recommends to the ECLA secretariat that it:

(a) Maintain contacts of co-operation and joint study with the bodies of the region specializing in the energy field, taking account of the national development plans of the countries, with priority for the needs of energy-deficit countries;

(b) Carry out the necessary studies to determine the energy situation in the region and provide its co-operation to the countries which so require it in the design and planning of their national energy policies;

(c) In co-operation with other national and regional bodies specializing in the field of energy, promote horizontal co-operation in the investigation, exploitation and development of the energy sources of Latin America;

(d) Provide its collaboration with a view to the United Nations Conference on New and Renewable Sources of Energy.

409 (XVIII). TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES
IN THE FIELD OF WATER RESOURCES 46/

The Economic Commission for Latin America,

Bearing in mind that paragraphs 4 and 5 of resolution VI of the Mar del Plata Conference 47/ recommend the strengthening of regional institutions and the promotion by the United Nations Development Programme of programmes of technical co-operation among developing countries, without prejudice to the action guidelines established by Governments, through the institutional machinery planned to provide a framework and continuity for regional action,

Considering that the financial resources of the countries of the region are limited and that technical and financial co-operation is required from the specialized bodies of the United Nations and regional organizations, as well as co-operation among countries,

Recommends that:

(a) Measures be taken with immediate effect to foster the launching of projects for horizontal co-operation in the field of water resources in Latin America. In particular, the bodies of the United Nations system should make the budgetary adjustments needed to absorb the cost of such measures in 1979;

(b) The Economic and Social Council, the General Assembly and other competent bodies should be requested to assign to ECLA in 1979 and subsequent years the sum of \$300,000 from the regular budget of the United Nations, to finance the launching of horizontal co-operation projects. If it is not possible, because the budget period is too far advanced, to secure these resources from the Economic and Social Council, the ECLA secretariat is requested to study the possibility of reallocating resources among the various current programmes and increasing the degree of priority given to the programme of water resources and to the implementation of the Mar del Plata Action Plan;

(c) Member countries be invited to earmark the necessary funds, in their 1979 and subsequent budgets, to finance their own co-operation activities.

46/ See paras. 475, 588 and 589 in volume I of this report.

47/ See Report of the United Nations Water Conference, Mar del Plata, 14-25 March 1977 (United Nations publication, Sales No. E.77.II.A.12), chap. I.

410 (XVIII). SYSTEM OF DATA COLLECTION BY REMOTE SENSING 48/

The Economic Commission for Latin America,

Bearing in mind recommendation A of the Mar del Plata Action Plan, 47/ and especially paragraphs 3 (g), 3 (n) and 4 thereof concerning the shortage of basic information for development and its limited reliability,

Considering that developing countries do not possess facilities for gaining access to the right areas for obtaining such basic information, and that the collection of data from conventional stations has been superseded technically and economically by the system of data collection by satellite,

Recognizing the need to obtain data without delay and with economies of scale, which will be reflected in the harmonization of the use of services and in the costs of infrastructural works and services in general,

Requests the specialized agencies of the United Nations to study the technical and economic aspects of satellite remote sensing, drawing upon the studies already accomplished or in progress under the auspices of the United Nations Committee on the Peaceful Uses of Outer Space and its sub-committees.

48/ See paras. 588 and 589 in volume I of this report.

411 (XVIII). ORGANIZATIONAL MEASURES TO PROMOTE THE IMPLEMENTATION
OF THE MAR DEL PLATA ACTION PLAN 48/

The Economic Commission for Latin America,

Taking account of the recommendations and resolutions adopted at the United Nations Water Conference which constitute the Mar del Plata Action Plan, 47/

Considering that paragraph (a) of resolution VIII of the Action Plan requests the regional commissions to play "a central role in the promotion of intergovernmental co-operation" in the field of water resources in their respective regions and makes specific recommendations to them on areas of action and institutional arrangements for co-operation among the countries,

Bearing in mind that in resolution 32/158 the General Assembly "requests the regional commissions to strengthen and intensify their responsibilities in the water sector and, to this end, assign specific responsibilities to an intergovernmental committee within the regional commissions ... with the allocation if necessary, of additional resources", thus confirming earlier decisions made by the United Nations Water Conference (resolution VIII) and the Economic and Social Council (resolution 2121 (LXIII)),

Taking account of the resolutions of the Regional Meeting on the Action Plan of the United Nations Water Conference (Santiago, 9-13 October 1978), which points out, inter alia: (i) the need for institutional machinery within ECLA to make a systematic follow-up of the implementation of the Plan by the countries of the region; (ii) the desirability of mobilizing through a focal point in ECLA, support to Governments of the region by the secretariat of ECLA and the specialized agencies of the United Nations system, in order to promote the convergence of efforts; and (iii) the need to make maximum use of the existing intergovernmental machinery in order to avoid the dispersal of resources and ensure efficiency in the action to be carried out,

Recalling ECLA resolution 379 (XVII) on natural resources,

Also recalling that in section IV of the annex to resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system stated that the regional commissions "should exercise team leadership and responsibility for co-ordination and co-operation at the regional level",

1. Decides to promote the implementation of the Mar del Plata Action Plan at the regional level by directly assuming concrete permanent responsibilities at its regular sessions, through a sessional committee;

2. Urges Governments to send to all the sessions as a normal practice experts who are highly qualified to take part in this Committee;

3. Establishes the following objectives for action by ECLA in the water sector:

(a) To support all efforts by Governments for the development and sound use of water resources in the countries of the region;

(b) To facilitate co-operation among these countries in water resource matters;

(c) To improve the co-ordination of the work being carried out within the region in the field of water resources by the United Nations specialized agencies and other world or regional agencies;

(d) To ensure, within the general aims set out above, the implementation of the recommendations of the Mar del Plata Action Plan;

4. Entrusts the following functions to the sessional committee:

(a) To assume the central role referred to in the Mar del Plata Action Plan, by reviewing relevant aspects of the work carried out and planned in the various water programmes of the United Nations system and other international organizations;

(b) To encourage and undertake research to improve knowledge of water resources and the possibilities of developing them;

(c) To encourage and conduct training activities on topics related to water resources;

5. Recommends that the ECLA secretariat establish a water resources unit to act as a focal point within the secretariat on a permanent basis and at a high technical level;

6. Requests the Executive Secretary of ECLA to prepare for consideration by the General Assembly at its next session, a request for increased resources to expand the secretariat's activities in the water sector. This increase has been estimated at a minimum of \$80,000 a year, including one Professional post;

7. Also requests the Executive Secretary of the Commission to take the necessary measures to carry out the programme of work in this field in collaboration with the appropriate specialized agencies.

The Economic Commission for Latin America,

Considering that the Commission was set up by Economic and Social Council resolution 106 (VI), on the basis of the participation of all the countries of Latin America and the Caribbean, plus those which have had special relations of a historical, cultural, geographical or economic nature,

Bearing in mind furthermore, that in this spirit the terms of reference of the Commission, as adopted by the Economic and Social Council at its sixth session, provide that membership of the Commission shall be open to Members of the United Nations in North, Central and South America and in the Caribbean area, and to France, the Netherlands and the United Kingdom,

Considering in particular that the Latin American countries require the increasing economic co-operation of the developed nations which belong to ECLA, as well as their understanding and support for the proposals of all the developing countries for the implementation of the new international economic order,

Bearing in mind that the Spanish Government has communicated to the Commission, through the Executive Secretary of ECLA, its desire that Spain should be admitted as a full member of the Commission,

Also considering that the historical, cultural and economic links - an essential requirement for the admission of new members to the Commission to receive consideration - between Spain and the Latin American countries have been particularly close and continuous throughout the history of the region and have grown stronger in recent years,

Mindful that the desire has been expressed within ECLA that membership should be restricted to the Latin American and Caribbean areas, on the basis of the thesis of decolonization and self-reliance,

Recognizing, however, that Spain has been supporting in good measure the efforts of the developing countries to alter the existing international order, and trusting that this attitude will continue and be intensified in a fruitful manner if Spain is incorporated in the technical work of the secretariat,

Taking into account in particular that within CEPAL the Latin American countries have given special priority and support to the undertaking of concrete activities and projects to boost Latin American co-operation and integration, through machinery for the optimal use of their resources on behalf of their countries,

49/ See paras. 590-595 in vol. I of this report.

1. Welcomes the request of the Government of Spain for admission as a full member of the Commission;

2. Recommends to the Economic and Social Council, on the basis of the above preamble, that it approve the admission of Spain as a full member of the Commission and authorize to this effect the amendment of paragraph 3 (a) of the terms of reference of the Commission by the addition of the word "Spain", following the words "the Netherlands" in the paragraph.

413 (XVIII). STUDY FOR LATIN AMERICAN COUNTRIES WHICH ARE
IMPORTERS OF ENERGY RESOURCES 50/

The Economic Commission for Latin America,

Considering that:

(a) The majority of Latin American countries are importers of hydrocarbon energy products,

(b) The prices of imports of such products have recorded substantial rises in the last five years, with the consequent impact on the economies of the developing importing countries,

(c) The impact of this phenomenon on the economies of some countries of the region will have an adverse effect on the achievement of the development objectives they have set themselves,

(d) In taking corrective measures regarding the prices and availability of hydrocarbon products in the Latin American countries Governments are frequently hindered by the lack of reliable, up-to-date information,

Recognizing the legitimate right of the countries which produce hydrocarbons to demand a fair price for a non-renewable natural resource,

Rejecting the currently prevailing oligopolistic marketing practices,

Taking into account the fact that within the context of the new international economic order all countries must make a world-wide effort to exploit, distribute and consume energy products equitably and fairly and study solutions to the problems which face all the developing countries, but especially those of the region,

Taking into account also the fact that the terms of reference of ECLA include the function of making or sponsoring such investigation and studies of economic and technological problems within the majority of the territories of Latin America as the Commission deems appropriate,

1. Instructs the ECLA secretariat, in co-operation with specialized agencies in the region:

(a) To include in its notes for the annual Economic Survey of Latin America, starting in the current year, a detailed analysis of the impact of the rise in the commercial prices of hydrocarbon energy products on the principal economic variables in the Latin American importing countries;

50/ See paras. 596-599 in vol. I of this report.

(b) To carry out, for those countries, a study containing proposals for alternative machinery to cope with this impact, including the use of other sources, and the adoption of joint measures aimed at improving the marketing of such hydrocarbon energy products;

(c) To study the feasibility of establishing as rapidly as possible a regional information system to collect and transmit automatically to the different countries data on stocks, demand, supply, transport and prices of hydrocarbon products from different sources, as well as available alternative technologies;

2. Takes note of the positive efforts being made in the joint UNDP/World Bank programme in Latin American countries, with funds provided by the Fund for assistance to developing countries established by the member States of OPEC, to identify and implement projects for the use of non-conventional energy sources which progressively reduce the almost complete dependence on hydrocarbons;

3. Urges ECLA to offer its support to that initiative and to exhort both the agencies carrying out the programme and the contributors of resources to redouble their efforts in that direction.

The Economic Commission for Latin America,

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

Considering that at its eighteenth session the Commission has not taken a decision on the venue for its next biennial meeting, although conversations are in progress with some member Governments with this objective,

Decides to authorize the Executive Secretary to hold the necessary consultations with member States to fix the place of the nineteenth session and the most convenient date, subject to the agreement of the Secretary-General of the United Nations.

51/ See para. 601 in vol. I of this report.

415 (XVIII). REVISION OF THE CRITERIA CURRENTLY USED BY THE
UNITED NATIONS DEVELOPMENT PROGRAMME IN THE
ALLOCATION OF RESOURCES 52/

The Economic Commission for Latin America,

Bearing in mind the present negotiating process on the allocation of resources for the next programming cycle of the United Nations Development Programme, by country and by region,

Aware of the almost exclusive use in such allocations of criteria based on per capita income and population, which adversely affects the position of the majority of the countries of the region,

Recognizing the growing requirements of the countries of the region for technical co-operation resources, in view of changing needs, as well as their greater capacity to absorb such resources,

Requests the UNDP Governing Council to revise the criteria used for the allocation of resources, at the national and regional level, on the basis of the use of suitable indicators and criteria, in such a way as to:

- (a) Retain a programme of technical co-operation in keeping with the growing needs of the countries of the region;
- (b) Ensure that in no case the resources allocated to Latin America and the Caribbean decline in relative terms;
- (c) Ensure furthermore that no country in the region is excluded from the allocation of sufficient resources;
- (d) Apply the criteria already taken into account for the relatively less developed countries;
- (e) Thus maintain the universality of the UNDP technical co-operation system.

52/ See paras. 602-607 in vol. I of this report.

ANNEXES

Annex I

Statement of the administrative and financial implications of the resolutions adopted by the Commission, in accordance with regulation 13.1 of the United Nations Financial Regulations and rule 26 of the rules of procedure of the Economic Commission for Latin America a/

383 (XVIII). Charter of Economic and Social Relations of Latin America

In this draft resolution the States members of ECLA decided to instruct the Executive Secretary of the Commission to summarize the technical analyses of the regional and subregional co-operation and integration processes and prepare a study for submission at a special meeting of Latin American experts in 1980, convened in co-ordination with SELA, which will enable the Latin American Governments to determine the desirability of formulating a "Charter of Economic and Social Relations of Latin America" or any instrument which may help to define for the region the bases for an equitable and just Latin American economic order.

In order to carry out these studies in greater depth the Executive Secretary estimates that it would be necessary to have available the additional resources detailed below:

	<u>US dollars</u>
Consultants (6 man/months at \$5,000 each)	30,000
Travel in the region	6,000
Meeting of government experts to discuss the formulation of the "Charter of Economic and Social Relations of Latin America" (20 participants, 5 days)	
Travel and per diem of participants	22,000
Travel and per diem of staff members	5,000
Miscellaneous (cables, reproduction, etc.) . .	<u>3,000</u>
TOTAL	<u>66,000</u>

a/ This annex refers only to those resolutions which have financial implications.

384 (XVIII). Study on machinery for securing resources for natural resources development

This resolution entrusts the ECLA secretariat with the execution of a study to recommend machinery for securing resources to help finance the investments essential for the full use of the natural resources of the region. This study should contain alternative proposals on the volume and origin of the resources, the possible operating conditions and arrangements, ways of co-ordinating activities with other machinery, and the most suitable systems of administration.

The Executive Secretary believes that the preparation of the study would necessitate the services of one economist for 18 months, 6 months of consultant services, travel and the organization of a meeting of experts. The details of these financial implications are estimated as follows:

	<u>US dollars</u>
1 consultant (18 months)	90,000
Organization of an <u>ad hoc</u> meeting of experts (20 participants, 5 days)	30,000
Travel in the region	<u>12,000</u>
TOTAL	<u>132,000</u>

386 (XVIII). Preparations and contributions by ECLA for the formulation of the new international development strategy for the third United Nations development decade

This resolution contains two paragraphs in which activities that are not envisaged in ECLA's regular budget are requested.

Paragraph (e) of the operative part of section C of the resolution requests ECLA: "To prepare a study on the different multilateral sources of financing for the production and exploitation of commodities in Latin America (World Bank, regional banks and UNDP) and their degree of utilization among the resources channelled to the region. The study should contain specific recommendations to improve the flow of resources to permit the optimal use and exploitation of those products, including horizontal diversification, without detriment to the other priority areas supported by those institutions". The secretariat considers this study as supplementary to that requested in resolution 384 (XVIII).

If the resources requested in that resolution were obtained, the additional requirements would be \$45,000 for consultants (9 man/months at \$5,000 each).

If those resources were not obtained, they would obviously have to be added to those indicated here.

In operative paragraph (f) of part C it is requested that a meeting of CEGAN be convened before the end of 1979 so that it may evaluate the progress made in the preparatory activities for the new international development strategy. Since CEGAN already met in Quito in March 1979, there are no budgetary provisions for this meeting.

The financial implications of the seven-day meeting are estimated as follows:

	<u>US dollars</u>
Participants (80-100 persons)	45,000
Travel and per diem of participants	-
Travel and per diem of staff	14,500
Conference services	10,500
Miscellaneous (communications, air freight, etc.) . . .	<u>5,000</u>
TOTAL	<u>75,000</u>

387 (XVIII). Co-operation among developing countries and among developing regions of different geographical areas

In this resolution the Executive Secretary of ECLA is requested to establish in the secretariat the appropriate machinery for the provision of services directly responsible for the activities of promotion, information and co-ordination in respect of technical and economic co-operation among developing countries.

The Executive Secretary has considered the staffing resources which can be reassigned in order to establish the appropriate machinery and has estimated that the following additional resources would be required for the two-year period 1980-1981:

	<u>US dollars</u>
2 economic affairs officers (P-4)	229,200
1 programming officer (P-3)	88,400
1 research/documentation assistant (G-8)	26,400
Travel funds	<u>20,000</u>
TOTAL	<u>364,000</u>

392 (XVIII). Migration of unskilled labour

In this resolution the Executive Secretary of ECLA is requested to study the migration of unskilled labour from the relatively less developed countries to other countries of the region. The study should indicate the principal causes of such migration, evaluate its effects and recommend the most appropriate measures to retain, reintegrate and increase the human resources of the relatively less developed countries.

After analysing the terms and nature of the study, the Executive Secretary estimates that the following resources will be required to implement this resolution:

	<u>US dollars</u>	
<u>Staff</u>		
1 economist (Team Leader) (P-5) for 2 years	140,200	
1 sociologist (P-4) for 2 years	114,600	
24 man/months consultants (frontier legislation and population matters) (\$5,000 each per month)	<u>120,000</u>	374,800
<u>Travel</u>		
2 trips to each country (5 case studies) - economist (\$1,200 each)	2,400	
2 trips to each country - sociologist (\$1,200 each) . .	<u>2,400</u>	4,800
<u>Subsistence for economist and sociologist</u>		5,200
<u>Local staff</u>		
1 assistant (G-7), 1 secretary (G-4) at \$13,200 each. .		26,400
<u>Hiring of local services</u>		
5 researchers per country for 1 year, for 5 countries (i.e. 25 local researchers for 1 year).	80,000	
Estimated cost of computer time	10,000	
Estimated publishing costs	5,000	
Estimated cost of obtaining basic economic and demographic data (censuses, samples, etc.)	<u>10,000</u>	105,000
Total administrative costs	<u>72,300</u>	
GRAND TOTAL		<u>588,500</u>

395 (XVIII). Publications programme of the ECLA system

The financial implications which would arise if the Commission's mandate to publish extensively in the four official languages were fulfilled immediately would be considerable, since six translators (P-3) for different languages would have to be recruited, in addition to the corresponding secretarial support and printing resources.

In the circumstances, it would seem appropriate to expand publications in French and English gradually and introduce publications in Portuguese, also gradually, with the following financial implications estimated for 1980-1981:

US dollars

At Santiago headquarters

1 French translator (P-3), 6 months per year	22,100
1 French typist (G-5)	13,200
1 Portuguese translator (P-3), 6 months per year	22,100
1 Portuguese typist (G-5)	13,200
1 English translator (P-3), 6 months per year	22,100

In the Office for the Caribbean b/

1 Spanish translator (P-3)	44,200
1 Spanish typist (G-5)	<u>13,200</u>

Subtotal 150,100

Equipment (typewriters, miscellaneous) 4,500

GRAND TOTAL 154,600

399 (XVIII). Activities of the Caribbean Development and Co-operation Committee

In paragraph 4 of this resolution the ECLA Office for the Caribbean, which serves as the CDCC secretariat, is requested to proceed with the implementation of the tasks assigned at the third and fourth sessions of CDCC, giving particular attention to the priorities identified.

In paragraph 6 of the resolution ECLA renews the request that the Executive Secretary make the necessary representations, for consideration at the forthcoming session of the General Assembly, in respect of the provision of the additional resources identified by the Committee, so that the tasks can be undertaken expeditiously.

In his budget submission for 1980-1981, the Executive Secretary presented the financial implications of the second and third sessions of CDCC, but could not include the additional resources requested at its fourth session because this meeting was held after the budget for 1980-1981 was submitted.

The additional resources requested at the fourth session of CDCC, excluding those included in the budget submission covering the financial implication of the second and third sessions of CDCC (see document E/CEPAL/1074) are the following:

b/ This office, the work of which is almost entirely in original English, has a French translator allocated to it, but has no Spanish translator, thus reducing the effectiveness of its work as regards the Spanish-speaking Caribbean countries.

	<u>US dollars</u>
Expert meeting to consider statutes for a congress of librarians	20,000
<u>Council for Social and Economic Development</u>	
Meeting to consider draft statutes	15,000
<u>Agricultural sector</u>	
Meeting of research institutions of the Caribbean . . .	25,000
Consultation on study of timber in the subregion . . .	20,000
<u>Transport and communications</u>	
Meeting on establishment of a restricted Postal Union .	12,000
Meeting of Directors of Civil Aviation	1,000
<u>Regional co-operation</u>	
Working group to identify specific areas for the establishment of multinational marketing enterprises .	6,000
<u>Energy</u>	
Training workshop on techniques and methodology for producing energy balance sheets and for planning and forecasting energy needs	24,000
<u>Co-ordination with the Caribbean Group for Co-operation in Economic Development (CGCED)</u>	
Meeting of representatives of CDCC Governments to make known their position to the secretariat immediately prior to the meeting of CGCED	12,000
<u>Third United Nations development decade</u>	
Meeting of Caribbean experts to evaluate economic and social development in the Caribbean as an input for the international development strategy for the third United Nations development decade	<u>12,000</u>
TOTAL	<u>157,000</u>

400 (XVIII). Population

In this resolution the Commission instructs the Executive Secretary, in continuation of the practice established by the Commission at its sixteenth session, to convene periodic meetings of CEGAN at least once every two years in order:

- (a) To provide general guidelines on the Latin American Regional Population Programme;

(b) To serve as a consultative mechanism for the Executive Secretary of ECLA in defining the activities carried out by the ECLA system under that programme and in evaluating their results;

(c) To take note of the progress reports and work programmes of the Latin American Demographic Centre (CELADE) and present its conclusions and recommendations to the Commission.

The total number of government participants is calculated at between 50 and 60. The estimated costs of each one-week meeting every two years are as follows:

	<u>US dollars</u>
Travel and subsistence for participants	-
Travel and subsistence for ECLA staff	14,500
Conference services	10,500
Miscellaneous (communications, mail, transport, etc.)	<u>5,000</u>
TOTAL	<u>30,000</u>

402 (XVIII). Economic integration

In this resolution the Commission requests the Executive Secretary to complete the preparatory work for the technical seminar on Latin American integration and co-operation and to convene this meeting as soon as possible.

It is calculated that 20 persons will participate in the five-day seminar. The secretariat will furnish support services provided that the seminar is held in one of its regional offices or at headquarters in Santiago. The preliminary costs are estimated as follows:

	<u>US dollars</u>
Travel and subsistence for 20 participants	15,000
Travel and subsistence for five experts	7,000
Fees	6,000
Publications and miscellaneous expenses	<u>4,000</u>
TOTAL	<u>32,000</u>

408 (XVIII). Energy

In this resolution ECLA recommends that the secretariat should: (a) maintain contacts of co-operation and joint study with the bodies of the region specializing in the energy field; (b) carry out the necessary studies to determine the energy situation in the region and provide its co-operation to the countries which so require it in the design and planning of their national energy policies; and (c) in

co-operation with other national and regional bodies specializing in the field of energy, promote horizontal co-operation in the investigation, exploitation and development of the energy sources of Latin America.

The secretariat considers that one Professional post for two years will be required to implement the provisions of paragraphs (b) and (c) above:

One economist specializing in energy in Latin America (P-4)
for 2 years \$114,600

413 (XVIII). Study for Latin American countries which are importers of energy resources c/

In this resolution ECLA recommends that the secretariat should:

(a) Include in its notes for the annual Economic Survey of Latin America, starting in the current year, a detailed analysis of the impact of the rise in prices of hydrocarbon energy products on the principal economic variables of the Latin American countries which import such products;

(b) Carry out, for those countries, a study containing proposals for alternative machinery to cope with this impact, including the development of other energy sources, and for the adoption of joint measures aimed at improving the marketing of such hydrocarbon energy products;

(c) Study the feasibility of establishing as rapidly as possible a regional information system to collect and transmit automatically to the different countries data on stocks, demand, supply, transport and prices of hydrocarbon products from different sources, as well as available alternative technologies.

The secretariat estimates that the following will be required to carry out the study:

Consultants (12 man/months at \$5,000) \$60,000

c/ An offer was made in respect of this resolution by the delegations of Ecuador and Venezuela. See para. 597 in vol. I of this report.

Annex II

LIST OF DOCUMENTS SUBMITTED BY THE SECRETARIAT

<u>Symbol</u>	<u>Title</u>
E/CEPAL/1061 and Add.1	The economic and social development and external economic relations of Latin America (vols. I and II)
E/CEPAL/1062	Provisional agenda and organization of the eighteenth session
E/CEPAL/1063	The Buenos Aires Plan of Action and the role of the ECLA system in co-operation among developing countries and regions: note by the secretariat
E/CEPAL/1064	ECLA's role in trade and transport facilitation
E/CEPAL/1065	Integrated transit system for Bolivian goods transhipped through the port of Africa
E/CEPAL/1066	Conclusions and recommendations of ECLA meetings held in the period 1977-1979
E/CEPAL/1067	Draft annual report - work of the Commission since 8 May 1978
E/CEPAL/1068	Draft programme of work of the ECLA system, 1979-1981
E/CEPAL/1069	Resolutions adopted by the General Assembly, the Economic and Social Council and ECLA with regard to the International Development Strategy and the new international economic order
E/CEPAL/1070	Report on the publications programme
E/CEPAL/1071	Report of the Group of Government Experts to Appraise the Implementation of the Regional Plan of Action for the Integration of Women into the Economic and Social Development of Latin America (Quito, 8-10 March 1979)
E/CEPAL/1072	Report of the First Meeting on Population of the Committee of High-Level Government Experts. (Quito, 12-14 March 1979)

<u>Symbol</u>	<u>Title</u>
E/CEPAL/1073	Report of the Fourth Session of the Committee of High-Level Government Experts (Quito, 12-16 March 1979)
E/CEPAL/1074	Report of the Fourth Session of the Caribbean Development and Co-operation Committee (Paramaribo, 21-27 March 1979)
E/CEPAL/1075	Economic Survey of Latin America, 1978 (Advance summary)
E/CEPAL/1076	Long-term development trends and prospects of Latin America
E/CEPAL/1077	The implementation of the Mar del Plata Action Plan at the regional level: note by the secretariat
E/CEPAL/1078	Decentralization of the operational activities of the United Nations: note by the secretariat
E/CEPAL/1079	Report of the Meeting of the <u>Ad Hoc</u> Working Group on Financing Machinery for Scientific and Technological Development (Lima, 26-27 March 1979)
E/CEPAL/1080	Publicaciones CEPAL-ILPES-CELADE. Marzo 1977 - abril de 1979
E/CEPAL/1081	Informe de la séptima reunión de la Comisión interinstitucional para el cumplimiento de las decisiones del Comité de Cooperación Económica del Istmo Centroamericano (Guatemala, 13 de marzo y Tegucigalpa, 26 de marzo de 1979)
E/CEPAL/1082	Report of the Third Meeting of the Presiding Officers of the Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean (Quito, 11 March 1979)

Annex III

CONFERENCES AND MEETINGS SPONSORED OR CO-SPONSORED BY ECLA
DURING 1978 AND THE FIRST QUARTER OF 1979

<u>Title</u>	<u>Place and date</u> <u>1978</u>	<u>Sponsoring</u> <u>agency</u>
Fifteenth meeting of the Latin American Group of ACAST	Mexico City, 1 and 2 June	ECLA/ACAST
Subregional Preparatory Seminar for the United Nations Conference on Science and Technology for Development	Santiago, 28-30 June	ECLA/CONICYT
Technical workshop for Latin America and the Caribbean on the OECD Macrothesaurus	Bogotá, 3-7 July	ECLA/CLADES
Seminar on Basic Needs and the New International Order	Santiago, 26-28 July	ECLA
Seminar on Exchange Policy	Montevideo, 7-9 August	ECLA/Central Bank of Uruguay
ECLA/FAO Technical Meeting on Rural Social Development in Latin America (prior to the fifteenth FAO Regional Conference)	Montevideo, 9-11 August	ECLA/FAO
First Seminar on Spatial Redistribution of the Population	Santiago, 14-19 August	ECLA/CELADE
Latin American Regional Preparatory Meeting for the United Nations Conference on Science and Technology for Development	Panama City, 16-21 August	ECLA/UNCSTD
Inter-Agency Meeting on the Caribbean Environment Project	Mexico City, 23-25 August	ECLA/UNEP
Seminar on the Planning Process in Latin America and State Enterprises	Lima, 28-30 August	ECLA/ILPES/ILDES
Intergovernmental Meeting on a Draft Latin American Convention on the Civil Liability of Carriers in International Land Transport	Santiago, 4-8 September	ECLA

<u>Title</u>	<u>Place and date</u> <u>1978</u>	<u>Sponsoring</u> <u>agency</u>
Regional Seminar on the Development of Arid and Semi-arid Areas	Santiago, 14 and 15 September	ECLA/IDB/UNEP
Meeting of the <u>Ad Hoc</u> Working Group of the Inter-Agency Co-ordinating Committee on Regional Advisory Services	Santiago, 26 and 27 September	ECLA/UNFPA/CELADE
Second Working Meeting on the Study on Latin America and the New International Economic Order	Santiago, 2 and 3 October	ECLA/RIAL
Informal meeting to exchange ideas on industrialization and development	Santiago, 4-6 October	ECLA/UNIDO
Latin American Regional Meeting on the Action Plan of the United Nations Water Conference	Santiago, 9-13 October	ECLA
Workshop on the Impact of Agricultural Modernization in the Participation of Rural Women	Mexico City, 23-30 October	ECLA/FAO
Second Meeting of the Presiding Officers of the Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean	Mexico City, 28 and 29 September	ECLA
Working meeting on the relations of Latin America with the European member countries of CMEA	Bogotá, 23-28 October	ECLA/UNCTAD/UNDP
Meeting on Protectionism in the Developed Countries	Buenos Aires, 31 October-3 November	ECLA/UNDP
Second Conference of Ministers and Heads of Planning of Latin America and the Caribbean	Lima, 15-18 November	ECLA/ILPES
Informal meeting on the financial situation of Latin America	Santiago, 17-19 November	ECLA/IMF
Fifteenth Meeting of Technicians of Central Banks of the Americas	Port of Spain, 19-24 November	UNDP
Meeting of Directors of Regional Projects	Santiago, 22-24 November	UNDP

<u>Title</u>	<u>Place and date</u> <u>1978</u>	<u>Sponsoring</u> <u>agency</u>
Second Joint Meeting on the Private Sector in the Industrial Development of Latin America	Montevideo, 28 and 29 November	AILA/UNIDO/ECLA
Second Latin American Regional Preparatory Meeting for the United Nations Conference on Science and Technology for Development	Montevideo, 29 November- 1 December	ECLA/UNCSTD
<u>1979</u>		
First Meeting of Planning Experts of the Caribbean	Havana, 25-31 January	ECLA/CDCC/ILPES
Committee of High-Level Government Experts (CEGAN): Regional Meeting on the Integration of Women into Latin American Economic and Social Development	Quito, 8 and 9 March	ECLA
Committee of High-Level Government Experts (CEGAN): First Meeting on Population	Quito, 12 and 13 March	ECLA/CELADE
Fourth session of the Committee of High-Level Government Experts (CEGAN)	Quito, 12-16 March	ECLA
Fourth session of the Caribbean Development and Co-operation Committee (CDCC)	Suriname, 21-27 March	ECLA
Course/Seminar on Social Planning	Santiago, 5 March-2 April	ILPES/UNICEF/ECLA
Colloquy on Planning and Social Policies	Santiago, 9-12 April	ILPES/UNICEF/ECLA
Eighteenth session of the Commission	La Paz, 18-26 April	ECLA



كيفية الحصول على منشورات الأمم المتحدة

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