REPORT OF THE ADVISORY COMMITTEE ON ECONOMIC AND SOCIAL AFFAIRS

SUBMITTED TO THE

SECRETARY GENERAL OF THE ORGANIZATION OF AMERICAN STATES

PAN AMERICAN UNION
General Secretariat, Organization of American States
Washington, D.C. - November 1960
Dr. José A. Mora
Secretary General
Organization of American States
Washington, D.C.

Dear Mr. Secretary General:

In accordance with your commission, we have prepared the attached report which endeavors to identify the substantive, organizational, and administrative problems that need to be resolved in order to provide the appropriate "instruments and mechanisms for the implementation of the program of inter-American economic and social cooperation" envisaged by the Act of Bogotá.

In that historic document and in furtherance of that aim, the Special Committee to Study the Formulation of New Measures for Economic Cooperation recommended that a special meeting of senior government representatives be convened, to do, among other things, the following:

a. Examine the existing structure of the Inter-American Economic and Social Council, and of the units of the Secretariat of the Organization of American States working in the economic and social fields, with a view to strengthening and improving the Inter-American Economic and Social Council;

b. Determine the means of strengthening inter-American economic and social cooperation by an administrative reform of the Secretariat, which should be given sufficient technical, administrative and financial flexibility for the adequate fulfillment of its tasks;

c. Formulate recommendations designed to assure effective coordination between the Inter-American Economic and Social Council, the Economic Commission for Latin America, the Inter-American Development Bank, the United Nations and its Specialized Agencies, and other agencies offering technical advice and services in the Western Hemisphere;

d. Propose procedures designed to establish effective liaison of the Inter-American Economic and Social Council and other regional American organizations with other international organizations for the purpose of study, discussion and consultation in the fields of international trade and financial and technical assistance;

e. And formulate appropriate recommendations to the Council of the Organization of American States.

We have examined (1) the resolutions and actions related to economic and social matters taken by the various organs of the OAS since its inception; (2) the organization, procedures, operation, and accomplishments of the IA-ECOSOC and the Pan American Union; (3) the functions and relationships of the Inter-American Specialized Organizations and the United Nations and its Specialized
Agencies, including the Economic Commission for Latin America; (4) the reports and proposals which have been made over the years for the strengthening of the IA-ECOSOC and the work of the Organization, and (5) the Argentine proposal for the establishment of a new organization to promote inter-American cooperation in the economic and social field, which was presented to the Seventh Meeting of Consultation of Ministers of Foreign Affairs, in Costa Rica, and later considered by the Special Committee at its Third Meeting.

Based on this review, we have prepared our report in a form which we trust will provide a useful statement of the most urgent problems together with practical suggestions for their solution. We have endeavored to formulate tangible and concrete proposals, which we believe are worthy of consideration by the representatives of governments who will convene on November 28th. It must be recognized that within the very limited time available it has not been possible to engage intensively in research and appraisal of all of the factors involved or to test our conclusions and proposals with persons outside our working group whose judgment would be of value.

We believe that the Organization of American States has a strategic opportunity to take a momentous forward step in strengthening its machinery for carrying out those cooperative measures and development activities which are essential for economic and social progress in the Hemisphere. In this respect, the Delegation of Argentina should be highly commended for its invaluable service to the Organization in having called attention to the inadequacies of the present mechanism and the urgency of corrective action.

The Act of Bogotá recognizes that the improvement of conditions of life and economic and social progress must be approached in a comprehensive manner. It further recognizes that the member countries must themselves formulate plans, prepare programs, organize, administer and coordinate integrated developmental programs, on the one hand, and that the OAS with the help of all international agencies must in turn formulate cooperative measures and provide essential assistance. With the Act of Bogotá as a guide and through the assignment of appropriate responsibilities to the various agencies in the inter-American system and other international organizations or bodies, there will exist a unique opportunity for redoubled efforts by governments to achieve an effective program of inter-American cooperation.

It has been our privilege to serve you in what we believe to be an undertaking of transcendent importance for the Organization and its members. We shall gladly furnish such additional information or suggestions as you may require.

May we express our appreciation to you and Dr. Sanders, as well as to the many members of the Secretariat who have assisted us in our labors.

Yours sincerely,

(Signed)
Romulo Jansen
Donald C. Stone
Luis Yáñez-Pérez
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Substantive Problems, Policies, and Actions Required to Implement the Act of Bogotá</td>
<td>1</td>
</tr>
<tr>
<td>II. Requirements for Effective International Administration</td>
<td>11</td>
</tr>
<tr>
<td>III. Need for Basic Readjustments</td>
<td>14</td>
</tr>
<tr>
<td>IV. Strengthening and Modernization of the IA-ECOSOC</td>
<td>19</td>
</tr>
<tr>
<td>V. Enhancement of Executive Leadership</td>
<td>29</td>
</tr>
<tr>
<td>VI. Organizing the Operational, Assistance, and Support Functions of the Pan American Union</td>
<td>36</td>
</tr>
<tr>
<td>VII. Improvements in the Internal Administration of the Secretariat</td>
<td>43</td>
</tr>
<tr>
<td>VIII. Concerting Western Hemisphere Efforts</td>
<td>50</td>
</tr>
<tr>
<td>IX. Responsibilities of the Member States</td>
<td>57</td>
</tr>
<tr>
<td>Appendix</td>
<td>62</td>
</tr>
</tbody>
</table>
I. SUBSTANTIVE PROBLEMS, POLICIES, AND ACTIONS REQUIRED TO IMPLEMENT THE ACT OF BOGOTA

The Act of Bogotá, in adopting "measures for social improvement and economic development within the framework of Operation Pan America," seeks to complement the traditional political security system of the Organization of American States (OAS) by an effective system of economic and social security for "the preservation and strengthening of free and democratic institutions in the American Republics."

Taking into account that "economic development programs may have a delayed effect on social welfare," the Act of Bogotá considers it "advisable to launch a program for social development, in which emphasis should be given to those measures that meet social needs and also promote increases in productivity and strengthen economic development."

Affirming the urgency of strengthening and expanding economic development programs, the Act stresses the need for "prompt action of exceptional breadth" and furnishes the latest and most complete index and orientation for inter-American cooperative efforts in the field of economic and social development. The special significance of the Act in this connection lies in the fact that it is the first effective expression of the importance of proceeding with development in both the economic and social areas in a coordinated, integrated fashion. By linking Operation Pan America (OPA) to an accelerated inter-American program of social development, the member states have, in effect, summarized the great mass of resolutions over the years. The Act represents, to a certain extent, a summary of these many directives. While the Act does not specifically delimit the sphere of activities of the various inter-American agencies, we believe that it can be taken as an authoritative guide to the actual requirements of the member states.

Although many American republics have made attempts to cope with the serious economic and social problems confronting them, the Act points out that the magnitude of these problems and the interrelationship of interests among the American republics call for "redoubled efforts by governments and for a new and vigorous program of inter-American cooperation." In addition to multilateral action, this implies inter-American cooperative aid in order that each country may carry out its own development plan according to its domestic possibilities. From now on, economic and social development in the Hemisphere will be based more on solidarity, with the decisive engagement of all the countries in the inter-American system.

In this report we shall refer to the integrated plan for economic and social development in Latin America as Operation Pan America.

It is not our function to develop a definitive analysis and plan with respect to the substantive work consequential to the Act of Bogotá. However, an awareness of the scope of the problem and of the varied factors involved is essential in considering ways of strengthening the Inter-American Economic and Social Council (IA-ECOSOC) and the Secretariat. Accordingly, we have outlined, on the basis of a preliminary review, what we believe should be undertaken and in what manner.
Self-help and mutual help

The development of Latin America requires a combination of national effort and international cooperation for the "prompt action of exceptional breadth" to which the Act of Bogotá makes reference. National effort, or self-help, is the primary factor as has been recognized by declarations of previous international meetings. Development is fundamentally an effort from within; however, such effort should be encouraged and aided. Financial help is of course essential. Better orientation will result from the exchange of information on experiences, the acceptance of constructive criticism, and from an atmosphere of confidence and wholesome emulation.

It was this combination of self-help and mutual help, with a substantial amount of external assistance which brought about the recovery of Europe after World War II. The countries of Europe had large scientific capabilities and a long tradition as producers of capital goods. But it required the temporary pump-priming of dollars to cover the deficits in balance of payments and stimulate both capital formation and higher productivity.

In Latin America, where there is a deficit of those capabilities and where low per capita income limits savings and long-term investments, the process of development encounters more obstacles. Outside help will therefore have to be of great magnitude and substantial duration. The experience of all national development has been that external assistance proves effective only when effective internal measures have been taken. Self-reliance, ability to mobilize resources, willingness to restrict consumption of luxury goods and importation of non-essentials and to introduce systems which foster capital formation, the readiness of the people to work hard, and the integrity and ability of officials to provide political and administrative leadership--these are the primary factors which determine social and economic progress. Without them, external aid can make little contribution. With them, its effect is multiplied many times.

In Latin America, international cooperation should be aimed at helping each country take greater and more efficient action in its development programs so that it may as soon as possible carry them on independently. This must be done in two ways: by international measures on a multilateral basis, and by national measures with international assistance.

To examine the role of the OAS in general, and of the IA-ECOSOC in particular, it is necessary first to ascertain what is required for each one of these approaches, including specific measures of research, planning, and promotion. For a higher rate of development, domestic programs of an economic and social nature should be integrated among themselves and also with other hemispheric programs.

The various tasks involved are briefly outlined in the following paragraphs.

International action

As the basis for mutual help and external assistance, an inter-American plan for economic and social development must be formulated, that is, the elaboration of Operation Pan America and the design of measures to be carried out.
The plan should be established for a certain number of years and up-dated and improved annually in the light of new facts and conditions. Its preparation can be based on a rapid inventory of the presently known natural and economic resources of the countries. It should indicate the targets, priorities, criteria, and limits of international action.

OPA will set the goals to be reached with regard to basic investments and the allocation of public and private capital for programs and projects; the expansion of exports; the liberalization of intra-regional trade; the lessening of balance-of-payments instability and the improvement of terms of trade; the training of personnel and the improvement of research and planning entities; the planning of institutional reforms that may be conducive to higher investment, higher productivity, greater social well-being, and political stability.

The plan should outline measures for its execution on an international scale and on the national level with international cooperation. For its elaboration and perfection, it is necessary to conduct regular surveys and publish periodic reports on the economy of each country and the Hemisphere as a whole.

It should be noted that the Colombo Plan for South and Southeast Asia—multilateral in conception and coordination, but bilateral in operation—has this function as a basic activity of its Board. The region covered by the Plan is politically and economically much less integrated than the Americas, which have a traditional organization in the OAS.

In the case of the Americas, there is already a history of excellent past performance on the part of the United Nations Economic Commission for Latin America (ECLA) with respect to annual economic surveys of Latin America. In light of the new inter-American integrated plan for economic and social development, it would be useful for the OAS to study the ways in which such surveys could be expanded, adapted, and perhaps correlated with the newly defined objectives.

For the preparation of a general report on the Hemisphere, it is necessary to have annual reports on each country. The country studies should not depend on requests. They should aim at:

a. Securing global knowledge of the Latin American Situation
b. Formulating target proposals for international financial and technical assistance
c. Coordinating OPA targets in relation to each country

Of course, when requested, these studies would be made in much more detail and in greater depth so as to provide the countries with better help in establishing programs and preparing projects. However, Resolution I of the Second Meeting of the Special Committee to Study the Formulation of New Measures for Economic Cooperation (CECE) should not be interpreted as prohibiting studies in countries that do not ask for them.

The Department of Economic and Social Affairs of the Pan American Union (PAU) programmed the completion, by June 1964, of twelve "horizontal and vertical" country studies for the governments that have already requested them pursuant to
Resolution I of CECE/II. At this rate, studies for all the Latin American countries will not be completed until 1967. These country studies should be speeded up and published, omitting those portions not intended for publication, as the Secretariat or the countries concerned may indicate. In addition, less detailed studies on all the countries should be made available regularly and as soon as possible, utilizing the cooperation of the appropriate agencies. To speed up the studies, consideration should be given to supplementing the PAU's research facilities by contracting for country studies with qualified universities and other research agencies. Besides ECLA, organizations like the International Bank for Reconstruction and Development (IBRD) could cooperate in this task.

Elements of Operation Pan America

Although the expanded plan should initially be formulated without overemphasis on comprehensiveness and perfection--only organizing systematically and unifying programs based on current knowledge of the problems and resources--its formulation may require more time than what is needed to put specific programs into effect. These programs should not be delayed. They might be prepared and carried out autonomously but in a manner that lends itself to their eventual integration into the plan.

The following are major elements in the program:

1. **International financing.** Any realistic effort to cope with the problem of increasing the rate of economic development must rely on a greater flow of investment capital into Latin America. The program should progressively determine the volume of investment needed for the planned development of each country and Latin America as a whole, including its more efficient utilization. It should consider:

   a. What can be provided by domestic savings, what is needed from foreign sources, and what would most likely come from international institutions or from foreign, government owned or controlled organizations

   b. How to secure financing under flexible conditions according to the balance-of-payments situation of the countries and the possibility of repayment in local currency

   c. In the case of private sources of investment, the appropriate measures for guaranteeing the investment, preventing double taxation, and refinancing in order to foster loans and direct investments

   d. The amount that may go to governmental agencies either for social overhead projects or for pioneering governmental or mixed ownership enterprises

   e. The establishment of a clearinghouse system for loan applications and of financial information, loan, and other investment promotion offices in the United States and Europe
In short, the program should take into consideration a thorough balance of sources and uses of capital for Latin America and the knowledge of limits and conditions of international financial cooperation. In this connection, emphasis should be placed on the increasing importance of financing from European and Japanese sources.

2. Expansion of trade. The promotion of exports and tourism is generally recognized as essential for the development of Latin America. Progress in this area depends on international action.

In spite of the fact that it is a great accomplishment in Western history, the establishment of the European Economic Community and the European Free Trade Association, and the extension of their sphere to Africa and other parts of the world, with preferential arrangements for the participating countries and their territories, has created great concern in Latin America regarding their negative effect on its economy. As a counteraction to these effects, Latin American countries must take collective action in liberalizing trade in order to expand their preferential market area, raise productivity, and attract foreign capital. This has become an urgent preoccupation of the countries of the Hemisphere. ECLA's effort to create a Latin American common market should be lauded and encouraged as one of the most important steps toward the strengthening of the Latin American economy.

3. Balance of payments. An essential element in the total inter-American program is the reduction of instability in the balance of payments through the stabilization of markets and prices for basic commodities and efforts to bring supply and demand into better balance. Measures of this kind are especially important in Latin America in view of its heavy dependence on the export of certain commodities to obtain sorely needed foreign exchange. Government authorities and private sources often maintain that effective action in this field is more important than external financing, although they also recognize the importance and often compensatory character of the latter.

4. Transportation systems. The expansion, improvement and coordination of transportation systems is another important component of Hemisphere cooperation. Action among groups of countries is highly important for development. Air and maritime transportation and highway systems (including the Pan American Highway) between the countries as well as the simplification of formalities for the movement of people and goods across national boundaries should be examined, programmed and promoted, having in mind a prospective common market for the area.

5. Development of regional programs. Equally important attention should be given to programs and projects for the development of regions covering more than one country.

6. Social development program. The social development program, as described in the Act of Bogotá, should be part of the over-all plan. Since the Act has created a special fund for social development in the amount of $500,000,000—the first time in the history of the Hemisphere that such funds have been made available before the existence of an over-all plan—the formulation of the social development program may have to precede that of the over-all plan. In view of
the impact of social programs on investment and monetary policies, the balance of payments, and productivity, it would be most helpful if the over-all plan can be outlined, even if in a preliminary way, so that the social program can be given the proper orientation. In any event, the financing of specific projects under the social development program should not await the formulation of either the over-all plan or the social program. Such projects must proceed without delay. Later on they can be adapted as the over-all plan and the social program are developed.

In the international sphere, the objective of the program of social development is to define the criteria for the application of the social fund and the administrative role of the Inter-American Development Bank (IADB). A supplementary purpose is to assist the countries in the preparation of their national programs and specific projects.

The program of social development will be perfected as progress is achieved in the countries' respective national plans and in the elaboration of OPA.

**National action with international assistance**

To achieve adequate development, each country must engage in extensive analytical and planning work. This entails:

a. The elaboration of a realistic over-all national plan of economic and social development based on a survey of its human and natural resources and economic capabilities as they are currently known, including, of course, the organizational and administrative methods for achieving targets, priorities, and sectorial programs

b. The preparation of plans and programs for each sector of the economic, social, and cultural activities essential to the development plan

c. The preparation of regional programs to guide development within various geographic areas of the country in light of the objectives of the over-all plan and those of the functional sectors

d. The development of specific projects requiring financial assistance (In order to avoid unnecessary delay, the planning and preparatory work on these projects should not await the completion of the over-all plans mentioned above.)

In order that the countries may be in a position to prepare plans and programs, they need to set up a periodic reporting system on their situations, with details on different regions and sectors of activity. The preparation of reports as well as the elaboration of plans should be a regular activity. Plans would be improved in the course of time, especially with the assistance of the "horizontal and vertical" study of each country recommended in Resolution I of CECE/II.

During the period before it is possible to prepare a national plan, initial studies and programming in some sector can be sufficiently completed to utilize resources better and to get development under way. Each sector should
be carefully planned so that each may contribute the maximum to general economic and social development, with all sectors reinforcing each other. These partial programs are to be progressively coordinated and finally integrated into the national plan.

Illustrative sectors of national programming

In preparing sector plans, typical sectors should be grouped in accordance with (1) common technical characteristics, (2) importance to the over-all development plan, and (3) the possible need of international technical and financial cooperation. In every case the administrative institutions needed to develop and carry out an activity should be considered as integral elements in the development of sectorial programs. The following is a tentative list of sector programs.

a. Monetary policy and financial organization

b. Plans and programs related to regions within a country, which, together may comprise a major component of the national plan

c. Trade and payments; expansion of exports, and particular problems of basic commodities

d. Transportation

e. Energy

f. Agriculture and food; land, water, and forest utilization

g. Basic industries and industrialization policy

h. Creation of employment opportunities

i. Health, social security, and social assistance; urban facilities, community development, and housing; rural development

j. Education and technical training

k. Policy formulation, planning, programming, preparation and promotion of projects; resources, research, and technology; statistics and documentation to the extent they are related to the above

l. Public administration institutions; social, political and legal institutions related to production, initiative and cooperative effort, social mobility, education for development, saving, labor, etc. (This is a very important item for all Latin America.)

The foregoing discussion of national planning and development is purely explanatory and is intended primarily to indicate the kinds of subjects that may require international assistance and are to be considered in planning and promoting international activities to fulfill OPA.
Institutional conditions

The development of public service institutions essential for planning, organizing, and administering national development on a sustained basis, as referred to in items k) and l) above, is an essential ingredient of national effort. The success or failure of external assistance, investment, and social measures depends greatly on the ability of administrative institutions to compile and evaluate on a continuing basis statistical data and other information relating to development progress, to program and use resources efficiently, and to make plans and programs operationally effective.

Accordingly, improvement in the organization, personnel, and administration of governmental and private agencies responsible for development activities is a vital part of a national program. (See sections VI and IX.)

No effective development plan or program can be carried out by governments alone. The widest possible mobilization of the voluntary energies and participation of all elements in the national community must be achieved. This is the challenge of leadership in all countries.

People will relate themselves positively to a government which demonstrates integrity and dedication by its political and administrative officials, ensures a fair distribution of the sacrifices and benefits of development programs, and encourages men and women of all classes to share creatively in the responsibilities of citizenship.

The inter-American system must emphasize political means, informational and communications methods, and leadership techniques which inspire proper identification with, and participation in, national development efforts. If the objective of national planning is to remedy the conditions which enslave masses of people with hunger, ignorance, disease, and unemployment and at the same time foster freedom and opportunity, new approaches to social reform and public leadership must be sought. The pooling of experience and mutual help in the development of democratic and efficient methods of producing rapid economic and social advance should be a significant element in Operation Pan America.

New tools for a new job

Operation Pan America launches the OAS on a new type of program. It calls for new techniques and methods of operation. With an expanded and accelerated program designed to encourage and facilitate rapid development of the Hemisphere, further steps are required to convert the work of the Organization to the new objectives. This entails new types of operations and changes in organization, administration, and finance. It also entails the fullest utilization of the resources of all multilateral and bilateral programs of assistance available to the Western Hemisphere.

In this respect, the important functions of the intergovernmental collegiate bodies within the OAS could be concentrated on:

a. Policy making for international cooperation to achieve Operation Pan America
b. Consultation procedures and decisions and settlement of disputes

c. Prompting international agreements and arrangements

d. Promoting coordination with other international programs and between the countries

Among the tools which need to be perfected are the following:

a. Research and the issuance of reports on problems commended to the PAU by a conference, collegiate organ, or individual state, or identified by the Secretariat as requiring special study and review (Some of these would provide a basis for the consideration of measures and policies to be recommended by the IA-ECOSOC and, in some cases, by the Council. Some of the reports would be working papers for conferences. Many would be for the use of the member states in carrying out internal development work.)

b. Staging of conferences and meetings of collegiate organs.

c. Sponsorship of special or new international arrangements and operational programs, such as those which led to the creation of the coffee agreement, the IADB, and the free trade and common market associations

d. Development, analysis, and dissemination of information, including the various types of statistics necessary for the evaluation of development progress

e. Promotion, using all appropriate media and devices, of policies, programs, and techniques that will further development, including the establishment of international cooperative offices for the promotion of trade, tourism, and investments, when the countries would be unable to do so on their own

f. Training programs in fields where there is a manpower shortage critically affecting the planning, organization and administration of economic and social programs, or provision of assistance to demonstration training programs of individual countries or groups of countries; administration of fellowship and other exchange programs

g. International technical demonstration programs or assistance to those of the countries themselves

h. Provision of direct technical assistance to individual countries on development matters (First and foremost, the countries must be aided in their efforts to equip their agencies to observe, report and plan economic and social development, and have better knowledge of their resources and the technology appropriate thereto, in addition to the internal financial organization to foster development.)
i. General coordination at the Secretariat level within the OAS and with other international organizations on policy matters and operations, including technical assistance

The OAS should concentrate on activities that will not only have greater impact on economic and social development but also lend themselves to completion in a relatively short period.

Organizational resources

A large number of agencies and assistance programs are available to help formulate and implement these programs and measures. In addition to the OAS Council, the Inter-American Economic and Social Council, the Pan American Union, and the Specialized Organizations and Conferences of the OAS, there are the United Nations (UN) agencies, private international assistance organizations, and bilateral assistance. Later sections of this report describe how the IA-ECOSOC and the PAU can be strengthened and how all of the resources can be concerted in furthering the development of the Hemisphere.

An indication of the agencies and resources which are available to the Western Hemisphere nations for assistance to the various sectors of economic and social development may be found in the Appendix.
II. REQUIREMENTS FOR EFFECTIVE INTERNATIONAL ADMINISTRATION

In appraising the IA-ECOSOC and the Secretariat of the OAS, it is necessary to bear in mind certain essential requirements that determine the effectiveness and capability of international organizations.

First, there must be a suitable collegiate or consultative body, or bodies, in which agreements are reached on objectives, policies, programs, budgets, sanctions, and commitments. In the Organization of American States, the Inter-American Conference, the Council of the OAS, and the Specialized Conferences are constituent elements of its consultative machinery.

Second, the central consultative body may need to have subsidiary organs (councils) and ad hoc committees and commissions for the purpose of considering specific matters that are appropriately within the jurisdiction of the consultative body but require consideration by special representatives or more intensive inquiry than the parent body is able to give them. The IA-ECOSOC is such a subsidiary organ in the OAS system.

Third, executive operating and staff or service functions should be assigned to an administrative organ, commonly called the "secretariat." Three general categories of functions must be kept distinct: (a) the initiating responsibilities of calling the attention of the consultative organs to situations, problems, and needs, and the exercise of leadership to concert collective effort in coping with such conditions, (b) the tasks of servicing the consultative organs by the preparation of agendas, technical papers, studies, draft resolutions and proposals, and other customary conference services, and (c) the administration of operational, research, assistance, and other executive-type functions, for general application or to meet the needs of specific member states, under the policies and budgetary authorization of the main consultative organ.

Fourth, the organization should have an administrative head who serves as the secretary general of the consultative organs and as the chief executive or administrator of the secretariat. As the principal officer, representing impartially the interests of all member states, the secretary general, or director general as he is sometimes called, must be accorded a position and authority that would enable him to offer political and administrative leadership. The greater the operational and executive responsibilities the organization undertakes, the more essential becomes the role of leadership that the secretary general needs to exercise.

Fifth, operational and administrative functions should not be assigned to a consultative organ. On the other hand, the secretariat should not embark on policies and programs that have had no prior authorization by the consultative body or bodies, nor should it otherwise assume prerogatives of the consultative body.

Sixth, the secretariat as a whole must be recognized as the instrumentality which provides essential technical and conference services to the consultative organs. The secretary general must have authority to determine how such services can most effectively be provided.
While the secretary general may assign a specific subdivision a continuing function in serving a consultative organ, that organ must not be given a "proprietary right" on that subdivision nor must it exercise greater administrative authority over that subdivision than it does over any other part of the secretariat. The organ must deal exclusively with the secretary general on any question of principle or basic procedure, and not with any of his subordinate officers.

Seventh, the members of the secretariat must function as international civil servants, without partiality to any country or special interest group. The secretary general should have the authority under the general policies of the general consultative organ to operate a system of recruitment and personnel administration which will attract the most competent persons from the member states and countries outside the Organization and provide for their professional development and advancement.

Eighth, the internal organization of the secretariat should, on the one hand, provide sufficient delegation of responsibility and authority to foster initiative, leadership, flexibility, and readiness of action on the part of the heads of constituent departments and offices and, on the other, retain sufficient central control to effect the proper coordination of efforts.

Departmental officials should be assisted by operationally oriented planning, budgeting, and personnel staffs and by central conference, supply, accounting, reproduction, and other auxiliary services. The departmental or operating officials must, in turn, engage in program planning, budget administration, and management of personnel in a manner which supports over-all policy and coordinated administration. Operating officials will be able to do so only if they receive clear guidelines and authority as to objectives and functions—a precondition for their ability to plan and administer their assigned tasks without undue restriction or delays caused by the need for approval of detailed matters.

Ninth, the personnel of the secretariat, together with technical assistance experts and other advisors engaged in international work, must be sensitive to the part which they play in the development of effective international administration and in determining the suitability of measures and programs and their impact upon individual countries. Differences in the values, attitudes, patterns of relationships, traditions and other cultural factors vitally affect the selection of measures to be employed in achieving social and economic change. On the basis of studies of these factors and the essentials for cross-cultural operations, all personnel should receive systematic training to facilitate compatibility of effort within the organization and the development of plans, approaches, and applications which take into account the cultural patterns of the member countries.

Tenth, the policies and substantive concerns of the consultative organs need appropriate coordination with the policies of other international organizations. Similarly, related operational and executive functions of the secretariats of international organizations require coordination. Coordination is a function of administration; suitable administrative mechanisms must therefore be developed to achieve it. (See Section VIII.)
Eleventh, by way of support, the member states must (a) develop coordinated internal policies and provide uniform instruction to their representatives in the several collegiate bodies, (b) provide the political mandates necessary for strong action by the organization, (c) create an environment for its sustained leadership, and (d) take the necessary steps within their own governmental structures and programs to implement agreements arrived at through collective action.

We believe these requirements must find more faithful application in the Organization of American States if the IA-ECOSOC and the Secretariat are to develop those capabilities and fulfill those roles, functions, and objectives which the Act of Bogotá envisions for them.
III. NEED FOR BASIC READJUSTMENTS

The grand political conception of the Organization of the American States and its system of consultation and cooperative action provide a sound foundation for creative and effective international administration.

However, the OAS in its actual functioning does not conform in many respects to the requirements or essentials described in Section II. As a result, it falls far short of achieving its challenging purposes, and it is not yet an effective operational instrument capable of carrying out the range of responsibility essential to implement the Act of Bogotá. The present organization and method of operation in the economic and social sphere was designed for a period in which leisurely consultation among members, the preparation of research reports, and the provision of informational services and limited technical assistance in response to isolated requests were its major preoccupation.

In view of this, we commend the Delegation of Argentina for its initiative in attempting to find a solution for these conditions that would enable the member nations to attack with renewed vigor the development problems confronting them.

This does not suggest that we believe it would be desirable to create a new economic and social organization as contrasted with reforming and strengthening the existing machinery. This would further fragment the responsibilities and operations, as is recognized in the Act of Bogotá.

We believe that the present organization can be greatly strengthened and made to work effectively. In considering the steps to be taken, it is essential to identify specific shortcomings and problems and design practical measures for their solution.

Source of difficulties

The program capabilities and efficient functioning of the OAS are handicapped by the interpretation and implementation of the Charter as well as by some of its provisions. Cumbersome and paralyzing practices have developed over the years. Some of these are the approaches and procedures that representatives of member states have introduced through official resolutions. Others have evolved over the years within the consultative organs. There has developed a tradition of formulating idealistic and worthy objectives in the form of resolutions at OAS conferences and Council meetings, accompanied by a failure to make suitable provision for carrying out programs of action in a manner capable of fulfilling the objectives.

Success in achieving economic and social objectives, particularly in the field of development, depends upon resourceful and effective policies and measures within member countries. Experience shows that it is easier to adopt a resolution than it is to implement it. Moreover, the OAS has not yet developed the means of assistance to member states needed to help them plan, organize, and execute national development programs.

Another difficulty is created by the tendency of consultative organs to enter into the province of administrative and operational work, with the end result that primary attention to major policies and issues is precluded, and the potential of the Secretariat for effective discharge of these responsibilities is undermined.
The effectiveness with which the Pan American Union, as the staff and operating arm of OAS, is able to provide leadership and carry out its executive and secretariat functions depends both on the administrative policies and support given by the Council and on its internal organizational arrangements and administrative methods. Unsuitable and inadequate approaches, arrangements, and methods with respect to both aspects have created difficulties. Development of a dynamic and sustaining environment for successful operations is likewise one of the most pressing needs.

The difficulty of coordination

The proliferation of international agencies and the fragmentation of responsibility in economic and social matters is a serious obstacle. Semiautonomous specialized organizations within the inter-American system and a large number of other international agencies are engaged, along with the PAU, in activities and services related to economic and social cooperation and development.

The starting point of coordination is within the PAU. The research, promotional, and other operational activities of the PAU need orientation toward a common goal of hemispheric development and correlation with corresponding work of other agencies. At the political level, coordination is needed to concert energies of the many agencies and their member states in the advancement of shared objectives and policies. Within each country there is the need for effective integration of programs to make the fullest use of assistance provided by both multilateral and bilateral agencies. New, resourceful, and effective measures are required for all levels of coordination.

Administrative shortcomings

Significant progress has been made by the PAU during the last three years in the improvement of its internal organization, in the adoption of progressive policies and procedures on such matters as program planning, budgeting, accounting, conference services, and publications, and in the improvement of staff work within the departments related to the formulation of policies and decisions on particular questions. Some progress has been made in modernizing the personnel system.

While the new methods and procedures represent laudable advance, they have not been fully accepted and supported. There are a number of reasons for this—disinclination of some staff members to conform to any system, lack of finesse in introducing improvements, and, especially, the burdens of new programs and work which have swamped the staff.

Lack of a sufficient number of talented staff to perform the increasingly complex and difficult tasks entrusted to the PAU presents a particular handicap. The new type of operational activities implicit in the Act of Bogotá, with emphasis on development, requires dynamic and resourceful measures. The OAS should be served by the most competent program planners, technicians, and administrators to be found in the Western Hemisphere or elsewhere. An organization of this quality could have a profoundly beneficial influence in providing policy and technical guidance and in giving help in the development of member countries.
The process of improvement

By identifying inadequacies in the present administrative machinery, the members of the Special Committee to Study the Formulation of New Measures for Economic Cooperation took at Bogotá the first step essential to its overhauling.

The next step, in the light of identifiable deficiencies and shortcomings, is to develop practical and farsighted remedies in conformity with the best international practice. Then it is necessary to provide essential authorizations and press forward with the application of the remedies as rapidly as possible. These measures require simultaneous action by the Council of the OAS and the Secretary General.

Most of the indicated adjustments in organization and operation can be made without Charter revision if there is a will to do so.

Remedial measures

Subsequent sections of this report analyze the principal problems and difficulties which now handicap the IA-ECOSOC and the Secretariat in fulfilling the expectations of the member states. The aim is to suggest remedial measures in the form of organizational arrangements and methods of operation which will maximize the achievement of the objectives of the Act of Bogotá.

These proposals are based on (a) an analysis of the substantive character of the problem as outlined in Section I, (b) the kind of policy and operational measures required and the organizational resources available, also described in Section I, and (c) the requirements of effective international administration, as set forth in Section II.

In summary, we believe it essential:

1. To develop and apply practical concepts or guidelines, in conformity with the principles set forth in Section II, governing the role and methods of the consultative organs, on the one hand, and of the administrative or executive organs, on the other (At present, assignments of consultative and operating functions are scrambled and confused. Much of the present paralysis and frustration is due to the improper assignment of roles.)

2. To reorganize the functions and procedural methods of the IA-ECOSOC to bring its role into conformity with sound principles and the objectives of the Act of Bogotá (In the past, the IA-ECOSOC has been assigned operating tasks which it could not carry out and which reduced its stature and potency for resolving critical issues and problems. The Act of Bogotá clearly contemplates the elevation of the IA-ECOSOC as an organ to concentrate on major policies and programs.)

3. To allocate responsibilities and operations among the IA-ECOSOC and the PAU, on the one hand, and the Inter-American Development Bank, on the other, in a manner which will best take account of the resources, capabilities, and limitations of each (Such planning and agreement on the
effective allocation of function and activity and the efficient utilization of resources applies also to the Inter-American Specialized Organizations, ECLA, and other bodies mentioned in the Appendix.)

4. To redefine the position of the Secretary General within the context of the Charter and provide him with resources which will (a) foster initiative and leadership throughout the entire system with respect to critical problems facing the Organization, (b) enable him to speak with greater authority on behalf of the Organization in relationships with other agencies, and (c) facilitate the general management of the PAU and the coordination of its activities with those of other international programs.

5. To readjust the PAU in a manner to facilitate (a) effective staff support for the consultative organs and (b) the conduct of operational and assistance functions (The consultative organs of the OAS have overemphasized the role of the PAU as a drafting, reporting, and errand-running agency. If the member states desire to carry out the hard-hitting, operational type of programs reflected in the Act of Bogotá, then the role of the PAU must be substantially strengthened and the Secretary General provided with the necessary tools.)

6. To revamp the internal arrangements within the PAU, chiefly within the Department of Economic and Social Affairs, to provide for effective administration of the specific functions, activities, projects, and services assigned to it (With more emphasis upon dynamic and action-type activities, as suggested in Section I, the internal structure and procedures will need to be readjusted. A further study should be made in this regard.)

7. To improve policies and procedures which relate to planning and programming the work of the OAS and budgeting for its fulfillment and control (Creditable progress has been made in the last three years, notably in programming, financial administration, and management improvement, but the leadership roles of the substantive departments vis-à-vis the executive staff and arrangements for furthering initiative and flexibility consistent with highest standards of performance have not been sufficiently realized.)

8. To provide the funds and flexibility required (a) to secure outstanding technical and professional personnel capable of performing the very difficult planning, programming, research, operational, advisory, and administrative tasks and (b) effect coordination with other international agencies, needed to fulfill the objectives of the Act of Bogotá (In addition to facilitating action by the Council, the Secretary General must initiate vigorous steps to search out, appoint, and train the best talent available.)

9. To recognize the different levels and kinds of coordination and the requisites for achieving coordination between the IA-ECOSOC and the PAU, on the one hand, and the array of inter-American Specialized Organizations and the UN and its Specialized Agencies, on the other (Responsibilities must be assigned in light thereof in a manner which will enable
(a) the IA-ECOSOC to perform its appropriate role in providing the policy framework for coordination and (b) the Secretary General to engage in the essential administrative negotiations and arrangements. Most of the assumptions on how to secure coordination, as reflected in the OAS Charter, resolutions of organs, and acts of conferences, are unrealistic. Furthermore, assumptions in the Act of Bogotá oversimplify the problem.)

10. To encourage member states (a) to give operational effect to the policies and agreements reached in the consultative organs, (b) to take greater initiative in national developmental programming and administration, (c) to coordinate the positions of their representatives in the different international agencies, and (d) to focus on policy issues and approvals in the consultative organs, leaving purely administrative matters to the Secretary General.

Fortunately, most of the changes called for, as outlined in succeeding sections of this report, can be made by the Council and the Secretary General. Some modifications in the Charter of the Organization are desirable and should be made when appropriate. Meanwhile, the OAS can be retooled to function with far greater effectiveness in realizing the objectives of the Act of Bogotá if the Council and the Secretary General will move forthrightly to make the essential changes and if the member states will give sustained support.
IV. STRENGTHENING AND MODERNIZATION OF THE IA-ECOSOC

We have examined the "existing structure of the Inter-American Economic and Social Council, and of the Secretariat of the Organization of American States working in the economic and social field" with a view toward "providing instruments and mechanisms for the implementation of the program of inter-American economic and social cooperation which would periodically review the progress made and propose measures for further mobilization of resources." In so doing we have endeavored to outline "ways of strengthening and improving the ability of the IA-ECOSOC to render effective assistance to governments ... taking into account the proposal submitted by the Delegation of Argentina." (Section IV, Act of Bogotá)

In considering ways of strengthening and improving the IA-ECOSOC as an effective instrument "to further the economic and social development of Latin American countries, to promote trade, ... to facilitate the flow of capital and the extension of credits," and to perform other functions in fulfillment of its appropriate role, we have sought answers to these questions: What are the criteria of a strong council? How does the IA-ECOSOC stand in relation to these criteria? What changes in its structure and method of operation would enable it to make a maximum contribution to economic and social progress in the Western Hemisphere?

Criteria of strength

First, the IA-ECOSOC should operate in accordance with the principles of international administration outlined in Section II.

Second, the representatives of the member states who take decisions in the IA-ECOSOC must be fully cognizant of the policies and situations in their countries and able to speak with authority on behalf of their governments. This will require that the member countries appoint ministers of economy and finance or their equivalent to represent them at the IA-ECOSOC meetings.

Third, the IA-ECOSOC must be able to call upon professional support from a competent secretariat and have assurance that policies and programs which it approves will in fact be carried out effectively.

Fourth, the problems to be resolved and the proposed measures and programs therefore must be presented to the Council in a clearly documented and balanced manner so that the members of the IA-ECOSOC can get quickly to the basic issues and take those actions necessary to enable an inter-American program for economic and social development to be established.

Fifth, the IA-ECOSOC must develop a capacity and reputation for dealing with the major substantive and policy questions that contribute to economic and social progress, thus avoiding preoccupation with inconsequentials and the accompanying loss of prestige. Nothing could strengthen the IA-ECOSOC more than its having an important role in establishing the basic policies and programs for integrated hemispheric development.

Sixth, the IA-ECOSOC must have the posture necessary to deal with the political as well as the technical aspects of international economic and social
problems. The major problems to be resolved must be dealt with in a political context and require political solutions. This means that the IA-ECOSOC must be integrated into the OAS system.

The IA-ECOSOC as it now operates does not fulfill these criteria. It has been charged with tasks for which a collegiate body is unfitted. It has not been given the tools or the posture which would enable it to come to grips with the great range of major international economic or social issues which involve difficult political as well as highly technical elements. The members of the IA-ECOSOC have worked hard. They warrant commendation. But it should be recognized that their duties have never been sufficiently clarified to permit them to function appropriately. The results of the IA-ECOSOC's efforts have been disappointing and frustrating to its members and the countries they represent. Too frequently in recent years it has been deemed necessary to bypass the IA-ECOSOC and establish ad hoc groups, such as the Inter-American Committee of Presidential Representatives and CEPE, to deal with major economic and social problems. With a strengthened IA-ECOSOC these exceptional arrangements should no longer be necessary.

It is apparent, therefore, that basic changes in the IA-ECOSOC are needed. In the following pages we endeavor to provide an analysis of its weaknesses and recommendations for strengthening it.

Alternative solutions

In approaching this task we have considered the feasibility of two radically different courses of action for the establishment of a mechanism to formulate an inter-American program for social development, furnish policy guidance, and coordinate inter-American economic and social activities. One was to create a completely new independent organization specialized in the economic and social fields, while the second was to reinforce the existing organs and make them viable.

With reference to the creation of a new independent agency, the disadvantages would far outweigh the advantages. The principal gain would be derived from the psychological value of starting something new. All of the present problems would continue and new ones would be added.

The specialization of a new agency would in itself be a disadvantage in that it would ignore the relationship that must exist between economic and social problems and political considerations. It would create a rivalry between the political and the technical agency which could only result in harm to both, particularly the latter. It would make difficult the coordination of national policy toward the inter-American system and further detract from the possibility of integrated action on development programs, which is already conspicuously lacking in many member states. Finally, it would be more costly in that it would require the full-range administrative overhead expenses, whereas the IA-ECOSOC, along with other bodies, benefits from the administrative services provided by the General Secretariat.

It thus appears that the only feasible alternative is to strengthen the present system of the OAS for the consideration of economic and social problems.
This can be successful only if it is done within the general context of the political machinery of the OAS. It is our opinion that this would fully satisfy the purpose of the Argentine proposal at the Bogotá meeting, which had its origin in a fundamental and justified dissatisfaction with the weakness of the present system and its operation. Obviously, the IA-ECOSOC and the Secretariat will have to be strengthened to take prompt and vigorous action against underdevelopment in Latin America. The Argentine proposal has served, in our opinion, a most valuable purpose by spotlighting this fundamental problem.

Formally assigned functions

The Charter of the OAS and subsequent resolutions have given the IA-ECOSOC a very broad mandate with respect to the promotion of the economic and social welfare of the American nations, the coordination of official inter-American activities in relation thereto, and the conduct of diverse functions designed to further economic development in the member states.

Under its present system of organization and operation, the IA-ECOSOC finds it almost impossible to accomplish the multitude of tasks assigned to it and thus often appears to fall far short of the aspirations of the framers of the Charter. The primary reason for this apparent failure is a simple one—its assignment of operational and administrative functions inappropriate for a collegiate organ.

This finds its source in part in the Charter itself, which assigns to the IA-ECOSOC an admixture of tasks that by their very nature are incompatible and require differing approaches.

Article 63 of the Charter provides the general standards and terms of references for the IA-ECOSOC, indicating that it "has for its principal purpose the promotion of the economic and social welfare of the American nations through effective cooperation for the better utilization of their natural resources, the development of their agriculture and industry and the raising of the standards of living of their peoples." These laudable objectives are certainly within the scope of such a body but can be fulfilled only so far as its organizational competence and resources permit. It is in the fixing of the means to these ends that the Charter has made the task of the IA-ECOSOC an almost impossible one.

In this connection it will be noted that Article 27 of the Charter states:

If the economy of an American State is affected by serious conditions that cannot be satisfactorily remedied by its own unaided effort, such State may place its economic problems before the Inter-American Economic and Social Council to seek through consultation the most appropriate solution for such problems.

In addition to the responsibilities of the IA-ECOSOC as a deliberative organ of consultation, the Charter, in Article 64, lists in detail functions which are particularly characteristic of an operating administrative agency.
These include technical assistance, coordination, research, issuance of technical reports, and holding of meetings. Acting as a deliberative body, the IA-ECOSOC can appropriately deal with these operational matters through a determination of general policy and periodic review of accomplishments. However, study of the IA-ECOSOC's history indicates that these matters have been dealt with as though this body were actually an entity with operational, fiscal, and administrative control over a series of continuing programs.

Obviously, the IA-ECOSOC is not such an operating entity. The Council of the OAS is the only body assigned operational and fiscal control over economic, social and other programs, while the Secretary General is the only authority charged with administrative responsibility for these programs. To the extent the IA-ECOSOC concerns itself with operational questions, it does so as an organ of the Council of the OAS. The fact that it was named an organ of the Council of the OAS and not an organ of the OAS is evidence of the intention of making the IA-ECOSOC a subsidiary body of the Council of the OAS, namely, its technical arm in the economic and social area. There was no intent for it to have a separate program from that of the Council.

The picture is further confused by Article 88 of the Charter, which provides that the head of the Department of Economic and Social Affairs of the Pan American Union shall be the Executive Secretary of the IA-ECOSOC. This has created the impression that the Department is both the Secretariat of the IA-ECOSOC and its operating arm and thereby exclusively responsible to the IA-ECOSOC for its operations. This impression, in turn, leads to awkwardness not only in the relationships between the IA-ECOSOC and the General Secretariat, but also between the IA-ECOSOC and the Council of the OAS, which has over-all responsibilities for the operations of the entire General Secretariat.

If there is added to these considerations an examination of the mass of heterogeneous resolutions and other decisions of inter-American meetings, it becomes readily apparent that the IA-ECOSOC could not possibly satisfy all the demands placed on it.

Two causes of lack of strength

In examining the operation of the IA-ECOSOC, we find two interrelated practices which especially sap its strength and prevent it from meeting the criteria outlined above. These are its preoccupation with administrative detail and the frequency of its meetings. Moreover, the trend is to expand its treatment of administrative matters and thus to reduce its consideration of significant economic and social problems and of the measures essential to their solution. This results in a loss of the valuable working time both of its members and of the technical staff of the Pan American Union, which provides its secretariat services.

An example of the IA-ECOSOC's excessive concern with administrative matters is its detailed review of technical staff reports. This has come about because the Secretariat's work program in the economic and social field has been designated by the Council as the IA-ECOSOC program. This, in turn, has led the IA-ECOSOC to assume responsibility for technical reports and encouraged their detailed review. Furthermore, the imprint of the IA-ECOSOC is placed on PAU
technical reports and bulletins as though they were drafted by the members. This is equivalent to a congress of a member state instructing printed technical reports of the ministries to be designated as documents of the congress.

The assumption by the IA-ECOSOC of administrative responsibilities of the Secretariat has three adverse consequences in addition to preventing it from focusing on the real issues of economic and social development. First, it encourages irresponsible actions on the part of the Department of Economic and Social Affairs which, in turn, produces stress between the Department and the rest of the General Secretariat. Second, it promotes conflict of role between the IA-ECOSOC and the Council of the OAS. Third, it drives a wedge between the Secretary General and the Department of Economic and Social Affairs.

This preoccupation with administrative operations and details is in part the consequence of a second operational feature of the IA-ECOSOC, namely, that it is in permanent session at the headquarters of the Pan American Union. It holds an average of two plenary sessions per month, and its numerous committees are in constant session. This fact, together with the inappropriate assignment of administrative functions, encourages the IA-ECOSOC to deal at many of the sessions with detailed matters. This undermines its prestige and destroys its potency for dealing with economic and social matters in a political environment.

Three significant roles

The foregoing leads us to the inescapable conclusion that the status of the IA-ECOSOC as a subsidiary organ of the Council should be reaffirmed and that the IA-ECOSOC should be relieved of responsibilities which by its very nature it is unable to perform. While a fundamental problem lies in its basic terms of reference, namely the Charter, we believe the IA-ECOSOC can become a far stronger and more vital force in the social and economic advance of the Western Hemisphere through action by the Council of the Organization. The Council has the power to effect the procedural and administrative changes, by revision of the IA-ECOSOC's statutes and otherwise, which will go far toward clarifying the status of the IA-ECOSOC and making it an effective and viable body.

The new mandate must provide for the discharge of three principal categories of responsibilities assigned to the IA-ECOSOC, which require different approaches and degrees of involvement.

First, there is the category of problems of an international character lending themselves to multilateral consideration and solution by a collegiate or consultative organ. Such problems might include the many aspects of international trade in commodities, problems of economic aggression, international transportation, the double taxation of earnings from investment, etc. In short, we are referring to the type of problem that might be brought to the IA-ECOSOC for consideration under the terms of Article 27, cited above.

Second, and quite distinct in concept and approach, there are the programs and activities related to cooperative international effort in support of national development programs. Here the function of the IA-ECOSOC is to examine the rate of social and economic development in the Hemisphere in the light of appraisals submitted by the Secretariat and the latest reports by delegates. Against such a backdrop, the IA-ECOSOC would review new proposals and plans for Operation Pan
America which assimilates the total social and economic development efforts of the OAS. This review requires reference to development programs and assistance of the UN and its Specialized Agencies and of bilateral agencies operating in the Western Hemisphere. In the light of this review, the IA-ECOSOC would define objectives, establish policies, and designate priorities with respect to OAS development assistance. In this way the IA-ECOSOC would facilitate effective utilization of the $500 million social development fund. By reviewing the PAU annual work program and over-all budgetary estimates in relation to its contribution to inter-American development objectives, it would help direct the work of the Secretariat into the most productive channels.

The third kind of responsibility assigned to the IA-ECOSOC is that of "a coordinating agency for all official inter-American activities of an economic and social nature."

In these three ways the IA-ECOSOC can become the policy instrument under the Council of the OAS "for the implementation of the program of inter-American economic and social cooperation which would periodically review the progress made and propose measures for further mobilization of resources." (Section IV, Act of Bogotá)

Three methods of functioning

Each of the above responsibilities will require a different combination of organizational arrangements and administrative procedures for its execution. The first category requires a high-level forum capable of providing a mechanism of consultation on both a standby and a periodic basis. While the emphasis will be on negotiation and consultation among the representatives, it will require support by a technical staff capable of providing it with background information for its deliberations. Such activity would lead to a better understanding of the governments' problems and policies and the formulation of cooperative approaches to basic problems, expressed in the approval of resolutions and the signing of agreements.

The second role, like the first, requires high-level, competent and responsible representation and cooperative action from the member states. However, Secretariat support will be much greater. Not only must the IA-ECOSOC be serviced with analyses, technical reports, and well-conceived proposals, but there must also be administrative mechanisms, international and thus neutral in character, which are capable, within policies developed by the IA-ECOSOC, of carrying out the program and operating functions. In other words, the Pan American Union as the General Secretariat would have a basic role, with the Inter-American Development Bank and other specialized organizations discharging programs and operating responsibilities in their respective fields.

The third category, that of coordination, requires a different type of cooperation between the IA-ECOSOC and the Secretariat as each carries out its respective responsibilities in achieving coordination among international agencies. As described in detail in Section VIII, the IA-ECOSOC should be concerned with the allocation of roles, functions, activities, etc., among the various international agencies, while the Secretariat would be responsible for coordination at the technical level.
Value of consultation

One additional factor is worthy of mention in connection with the role of the IA-ECOSOC as a consultative organ. Such a body can serve a very useful purpose not only in terms of the definitive agreements arrived at or resolutions adopted, but also in the educational and therapeutic value of bringing a matter under discussion and in arousing interest in, and concern for, important problems. Multilateral agreements are always difficult to arrive at, and even if the agreement is not formalized, the process of consultation can produce valuable by-products.

Related to this process of sharing information and the search for cooperative solutions is the principle of preconsultation. Under such a practice member states would bring to the attention of other members of the IA-ECOSOC a proposed alteration or addition to its foreign commercial or economic policy that it feels might have an impact on the trade and economies of the other member states. These would include tariff revisions, taxation policies, quota revisions, and similar matters. By such preconsultation it might be possible to ease the actual and psychological impact of such changes by offering to the other states an opportunity to make their points of view known.

Increasing the stature of the IA-ECOSOC

The Act of Bogotá, in Section IV, recommends that "the Inter-American Economic and Social Council undertake to organize annual consultative meetings to review the social and economic progress of the member countries, to analyze and discuss the progress achieved and the problems encountered in each country, to exchange opinions on possible measures that might be adopted to intensify further social and economic progress, within the framework of Operation Pan America, and to prepare reports on the outlook for the future. Such annual meetings should begin with an examination by experts and terminate with a session at the ministerial level."

This provides an excellent basis for strengthening this collegiate body and achieving a viable system of responsible cooperation. Building on this foundation, we make the following suggestions as to how the system might best operate and outline a procedure for developing this annual meeting into a creative force.

Our analysis of the problem strongly supports the recommendation that the IA-ECOSOC should meet in plenary session once each year to fulfill the broad purposes assigned in the Act. However, if it is to have effective impact on major problems and in reaching agreement on important international economic measures, the representation of member states at these annual meetings must be at a high level. There must be the capability of dealing with the political aspects of issues at least in a preliminary way. This calls for representation by experts at the ministerial level.

With regard to the meetings of the IA-ECOSOC and its preparatory committee, described below, we propose that, in accordance with the custom of the IBRD, the IADB, the International Monetary Fund and other international organizations,
the General Secretariat include in its budget funds to cover transportation and per diem costs for a minimum delegation of three from each country. The purpose of this recommendation is to ensure that the meetings will be attended by ad hoc representatives who, coming directly from the countries, are currently informed on the problems to be taken up at the meetings.

The timing of the annual meeting of the IA-ECOSOC needs to be synchronized with the time table under which the Secretariat formulates its annual program. This program will need to be far more comprehensive in scope as the OAS expands Operation Pan America to embrace "an inter-American program for social development" and in order to provide for the total range of policies, coordinated operations, and assistance to the member states essential to translate objectives into accomplishment.

To this end, the annual meeting would be set at a time to permit a review of the program and the budgetary proposals for its execution prior to final action on the program and budget by the Council of the OAS.

We believe also that there should be incorporated into the system a provision for extraordinary meetings to be convoked in case a critical issue or emergency arises which requires urgent consideration at the ministerial level.

**Preparatory meeting of experts**

The Act of Bogotá indicates that the annual meetings of the IA-ECOSOC should begin with "an examination by experts." Such a procedure would make possible the refinement of questions under consideration so that proposals can be presented in a form conducive to expeditious consideration and decision by the ministers. Only if this preparatory work is done by "advance representatives" of the ministers will the ministers be able to take the time to attend such meetings. The "advance representatives" at this preparatory session, which would convene two or three weeks prior to the arrival of the ministers, would be high-level technical experts familiar with questions of both international policy and development programming. The experience with the consultative preparatory committee under the Colombo Plan as well as that of the Organization for European Economic Cooperation (OEEC) supports the value of this approach.

The preliminary session would logically divide into two committees of the whole, which in turn could establish working groups if this proved advantageous.

The first committee would deal broadly with problems of an international economic nature that require multilateral discussion and resolution. Its concern would be with the consultative function envisaged by Article 27 of the Charter.

The second committee would deal with Operation Pan America and all inter-American economic and social development plans and proposals. The committee would also be concerned with the policy aspects of operating activities performed by the PAU in support of economic and social development, and cooperative effort among international agencies directed to the support of the
inter-American program or national development programs. Specifically, it would review the programs of the inter-American and other international agencies functioning in the Western Hemisphere (see Section VIII) and study the program and budget of the General Secretariat in the economic and social area in order to formulate tentative recommendations for the ministers with respect to the IA-ECOSOC's position on these matters vis-à-vis the Council of the OAS. This committee would also study the general problem of the coordination of international programs in the development field and formulate policy recommendations thereon for consideration by the ministers.

Interim consultation

The interim consultation that might be required from the IA-ECOSOC during the period between its annual meetings can be provided in a number of ways, depending on the nature of the consultation needed. These might include:

a. A meeting of the Council itself to consider critical issues or deal with emergency situations

b. A meeting of the Committee of the Whole to provide general consultation (Normally the level of representation at this meeting would be similar to that of the preparatory meeting of experts.)

c. A specialized meeting or conference convoked under the auspices of the IA-ECOSOC to make recommendations regarding major programs or undertakings in a specific field

d. A meeting of an ad hoc advisory group of technical experts representing their respective governments to consider problems in a specific field—generally those on which some progress had been made

e. A meeting of an ad hoc advisory group of technical experts serving in a personal capacity to advise on ways of attacking or treating specific technical problems

Specialized Conferences

Under existing conditions and arrangements, the IA-ECOSOC has been able to make very little progress in fulfilling its Charter-assigned responsibilities for coordinating inter-American activities of an economic and social nature. To help remedy this situation, we recommend integrating into the IA-ECOSOC system the present technical meetings generally grouped under the title of Inter-American Specialized Conferences, when such meetings deal mainly with economic and social development.

Many of the Specialized Conferences, which are referred to in the Charter as an organ of the OAS, cover technical fields of concern to the IA-ECOSOC. The IA-ECOSOC customarily approves the convocation, regulations, and agenda of conferences dealing with matters within its competence. It is the purpose of our recommendation that the system of meetings of these conferences be so
conducted as to enable them to provide the IA-ECOSOC with a periodic review of the progress of development in significant technical or sector areas and the technical requirements of the program under way.

Each series of Specialized Conferences, as, for example, the inter-American technical meetings on housing and planning, would be placed on an appropriate schedule (no more than once every three years) so as to provide pertinent recommendations to the IA-ECOSOC in its annual meetings. The IA-ECOSOC, through the Secretary General, might develop, in consultation with the appropriate authorities, a system whereby meetings of these conferences would be spread out in a triennial plan on a rotating basis.

Ad hoc advisory groups and specialized conferences have common objectives in that they (1) constitute a forum for the discussion of technical problems, including matters that might become the subject of consultation under Article 27 of the Charter, (2) seek to obtain information, suggestions, and technical assistance not available through other means, (3) disseminate information and aid in coordination on both the international and national levels, and (4) promote Operation Pan America in specialized sectors.

In its deliberations, the IA-ECOSOC could make better use of the results of these specialized conferences if the Secretary General submitted to the preparatory committee an analysis of their recommendations, their estimated cost, and proposals for action thereon.

Integration within the OAS

We have considered the question of whether there might be potential conflict between the IA-ECOSOC with its representation at the ministerial level and a Council with ambassadorial representatives. We see no likelihood of conflict unless a member state fails to formulate its position and provide instructions for its representatives in both types of meetings. There is far less possibility that representatives will fail to speak with one voice when they are at a high level and familiar with the government's policy than when they are widely separated from involvement in it. This question is considered further in Section IX.

The principal area of conflict between the IA-ECOSOC and the Council would result from IA-ECOSOC recommendations to carry out programs that are far in excess of the capability of the Organization to finance, thereby presenting a problem to the Council of the OAS in determining the programs to be financed. This can be avoided if the IA-ECOSOC is provided with an estimate of the cost to the OAS of all proposed programs so that it can consider their budgetary implications when making its decisions.

Measures along the above-mentioned lines would, we are confident, greatly strengthen the IA-ECOSOC and its capability, together with that of the Secretariat, to fulfill the objectives of the Act of Bogotá. They would produce a strong center for policy and program formulation for inter-American cooperation which could fulfill the responsibilities placed upon it yet keep it within the political framework essential to international action, as outlined earlier in this section.
V. ENHANCEMENT OF EXECUTIVE LEADERSHIP

In the Organization of American States, as in other international organizations, the quality of leadership provided by the Secretary General determines in large measure the public esteem in which the Organization is held, as well as the effectiveness with which policies are formulated and operations executed. The Secretary General is the permanent spokesman for the entire Organization and the only person in a position to initiate, direct, and coordinate its entire complex of activities.

Strengthening the role of the IA-ECOSOC to further economic and social objectives requires strengthening the role of the Secretary General and the Secretariat which he heads. Weakness at one point produces weakness at the other.

In a consideration of the position of the Secretary General two essential and interrelated roles should be identified.

1. The Secretary General is the Organization of American States' authoritative representative and executive. He is the de facto leader and the coordinator of the inter-American system, including the relations of the Specialized Organizations to the OAS as a whole. This role of the Secretary General has not been made explicit in the Charter or in formal resolutions, but it is implicit in the posture of the office and in institutional realities.

2. The Secretary General is the chief executive and directing head of the Secretariat, that is, of the general administrative or operational arm of the OAS. He is the chief formulator of policy, planner of programs, employer of staff, fiscal officer, manager of operations, and coordinator of effort. This role is clearly defined in the Charter.

Recognition of these two roles is important in considering the manner in which the over-all objectives and programs outlined in the Act of Bogotá can be fulfilled. The Act, as in the case of earlier resolutions relating to economic and social development, requires the coordinated participation of a large number of agencies. Progress in this direction is largely dependent on the initiative and administrative leadership which the Secretary General is able and permitted to exercise.

UN experience

Unlike the post of Secretary-General of the United Nations, the post of Secretary General of the OAS is not described in the Charter in terms which encourage initiative, leadership, and coordination. However, like the provisions of the UN Charter, those of the OAS Charter place no limitations on the development of this office as a very significant one. If it is not so developed, the job will be neither important nor appealing. Men of stature will not be attracted to it or remain long in it.

In the words of UN Secretary-General Dag Hammarskjold, as reported in the New York Times of October 18, 1960, the member states need "not expect anybody with a sense of responsibility to assume the duties of Secretary General," if the organization became ineffective--if the Secretary General could "serve only as chief administrator of a secretariat technically assisting a vast conference machinery." The UN, he concludes, "could be reduced to the role of a framework
for public multilateral negotiations and robbed of its possibilities of action in the preservation of peace." Secretary-General Hammarskjold observed that the delegates can approve the policy that has emerged slowly over the last few years in response to current needs or "fall back on the pattern of the League of Nations." In the latter event, he predicted that the loyalty of the Secretariat personnel would be sorely tried.

These views of Mr. Hammarskjold are most relevant to the Organization of American States and to the Act of Bogotá. The functions of the Secretary General and of the Secretariat which he heads have not been encouraged to develop much beyond those of conference arrangements, research, demonstration projects, and preparation of publications.

**The experience of OEEC**

The countries of Western Europe, with the cooperation of the United States and Canada, have been engaged since 1948, through the Organisation for European Economic Cooperation, in a concerted effort toward economic and social development. Through this organization they have cooperated in achieving extraordinary economic recovery from the effects of World War II and have attained levels of productivity far above prewar standards. They have worked out many delicate problems of policy and practice in respect to trade and payments, convertibility of currencies, and economic integration.

The OEEC, like the OAS, includes a Council and a Secretariat headed by a Secretary-General. The report of the "Group of Four," charged with submitting a plan of reorganization to the entire membership, notes:

137. We have found in the course of our inquiry a widespread desire to strengthen the position of the Secretary-General in the future Organisation, to enable him better to speak for the Organisation and to represent it with more authority.1/

To achieve this objective, the Group of Four, after consultation with other members, has recommended (1) that the Secretary-General be appointed by the Council for a term of five years; (2) that he be assisted by one or more Deputy Secretaries-General appointed by the Council on the recommendation of the Secretary-General; (3) that the Secretary-General serve as Chairman of the Council meeting at official level and of the Executive Committee; and (4) that he submit proposals to the Council.

The report of the Group explained these proposals by saying:

140. Apart from these prospective advantages to the Organisation, many representatives felt that it was only by combining these functions that the Organisation could be in a position to secure the type of personality that their Governments desired to see as Secretary-General.

---

These conclusions of OEEC further point the direction in which the OAS must move if it is to develop a dynamic and potent instrument through which the living standards and well-being of the peoples of the Americas will be significantly advanced.

**Downgrading practices**

Over the years, the objectives, functions, and programs agreed upon at OAS meetings and conferences have called for executive leadership and coordination. Such responsibilities have seldom been assigned specifically to the Secretary General or to the Secretariat which he heads, although action and achievement have been largely dependent upon his initiative and the work of the Secretariat.

While the Charter should be amended in due course to strengthen the position of the Secretary General, we believe that concerted support by the member states and sustained initiative by the Secretary General will make it possible for the position to fulfill its essential role more fully. We doubt that the potential strength of the position has been tested. There is nothing in the Charter which prevents such a test. In fact, there is much in the Charter to support the enhancement of the office.

Detailed consideration of administrative matters by the Council and the IA-ECOSOC is unnecessary and inappropriate. Their exhaustive review of administrative, financial, and personnel matters hampers essential initiative and discretion of the Secretary General. The role of the Council in administrative matters should be confined to the adoption of general policies governing the conduct of the work of the Pan American Union, approval of the annual program of work, appropriation of funds and assessment of quotas, and periodic review and appraisal of accomplishments.

A plethora of administrative regulations adopted by the Council prevents the Secretary General's exercising essential discretion and resourceful action. Whether these regulations were initiated by "procedure artists" in the Secretariat or by members of the Council and its committees who want direct control over all operations we do not know. But we do know that the end result is to put the Secretary General in a straightjacket. The function of a policy body is to decide what is to be done; that of the executive, to determine how.

An illustration is the provision in the PAU Regulations requiring the Secretary General, when presenting the proposed program and budget to the Council, to submit any proposals of the technical organs that could not be included. The function of an executive in formulating a program and budget is to find the best possible balance among all desirable undertakings, with a view to achieving major objectives. A budget, which produces the achievable as tested by reality, must effect a compromise between general and special interests. The total costs of all special proposals for action by the OAS would be staggering. A secretary general performs a heroic service for an international council when he and his principal officials labor through the compromises and submit a balanced program. If members of the council decide that more emphasis should be in one place or another or that the program should be increased or decreased, it is their duty to make such changes. But to require by regulation that the Secretary General of the OAS call attention to all of the major compromises is to subject him to undue pressure and thus to seriously limit his effectiveness.
Strengthening the position of the Secretary General

Clarifying the roles of the deliberative organs and of the Secretariat would have a most beneficial effect in producing a workable division of responsibility and in defining the role of the Secretary General. Such a clarification would, in itself, go a long way toward producing healthy and satisfying relationships and would place the Secretary General and his staff in a position to serve the collegiate organs more effectively. Freed from IA-ECOSOC involvement in administrative and operating matters, the Secretariat would have much more time for carrying out its assigned tasks. This would, in turn, give the Secretary General more time for dealing with the urgent matters that command his attention.

We do not believe that the functions, progress, and assistance contemplated in the Act of Bogotá can be translated into reality without a high degree of leadership by the Secretary General.

Unlike the Secretary-General of the United Nations, the Secretary General of the Organization of American States has no mandate to bring before the various consultative bodies of the Organization matters which, in his opinion, require their attention and to suggest possible international approaches for the solution or amelioration of problems. For example, if the Secretary General, through the technical work of his staff, becomes aware of the existence of factors which present a potential threat to the economy of one or more of the American nations, he should have the authority to call into session the appropriate body and to bring the matter to its attention. Technically this is now possible, but this type of initiative has not been encouraged either by the OAS Council or by the IA-ECOSOC. It is time that such encouragement be given.

More agreements and more action programs, such as those relating to commodities and to Operation Pan America, are imperative. We believe that the members of the OAS should support initiative by the Secretary General in presenting the facts on such problems and in suggesting plans of action. Indeed, the Secretary General on his own initiative should assign staff to work on such questions, call together experts to explore possibilities, and formulate background information and proposals to be presented to the IA-ECOSOC or at a special conference convened for the purpose.

Supporting role of the Assistant Secretary General

The Assistant Secretary General is the principal associate of the Secretary General in all spheres; yet the Charter provides for the Assistant Secretary General's election by the Council and makes him the Executive Secretary of the Council without reference to the Secretary General. We believe that the following comment in the report that the Advisory Committee on Organization submitted to the Secretary General on October 24, 1957, is relevant in this connection.

We have considered the present arrangements for the election and assignment of functions to the Assistant Secretary General. In our view, the independent election of the Assistant Secretary General by the Council is incompatible with the fundamentals of a unified and responsible organization functioning under the leadership and direction of the Secretary General. Accordingly, the Secretary General should in time be provided with the authority to appoint one, or possibly more, Assistant Secretaries General.
The appointment of one assistant might be subject to confirmation by the Council, as this would enable a person who has been approved by the Council to act fully as Secretary General in the event of the latter's absence or incapacity.

Until such adjustment can be made in the Charter, steps by Members of the Council enabling the Secretary General to suggest and consult in the selection of a nominee for election as Assistant Secretary General might be a remedy to the situation. In this way can there be assurance that the person who will hold this important office will function as a close associate and responsible member of the Secretary General's team.

It is not possible to define the functions of the Assistant Secretary General in advance of his election. These functions must be left to the Secretary General to work out with him in the light of both his particular interests and abilities and the emerging work of the PAU.

In the course of time, the Charter should be amended to permit the Secretary General to nominate an Under Secretary General, for approval by the Council. The Secretary General should be able to appoint other Under or Assistant Secretaries, as may be necessary. We believe there is a need to appoint an Under Secretary for Economic and Social Affairs at this time.

**Leadership in economic and social affairs**

Beyond the vital help the Secretary General receives from the Assistant Secretary General, the Executive Staff, and the department heads, the Secretary General requires special help to provide leadership and coordination of the economic and social development functions entrusted to the OAS.

Such help has now become urgent in the utilization and coordination of all of the resources of the PAU for the fulfillment of Operation Pan America. The technical cooperation, cultural affairs, statistics, and public information departments as well as the economic and social department, have significant roles to play in economic and social development, and their resources and activities must be mobilized and coordinated at both the planning and operational stages.

The Secretary General is also confronted with difficult tasks in the (1) coordination of measures and programs of the OAS and other international agencies which perform economic and social development activities within the Western Hemisphere, and (2) coordination of the operational and technical assistance functions of the PAU with those of the specialized organizations of the OAS and of the UN. (See Section IX.)

Another area in which the Secretary General requires special help is in the formulation of comprehensive programs and proposals relating to economic and social development and cooperation in which several parts of the PAU all have a role. The manner in which the various departments contribute to Operation Pan America and carry out specific segments of development and cooperative undertakings in this field must be carefully planned at the initial programming stage and correlated in the operational and evaluation stages. Of special importance is the
development of effective working relationships between the technical substantive divisions of the PAU which plan and advise on projects and the actual conduct of projects of technical assistance through the Department of Technical Cooperation.

Role of the Representative on Economic and Social Affairs

We thus commend the appointment of the "Representative of the Secretary General on Economic and Social Affairs." In our opinion the title of this position should be changed as quickly as possible to "Under Secretary for Economic and Social Affairs," to reflect permanency and prestige. Although the exact role of this officer may be more clearly defined in the light of experience, certain requisites of this office should be noted. First, the Representative should be viewed as a line officer functioning as a part of the Office of the Secretary General. In other words, the Representative does not exercise an independent set of operating responsibilities at the departmental level, but rather performs certain tasks in relation to the total Secretariat which the Secretary General himself would perform if he had time. Accordingly, the role of the Special Representative should not be considered an additional layer in the operating hierarchy but rather as an arm of the Secretary General in facilitating the planning, coordination, and execution of the total economic and social development responsibilities of the OAS. The Representative must not succumb to the tendency to engage in operations or to deal directly with personnel below the level of department director. This is the responsibility of the respective department directors.

In this context, the Representative should not recruit a separate staff of his own. Two or three technical and administrative assistants, together with secretarial help, should be sufficient. In the central task of integrating plans and proposals concerning Operation Pan America and related social development, the Representative will be able to utilize the PAU planning office together with short-term technical staff drawn from the various departments or outside. He will have available to him the technical resources of the entire PAU as well as direct help from the budget, personnel, organization and methods, and conference services, and other staff offices.

Creation of this new office in no way replaces or subordinates the role of the Director of the Department of Economic and Social Affairs. On the contrary, it will emancipate the Director from extraneous responsibilities and enable him to concentrate his energies on planning and administering the important and increasing functions of his department. The Director would always have direct access to the Secretary General to whom he is responsible, although on program and technical matters he would work closely with the Representative. This relationship would apply in the same manner to other department heads. The post of department director must be filled by a competent individual, well-qualified in these fields. He should be assigned the administrative and technical deputies or assistants necessary to give adequate direction to the department's activities. Only when this is done will the OAS be able to discharge its expanding economic and social development functions.

Another advantage of this arrangement is that it will furnish additional support to the Assistant Secretary General. The increasing diversity and complexity of the operations of the Council of the Organization of American States, particularly in the political or over-all policy field, and increasingly in the
human rights area, require a close and exacting attention on the part of that official. The Assistant Secretary General is at the same time responsible, by delegation, for preliminary review and decision on the entire program of the Pan American Union. With the appointment of the Representative of the Secretary General and his assignment of responsibility for review of programs, it will be possible to relieve the Assistant Secretary General of much of the burden of detailed considerations and place before him for review plans and programs that have been refined and formulated in a coordinated form.
VI. ORGANIZING THE OPERATIONAL, ASSISTANCE, AND SUPPORT FUNCTIONS OF THE PAN AMERICAN UNION

While the policy direction of the official inter-American activities in the field of economic and social affairs comes from the Inter-American Economic and Social Council, and ultimately from the Council, it is a well-organized, efficiently functioning permanent secretariat of high professional skill, and the objectivity characteristic of an international civil service, that coordinates the development of policy and conducts the various activities essential to its implementation. In determining the manner in which this Secretariat can best be organized and administered, it is prudent first to look to the expressions of the member states for the types of inter-American cooperative efforts they wish to be carried out. Using the most recent of these—the Act of Bogotá—as the principal but not exclusive guide, we have outlined, in Section I, those functions and activities which are considered essentials of OAS assistance to hemispheric development efforts.

To meet the current requirements of the member states the structure and work of the Pan American Union should be a reflection of the principle of integration set forth in the Act. To this end an intensive examination of the PAU is needed to determine:

1. The functions and resources required to fulfill the new objectives
2. The method of coordinating and utilizing all resources
3. The allocation of functions among departments and the role of each department in the economic and social sphere
4. The means of servicing the IA-ECOSOC and other organs and conferences concerned with economic and social matters
5. The manner in which the technical staff of the substantive departments should work in relation to technical assistance and other services to member states

A precise solution to these questions calls for an intensive study and the formulation of a detailed plan.

The Pan American Union is in a good position to work out such internal readjustments and improvements. It has been engaged for the last three years in extensive efforts to rationalize its organization and to develop more effective procedures and methods. Assignments of responsibilities and working relationships have been defined. The establishment of an Organization and Methods Office has been particularly significant in this connection. That office has helped the Secretary General and the department heads study and solve administrative, organizational, and procedural problems. However, in view of the new and complex functions, we suggest that the Secretary General supplement the internal staff with experienced consultants in the administration of economic and social development work who can help conduct the necessary studies and formulate definitive proposals for internal adjustment.
The Representative of the Secretary General on Economic and Social Affairs

This new associate of the Secretary General for economic and social planning and coordination has a very significant role to play in integrating and concerting the resources of the PAU for development purposes.

In delineating this role, it should be recognized that while the Department of Economic and Social Affairs has major policy and substantial responsibilities in connection with fulfilling the objectives of the Act of Bogotá, other departments have a significant and increasing role to play and will need to be expanded as operational tasks are assigned to them. The Department of Technical Cooperation will have a greatly expanded workload, since it has primary responsibility for organizing and administering much more diversified special technical assistance and service projects. The Department of Cultural Affairs, especially through its Division of Education, and the statistics and public information departments will also have roles of growing importance.

The Department of Economic and Social Affairs cannot continue to be regarded as something apart and distinct from the rest of the PAU or as having exclusive domain over development support.

What is now lacking is a coordinated and integrated approach which assures that all of these activities are proceeding properly in accordance with the current priority requirements of the member states, as given policy direction in the Inter-American Economic and Social Council. It is here that the Secretary General's Representative will find his most productive area of action. To this end we believe that the Representative should serve as the principal advisor and agent of the Secretary General on policy initiation, program planning, and coordination and evaluation for all activities in the area of development support. The Representative would assume a substantial responsibility for providing leadership with respect to OPA and take part in the process of program-budget review within the PAU, as it relates to the implementation thereof. Such participation would include, but not necessarily be limited to, a review of the programs of the departments of Economic and Social Affairs, Technical Cooperation, Statistics, Cultural Affairs, especially with regard to the education, social sciences, and science development divisions.

The Representative should also be designated as the official spokesman of the Secretary General in the area of economic and social policy. He is the logical person to represent the Secretary General in the meeting of the preparatory committee of the IA-ECOSOC and be the principal defender of the economic and social programs of the General Secretariat before the Council of the OAS and its Program and Budget Committee.

With the support of the Organization's Specialist in the Office of Council and Conference Secretariat Services, the Representative should also assume responsibility for substantive coordination of General Secretariat relations with other organizations whose programs have a direct bearing on development. In this regard he should assist in the establishment of the coordinating mechanisms outlined in Section IX of this report.
The Department of Economic and Social Affairs

The Department of Economic and Social Affairs will continue to have major responsibility for the technical orientation of the General Secretariat's development support programs and the technical support of the deliberative bodies in the economic and social field.

We feel, however, that a substantial reorientation is required in order to carry out OPA. It is obvious to us that the member states expect the Organization to give more active and direct technical support to their development efforts. The OAS will be required to furnish more and more direct services through advisory missions, training, demonstrations, specialized research, and technical assistance of many kinds. The time for concentration on nonobjective studies is past.

To meet the above requirements there must be not only a psychological reform throughout the Pan American Union but also a reorganization of the Department of Economic and Social Affairs, particularly in view of the decision of the member states that hemisphere development must be comprehensive in character and that development support must proceed in an integrated form. The present compartmentalization of the Department into a number of divisions appears to create administrative and technical barriers to the integration and coordination of programs. It also limits flexibility in program planning since the mere existence of a division in a specialized area naturally requires that it have a major program even though in a particular period this may not be a priority item.

As a part of the survey needed to determine how the technical and operating organization of the PAU can be made both flexible and efficient, we suggest that consideration be given to eliminating of some of the divisions as formal administrative entities and to organizing on the basis of "task groups" as work requirements dictate. Except for certain continuing tasks, like commodity work, the technicians and experts would be organized on a program basis, with a group supervisor in charge of each undertaking. Thus the internal organization would change from time to time to cope with changes in the program. Each program or project would have a name and a clear statement of objectives, scope, method, personnel assigned, and time schedule.

This rearrangement would apply primarily to the work of the divisions of Economic Development, Social Affairs, Industrial Technology and Productivity, and Regional Planning. The program or project groups would not be administrative units in the sense of divisions, and personnel could be shifted, as required, from one to another to ensure proper representation of all disciplines necessary to the successful realization of a project. At the same time, care would be needed to maintain continuity of expertise in those fields in which continuing policy and advisory assistance are required.

There is a further advantage to this plan or organization by work program components; it relieves the Department's top technicians of detailed administrative duties which divert their attention from substantive work. The Department is provided with a central administrative staff ample in size to provide the necessary budgetary, personnel, and administrative services to these work groups. In the long run this should be a more economical arrangement.
An exception would be the Inter-American Housing and Planning Center, in Bogotá, which, because of its separation from headquarters, will have to retain considerable administrative autonomy. Every effort should be made, however, to make appropriate use of its facilities and resources in carrying out other programs of the Department.

Another possible exception would be a reorganized Inter-American Tourist Service.

Finally, it is proposed that consideration be given to the appointment of a Deputy Director for Economic Affairs and a Deputy Director for Social Affairs. Each should be on a very high professional level and have experience which indicates recognition of the importance of integrating the concepts of both economic and social development.

In spite of the fact that measures suggested in this section and Section IV will provide better utilization of technical resources, the Department of Economic and Social Affairs will require a substantial increase in highly-qualified personnel to carry out its expanded responsibilities.

The Department of Technical Cooperation

The establishment of this department is one of the most recent significant developments in the OAS. It brought together the technical assistance and related field activities of substantive concern to PAU departments and to the Specialized Organizations as well. The Department provides a significant coordinating mechanism for the technical assistance programs of the OAS, the UN, and other agencies operating in the Western Hemisphere.

The General Secretariat's principal resources for "extension" activities are located in the Department of Technical Cooperation. Its direct technical assistance, fellowship, professorship, and technical cooperation programs possess the means for making the presence of the OAS felt as a force in the economic and social development of the member states. It is essential that its services be so organized and integrated into other programs as to be readily available to the member states as required.

The principal role of OAS technical assistance should be that of assisting the member states develop the necessary capabilities for the elaboration and execution of their integrated development plans. In this regard, it is of prime importance to assist in the organization, development and training of the various planning units at the national and regional levels whose task it will be to prepare the integrated development plan.

This leads to the question of the criteria for determining whether a demonstration, service, or assistance project should be administered by a substantive department—Economic and Social Affairs, Cultural Affairs, etc.—or by the technical cooperation department. At present some of the personnel in each department must devote at least part of their time to the administration and operation of projects in the member states. All these projects call for the same kind of administrative arrangements, briefing, reporting, supervision, and financial procedure. With each department free to develop its own methods, practice varies widely. Because only a few projects are assigned to the departments, the specialization of personnel is not feasible and costs must be high.
For these reasons we recommend that the survey of internal organization consider the feasibility of concentrating the strictly operating or administrative aspects of assistance projects in the Department of Technical Cooperation. The substantive departments would continue to plan the technical aspects of projects, advise on the assignment of experts, review the technical reports, and evaluate results. They would be relieved of administrative direction, however, once the project reaches the operational stage.

Another question requiring study is the appropriate location of responsibility for advising countries on the preparation of development programs. The work of preparing general guides, bulletins, and other materials of direct help to the member states would be a normal responsibility of a designated "program group" in the Department of Economic and Social Affairs. It should be kept in mind, however, that developmental programming encompasses many fields and subjects outside of that department.

However, when a country requests the aid of an expert or group technical assistance, the project should ordinarily be administered by the Department of Technical Cooperation and, of course, supported in technical matters by the appropriate substantial department.

We have noted the very great increase in the workload of the Department of Technical Cooperation. Besides having very heavy administrative and coordinating responsibilities which force him to spend much of his time in negotiations, the Director also has direct personal responsibility for particular programs and projects. At a minimum, changes are needed to facilitate the delegation of responsibility.

Finally, we recommend that consideration be given to the abolition of the Fellowship Board and the Direct Technical Assistance Advisory Board. In neither case do the collective decisions involved appear to justify the amount of time spent in arriving at them. The professional competence of the Division of Fellowships and the Division of Technical Cooperation and Assistance should be sufficient to assure the Director and, through him, the Secretary General of adequate, objective review and consultation.

**Servicing the IA-ECOSOC**

Strengthening the IA-ECOSOC, as described in Section V, will make possible important readjustments in the assignment of staff as well as monetary savings in the Department of Economic and Social Affairs. Approximately ten to twelve man-years of work are monopolized by the present method of operation of the IA-ECOSOC and its committees. These would be released for the substantive tasks of the Department. The Office of Council and Conference Secretariat Services would handle the arrangements for the annual meeting of the IA-ECOSOC, and the staff of the economic and social department would concentrate on significant preparatory work.
Developing the dimension of impact

As the PAU shifts its emphasis to programs and projects designed to bring about rapid social and economic development, a new dimension must be added to its work. This dimension might be described by saying that its efforts must be put in a dynamic-action, planned, and systematic context instead of a study-discussion framework.

If living conditions in a country are to be improved, then the attitudes and behavior of people must change. This requires an understanding of the environmental factors which obstruct change, the methods by which change is induced, the requirements for developing indigenous institutions and practice, the means of altering attitudes, and the process of administrative improvement. In short, the staff and technical assistance experts of the PAU must develop the "art and science of planning and guiding the administration of social and economic change in a cross-cultural context."

This calls for new understandings of how to plan, organize, and administer developmental undertakings. Developmental programming is a new and evolving technique which lies at the heart of national progress. Programs must be translated into operations which have impact—impact on action and behavior right down to the village level. Most mass-benefit programs—health, literacy, land reform, food production, cottage industry, to name just a few—require mass understanding and participation. This means communication, training, and education of many kinds.

Every action program and project should have the help of experts both in determining the requisites for individual and community acceptance of new methods of communicating and fostering changes in attitudes and in methods of preparing trainers. Manuals, guides, and instructions prepared at headquarters need these insights built into them, and projects conducted in particular countries must be designed in relation to the total factors in the environment—political, social, cultural, economic, administrative, ethical. Teams going to the field should be trained in these methods.

One of the obstacles of the harmonious and effective operation of the Secretariat is the different cultural orientation and language which members of the staff bring, particularly those from the United States vis-à-vis Latin America. Each group acts on assumptions which have a different value or meaning. Concepts from one language and administrative tradition do not translate readily. Continuous study, staff discussions, training, and alert supervision are required to bring about an integrated system of international administration.

The Personnel Office has a technical and facilitating responsibility, but leadership in these matters must come from the operating officials. One of the functions of the Representative of the Secretary General on Economic and Social Affairs should be to work with the Assistant Secretary General to stimulate and assist in building this new dimension of understanding into the entire Secretariat.
Training in economic and social development

This leads to the role of training both Secretariat personnel and technical assistance experts. Technical knowledge and skill is obviously only a part of the expertise required. Present staff and new personnel to be recruited need training in how to plan, organize, and carry out development undertakings. They need an understanding of development programming and administration, the techniques of advisory assistance in another culture, how to work with and through local officials in building indigenous programs and institutions. This entails awareness and ability to deal with the whole range of factors or conditions which affect national development—cultural, social, economic, administrative, and political.

Training in development programming and administration is needed also for the personnel of the member countries appointed to formulate comprehensive and feasible development programs, to concert the various sectors of planning into an integrated whole, to develop current and capital financial plans to improve governmental organizations, to introduce budgeting, accounting, and statistical systems to develop and conduct projects, to foster investment and enterprise, and, where necessary, to design new agencies to carry out such programs.

These training programs can be carried out through several means. Several institutes are already conducted by the Economic Commission for Latin America, the International Bank for Reconstruction and Development, the Pan American Union, and several universities. The PAU will need to sponsor additional training work at its headquarters and in the member countries, in some cases on regional basis. Special fellowships should be available for this purpose.

Accordingly, we recommend that training described herein be organized as a technical assistance program responsibility, with the personnel office providing guidance.

Lump-sum discretionary funds

Additional funds will be required to strengthen the Secretariat along the above lines and to finance expanded technical assistance. If work is to proceed speedily, funds must be made available before it is possible to develop detailed estimates. It is therefore proposed that two lump-sum authorizations be made for the next fiscal year, to be expended at the discretion of the Secretary General, which provide for the following:

1. A fund for expanding the Secretariat's resources to perform the additional tasks necessary to speed up the execution of OPA (This should be a part of the regular budget of the Secretariat.)

2. A fund to organize and provide technical and financial assistance to help member states in the development and strengthening of institutions essential for planning, organizing, and administering national development, as discussed in sections I and VIII (It is recommended that this fund be established through an allocation from the special inter-American fund for social development and held apart from the regular budget of the Secretariat.)
VII. IMPROVEMENTS IN THE INTERNAL ADMINISTRATION OF THE SECRETARIAT

The Act of Bogotá recommends that the special meeting of government representatives, among other things, "determine the means of strengthening inter-American economic and social cooperation by an administrative reform of the Secretariat, which should be given sufficient technical, administrative and financial flexibility for the adequate fulfillment of its tasks." This is an important objective.

In sections V and VI we describe essential steps for strengthening the Secretariat through (1) enhancement of the system of leadership and (2) better organization and development of the technical operating staff. In this section we evaluate the flexibility of Secretariat administration and recommend improvements in program-budget, personnel and other administrative practices.

Flexibility with accountability

We agree that if the demand for economic development, which was so evident in Bogotá, is to be converted into action with sufficient momentum to ensure significant development progress over the next few years, the Secretariat, as an operating agency, must be given the flexibility required to meet the dynamic conditions that confront it. This means that the Secretariat should have great latitude in recommending for consideration by the appropriate collegiate bodies the programs, policies, or major undertakings that can result in substantial progress toward planned development. Once such recommendations have been adopted, it must again have great latitude in putting these programs into effect.

While we strongly support granting to the Secretariat the flexibility it needs for the conduct of its operations, we do not advocate that the Secretariat be given such flexibility that it can encroach upon or evade the authority of the collegiate bodies. In other words, the Secretariat should not be given a blank check. It should not be permitted to undertake definitive programs without the approval of the appropriate collegiate bodies, nor should it be held free of accounting for its actions in carrying out approved programs.

We have examined the question of flexibility in the light of criticisms which have been made of the Secretariat. In preceding sections, we have recommended much more discretion by the Secretary General with respect to organizational and administrative matters, and especially in the initiation of programs and activities. We propose further that all regulations promulgated by the Council and other organs be reviewed and simplified. They are a major cause of inflexibility.

We believe also, as outlined below, that the program-budget and personnel systems should be adjusted to meet the administrative necessities of a vigorous operating organization. The concepts of these systems are, on the whole, sound, but the procedures are too rigid.

On the other hand, we have not found evidence that work under Operation Pan America has been handicapped by the procedure. It is always essential that contracts provide reasonable safeguards, that expenditures be in conformity with policy, that accurate accounts be kept, and that information be obtained on the suitability of personnel before appointments are made. The Secretary General must be held accountable for such matters, and he in turn must be given latitude to establish administrative systems which will ensure responsible stewardship.
The program-budget

The Secretary General has in recent years selected the program-budget system as the best method of planning and scheduling action on the varied services, projects, publications, meetings, and other activities of the Secretariat in a systematic manner and with due reference to priority of objectives. This plan was first suggested by a management consulting firm after a survey of Secretariat operations. The Secretary General's Advisory Committee on Organization endorsed the plan and outlined the benefits to be derived from the systematic programming of the PAU's work and the preparation of the budget based on the work program. We strongly support this principle.

The program-budget system, when properly used, provides an operating agency with ample freedom of action to plan and develop its program of operations and to carry out such programs once they have been approved and financed. It has the added advantage of giving to the policy-making or appropriating body a clear understanding of the purposes to be accomplished and the estimated cost of the programs, so that it can afterward evaluate the effectiveness of program execution.

In view of the criticism that has been levelled at the program-budget system, we have reviewed it carefully. We find that the system represents a very great improvement over the old procedure. The general features are sound. It provides considerable flexibility in programming and financing. On the other hand, it also contains unnecessary rigidities and an unwholesome method of review which should be remedied.

We find that the system:

1. Provides ample opportunity for the operating officials to (a) assist in the determination of basic program and budget policy, (b) recommend programs for their particular area of operations, (c) discuss their programs in relation to the over-all needs and limitations of the Secretariat, (d) advise the Secretary General of their views on the total program and budget prior to his final decision, and (e) defend the programs included in the budget for their areas before the Program and Budget Committee of the Council.

2. Permits operating officials to effect the transfer of funds between their operating programs providing no program is eliminated or significantly changed and no additional funds are required.

3. Furnishes operating officials with monthly statements of expenditures and balances in relation to funds available for their programs (These statements, together with information on program progress provide them with a sound base for directing the operation of their departments.)

4. Provides the Secretary General and other officials with quarterly reports of program accomplishments for use in (a) evaluating over-all operations of the Secretariat, (b) making periodic reports to the Council, and (c) requesting authorization for program or budget changes where appropriate.
Recommended changes in the program-budget

We propose several improvements in the operation of the program-budget system.

1. Projects and activities need to be consolidated into optimum size programs. Program controls have been established for activities that involved non-personnel costs of under $1,000. In such programs, there is of course almost no flexibility, and an inordinate amount of negotiation and paper work in transfers of funds between programs is inevitable.

2. Program and budget review should focus more on the validity of the activities and projects in fulfilling approved objectives and policy and less on objects of expenditure which can be forecast with only a limited degree of accuracy. The program-budget policy has been impaired by excessive attention to detail.

3. The size of the Contingency Fund should be increased. The fund available to the entire Secretariat in 1960-61 to meet unforeseen conditions amounted to only $45,000 in a budget of $8,103,212. We propose that the fund be increased to an amount approximating 3% of the total budget, and that, in addition, two special funds be provided during the next year or two while the expanded development programs are getting under way. (See Section VI.)

4. The percentage of funds which may be transferred from one chapter of the budget to another should be increased. The resolution appropriating funds for the operation of the Secretariat limits the Secretary General's authority to transfer funds to 5% of the total appropriations for the chapter from which the funds are taken, and in addition includes a proviso that no approved program may be eliminated or substantially changed by such transfer. Transfers in excess of 5% must have prior approval of the Program and Budget Committee. We believe this to be an unreasonable restriction during this period of rapidly changing functions and objectives in economic and social development. We believe that authority to transfer up to 10% of a chapter appropriation is desirable. The Secretary General should have discretion to adjust expenditure programs in a manner he deems of best advantage to the program objectives and policy established by the Council.

In our opinion, remedying the above-noted defects along the lines indicated will make it possible for the program-budget system of the PAU to provide the needed operational flexibility, particularly in so far as funding normal operations are concerned.

The initiation of major programs to carry out commitments not provided for in the budget is generally accomplished through an appropriation from the Working Capital Fund when the Council of the OAS, in its role as the policy-making body, decides such action is necessary. The Working Capital Fund, as of the end of September 1960, amounted to approximately $1.5 million. Since this fund must also be used to finance regular operations in advance of the receipt of member quotas, it obviously lacks the resources necessary to finance the expanded operations contemplated in this report. We have therefore proposed the special authorizations set forth in Section VI.
Personnel administration

Turning to the question of flexibility in personnel matters, we find that a number of improvements can be made. The importance of flexible means of recruiting and developing talented persons who must be drawn from many technical backgrounds has already been stressed.

The Secretariat will need to utilize both short- and long-term contracts for personnel who are not required on a permanent basis or where a position cannot be filled promptly by an appointment to the permanent staff. There are many advantages to having a considerable proportion of the staff on a contract basis. It adds vigor as well as flexibility and provides needed experience for personnel returning to their home countries. However, contract personnel can be effectively and prudently employed only in conjunction with a complement of highly competent and well-paid permanent staff. The size of this complement should be sufficient (1) to maintain the degree of expertise in technical fields and geographic areas necessary for carrying out the basic program and meeting the normal demands for technical assistance, (2) to direct, coordinate, and evaluate the activities of contract personnel, (3) to provide technical assistance in those fields related to the normal work program for which experts cannot be recruited on relatively short notice without paying an exorbitant price, and (4) to provide the organization with those resources which can only be found in a dedicated and experienced staff.

A more positive and resourceful program of recruitment and training makes it necessary for the Secretariat to undertake the following major tasks:

1. A positive, wide-range recruitment program that would cover, but not be limited to, the Western Hemisphere
2. A major training program
3. Increases in the salary scales
4. Revision of personnel regulations

Recruitment program

The recruitment program must be conducted at least on a Hemisphere-wide basis in order to obtain personnel with the skills required for the new tasks and, in addition, to maintain a satisfactory geographic representation on the staff of the Secretariat. It should not, however, preclude the employment of technicians from outside the Hemisphere whose experience and knowledge might readily be adaptable to the scale of operations and institutions involved in development in Latin America.

The recruitment methods employed in the past will no longer suffice. Positive recruitment is required, as in the case of progressive national governments and private enterprise. This is a team operation involving the personnel office and the operating department. The personnel office needs "executive or technical recruiters" who can systematize an intensive search for talent to fill each staff and technical assistance vacancy. The operating officials may identify
prospects through their contacts with professional societies and other agencies, but determining whether a prospect meets PAU standards is a function of the personnel office. However, only those persons who are requested or approved by the operating department should be appointed.

In addition to middle-level and senior personnel, the recruitment program should include the appointment each year of a limited number of top-level graduates of the leading universities of the member states who are familiar with their countries' problems and institutions in their respective fields. Such persons can be trained in the operations of the Secretariat and eventually will form a highly competent nucleus for the career service. The latter practice has been found to be highly successful in many national and international organizations and bodies.

**Training program**

The value of technical or operational training is described in Section VI. For the Secretariat, generally the training program should be designed to meet the needs of two groups of personnel: first, present staff members who must be trained or retrained to carry out their new assignments; and second, newly recruited personnel who must be familiarized with the needs of the Organization and provided with knowledge and skills for their new assignments. Few persons can be found who have the necessary technical knowledge, administrative capacity, language skills, and understanding of the operations of an international organization.

So far the PAU has provided no training except in the field of language instruction. Looking to the future we see the need for intensive instruction and development in the following areas:

1. Technical and operational knowledge and skills in economic and social development and in the conduct of technical assistance, as described in Section VI

2. Essentials of cross-cultural relations in international administration, including Latin American institutions

3. Administrative and supervisory development

4. OAS policies, operations, and methods

5. Language skills

The training programs need not be of excessive duration. Some of this training can be done by arrangements with universities. An increasing number of universities offer workshops or short courses in these fields. Other aspects of the training will have to be organized by the PAU. For example, OAS policies and methods would be covered as a part of an expanded orientation program.
Revision of the salary scale

It is apparent from an analysis of the causes of turnover of professional personnel at the Pan American Union that salaries are not equivalent to those offered by other organizations. If the requisite personnel are to be secured to carry out the new economic and social functions, this condition will have to be remedied. It is our understanding that a revision of the salary scale is under preparation in the Secretariat and is to be considered in conjunction with the budget for the coming fiscal year. We recommend that the scale provide for the following:

1. A salary range above the present top class which would enable the Secretary General to employ top-level specialists for extended periods to handle special assignments and assist in developing basic policies in particular fields of operation as the need for such action arises (The present positions at the managerial level could be incorporated into this range.)

2. Separate pay scales for (1) professional and technical positions and (2) local or general positions, as practiced in other international organizations (The Secretariat should take the initiative to establish separate pay scales for the two categories for which the Council has established different standards.)

3. A substantial raise in the initial steps of the various salary classes of professional personnel to enable the PAU to compete with other international organizations in the recruitment of new personnel

4. An increase in the salaries for positions in the local category sufficient to bring them up to the salary levels for similar positions in other agencies in the local area

Since the new activities envisaged for the Secretariat can lead to the establishment of permanent staff away from headquarters, consideration should be given to including cost-of-living adjustments in the salary schedules.

Revision of personnel regulations

The functions which the Secretariat must carry out to fulfill the objectives of the Act of Bogotá are of such difficulty that they require exceptionally well-qualified and dedicated personnel. While the elements of an effective internationalized service already exist, much remains to be done. The best method of developing such a career service is through the establishment and strict application of personnel policies under which, in return for faithful, conscientious, and competent work, employees will be assured of just compensation, reasonable opportunity for advancement and tenure, and fair and equitable treatment within the terms of the regulations. The existing personnel regulations represent a start in this direction but they require substantial revision and application if the above objectives are to be achieved.

To put such a program into effect, a reorganization and expansion of the present personnel office is required. This unit lacks essential functional specialization in recruitment, classification, and training and is barely able at the present time to keep up with day-to-day routine.
In evaluating personnel needs we were alarmed by the lack of adequate work space in the buildings now occupied by the PAU. The Secretariat must conduct its operations from four separate buildings. An expansion of staff to carry out the new activities envisaged in this report might cause even greater dispersion of operations and add to the present difficulties involved in obtaining necessary coordination. Prompt attention should be given by the Organization to measures necessary for providing space to house all its headquarters activities in a single location.

Line-staff relationships

A discussion of the flexibility of the Secretariat's operation would be incomplete without some reference to the relationship between the operating officials and the staff of management advisors to the Secretary General, which was created pursuant to recommendations arising out of the management survey mentioned earlier.

There can be little question of the Secretary General's need for management advisory services in planning and directing the activities of the organization. This is an essential in any modern system of administration. As the Secretariat increases in size and complexity, the need for such service becomes even greater. The existence of an advisory management staff should not in any way detract from the responsibilities of the operating officials, but rather enhance them by providing the means for more effective administration, thereby enabling them to undertake additional operations.

Although the roles of staff and operating or line officers, as they are commonly called, are clearly defined, either group can exert an undue amount of influence on top-level decisions if imbalance exists between the capabilities of the two groups. It appears to us, after a review of the Secretariat's experience, that the chief difficulties in line-staff relationships will disappear with the strengthening of the operating sector.

The operating officials have a definite responsibility for assisting in the formulation of general operating policies as well as for planning and executing programs in their own particular area. To the extent that they fail to carry out these responsibilities they create a gap that can only be filled by the staff.

The Secretary General has already taken steps to increase the capacity of line officials, particularly with the establishment of the Representative on Economic and Social Affairs. The necessity of this course of action cannot be overemphasized, for if the Secretariat is to cope successfully with the problems that lie ahead, it will need all the strength it can muster.

It should be pointed out that in the final analysis the responsibility for the operation of the Secretariat rests with the Secretary General and not an operating or staff official. His decisions and actions direct its activities and he alone must answer for its work.
VIII. CONCERTING WESTERN HEMISPHERE EFFORTS

As may be seen in the Appendix, the countries of the Americas have at their disposal the facilities and resources of literally several hundred public and private international agencies concerned with some aspect of economic and social development. Among the principal agencies are the OAS, including the IA-ECOSOC and the PAU, the Inter-American Specialized Organizations, and the Inter-American Development Bank; the United Nations, its Economic Commission for Latin America, and the Specialized Agencies; the International Cooperation Administration and other assistance agencies of the United States Government; extracontinental assistance agencies; and private international philanthropic, professional, and service agencies. These comprise a network which is difficult to comprehend, and even more difficult to coordinate.

It has virtually become a tradition for every inter-American meeting, whether in the economic and social field or not, to adopt a resolution relating to the problem of coordination among these agencies. This reflects an almost automatic assumption that since so many agencies are in operation, there must be a serious lack of coordination. Fortunately, formal provision for coordination is important only in respect to the major governmental and intergovernmental agencies. Moreover, a great deal of coordination is accomplished voluntarily through negotiation, the exchange of information, and liaison.

The agencies operating in this area have developed a complex of coordination agreements most of which seem to be operative in the sense that organizations wishing to be informed of other agencies' operations have access to the necessary data.

The need for an integrated approach

While the need for a formalized and enforceable system of coordination has not been as urgent in the past as the resolutions of the consultative organs of the OAS have often implied, there has been, nevertheless, a substantial amount of coordination among the major international agencies which operate in the Western Hemisphere. The increased focus on economic development and assistance to individual countries and the Act of Bogotá's emphasis on an integrated development plan for Latin America create a far greater need for an integrated approach than has existed heretofore.

This need for some effective means or method to achieve integrated and comprehensive policies, measures, and programs is reflected in the Act of Bogotá, which, in Section IV.3.c., recommends that at their meeting the senior government representatives:

Formulate recommendations designed to assure effective coordination between the Inter-American Economic and Social Council, the Economic Commission for Latin America, the Inter-American Development Bank, the United Nations and its Specialized Agencies, and other agencies offering technical advice and services in the Western Hemisphere.
Since the Act—except for singling out the Inter-American Development Bank as the primary mechanism for the administration of the fund for social development—does not assign specific responsibilities to the various agencies in connection with enumerated functions and measures, we must look elsewhere for a statement of which agency should have the over-all coordinating responsibility. Article 64.b of the Charter specifies that the IA-ECOSOC shall "act as coordinating agency for all official inter-American activities of an economic and social nature." It becomes clear then that the IA-ECOSOC, with the aid of the Secretariat, must assume the major coordinating role.

The decisions of the IADB in approving and administering projects should be made with reference to comprehensive approaches and programs of national development. A major deterrent to economic and social progress in the American countries has been the piecemeal approach. Educational, health, agricultural, and other "sector projects" have been initiated without sufficient reference to their bearing on the priority of goals, balanced programs and requirements, fiscal implications, contribution to economic growth, and relative social benefit. This has been the penalty of the proliferated allocation of functions among the maze of international agencies. In the search for a new approach to this central problem, the senior government representatives have a strategic opportunity at the November 28 meeting to bring more order into the international agency network. On the other hand, projects which will increase the production of essentials and contribute to national progress must go forward even if over-all planning is inadequate.

The integration and coordination of the work of the several agencies involved in economic and social development can be accomplished only under the authority of an organization which has the general political support of the member states. The Council of the OAS, as the Americas' one continuing instrument of this character, offers through the IA-ECOSOC and the Secretariat the only mechanism where the total set of factors, policies, and operations can be brought into focus, where comprehensive agreements can be reached, and where measures of coordination can be initiated and applied. As a consultative organ meeting at the ministerial level, the IA-ECOSOC, with the help of the Secretariat, provides a forum in which to reconcile political, economic, fiscal, social, and administrative realities and fit the contribution of specialized agencies into a total framework.

Coordination under the IA-ECOSOC should not be limited to activities of international or intergovernmental bodies within the inter-American system; it should encompass also the activities of governmental-bilateral and private assistance agencies. Such a program would facilitate and foster, if not suggest, the cooperative participation by extracontinental countries through their bilateral assistance programs.

Two steps in coordination

The task of concerting the agencies and resources to make possible a bold and effective thrust in economic cooperation and development thus divides into two steps:

1. The allocation of roles, functions, activities, and funds to the several significant agencies in a manner which will facilitate integrated and correlated planning, decision making, and operations
2. The establishment of continuing means of consultation and coordination among the agencies, with identifiable responsibility for initiative in respect thereof.

The first of these steps is immediately urgent. The PAU is in a period of uncertainty because its role has not been clearly defined; yet it is obvious that it is the only organ in the OAS system which is not collegial or representative in character, and which concerns itself with the entire economic and social field on behalf of the OAS Council and the IA-ECOSOC. Thus the PAU, as the General Secretariat of the OAS, is the only instrumentality in a position to engage in the administrative necessities of coordination.

Division of functions

In general, we identify the following illustrative distribution of functions:

1. The PAU, that is, the Secretariat, in consultation with the Secretariat of the Economic Commission for Latin America and the staff of the IADB and other Specialized Organizations, develops the framework and proposed components of Operation Pan America, including the social development program. This covers the proposed objectives, policies, and program elements of the OAS component, including the IADB, in considerable specificity, and descriptions of the program components of the UN and its Specialized Agencies and of bilateral assistance in so far as these are available.

2. The IA-ECOSOC reviews the new features of OPA, its social development component, and other economic cooperation measures and formulates policies and recommended action, including objectives and general criteria relating to economic and social development assistance. In so doing, it considers the program components of other agencies and takes such measures in respect thereof as it deems appropriate.

3. Member countries are encouraged to elaborate their national development plans and programs and develop and strengthen the institutions essential thereto with the help of external aid programs.

4. The IADB (a) defines, in accordance with OAS objectives and policies, the specific norms and procedures for projects under funds available to it, (b) gives direct technical assistance in, and financing for, the preparation of projects to the extent deemed necessary, and (c) makes loans to cover the IADB portion of projects. In this connection it should give both technical and financial assistance to national agencies organized to develop such projects. The IADB should also organize a clearing house for information on financial aid and, on request, secure from other lending or granting institutions financing for member country applications that cannot be accommodated by the Bank itself.

It should be kept in mind that the Inter-American Development Bank should be given maximum encouragement to undertake, within the general policy of the OAS, its full responsibility for rendering technical assistance, for the following reasons: (a) the possibility of receiving financial aid will make such assistance from the Bank more acceptable to the recipients and foster greater local cooperation and self-help; (b) since the Bank will require knowledge of
a country's general conditions, financial organizations, balance of payments, markets, etc., in order to evaluate loan applications, technical assistance missions can be combined with fact-finding missions in this regard; and (c) since the Bank, from the nature of its operations, will have to be highly competent in financial and industrial or technological matters, it will be in a position to render such aid.

5. The Secretariat initiates periodic consultation within the OAS system and with ECLA and other UN bodies or agencies in an effort to ascertain their capabilities, encourage maximum use of their personnel and other resources in connection with the social development program, and formulate a system of progress reporting.

6. ECLA and the Secretariat develop annual work programs in mutual consultation so as to avoid duplication and maximize the use of available talent on matters of highest priority. In this regard, it is particularly recommended that representatives of the Secretariat be stationed in Santiago, Chile, and in Mexico City in order to achieve the necessary coordination with ECLA.

The matter of roles, assignment of responsibilities, and effective utilization of agency resources is a continuing problem and will frequently need to be on the agenda of the revitalized IA-ECOSOC and the Council of the OAS.

Coordination among agencies

In addition to the urgent matters of allocation of function among agencies, there remains the question of how coordination can be made a continuing reality in the considerations and work of the multiplicity of agencies. Coordination will not be achieved merely by adopting more resolutions charging consultative organs with this responsibility. It calls for very specific measures and actions, some of which are implicit in the process described above.

There are two essentials of coordination which are generally overlooked. First, coordination is a function of administration. This means that coordinations is achieved through executive negotiation on prepared work programs and on their method of execution. It is achieved by cooperative planning, exchange of information, informal meetings, liaison, and other administrative steps.

A consultative body like the IA-ECOSOC can define the objectives of coordination and the policies and the method to be applied, but as a collegial organ it cannot itself administer the function of coordination. Administration of coordination is the responsibility of the Secretary General; yet in the thick file of resolutions about coordination, no reference has been noted that recognizes this role of the Secretary General. The November 28 meeting of government representatives can start a new tradition.

Second, coordination needs to be dealt with at several levels, namely:

a. Coordination within governments (1) to concert national efforts in the formulation and execution of international measures, including the coordination of requests for national technical assistance and
foreign financial aid, and (2) to ensure consistent and uniform instructions to delegations assigned to meetings of different international agencies.

b. Coordination of policy consideration of the consultative organs of international agencies in areas of overlapping interests and responsibilities (The elaboration of OPA and its programs will constitute a first step in this regard.)

c. Coordination of all international activity relating to individual countries, including research, reports, demonstration projects, and the scheduling of meetings.

d. Coordination within the PAU, as outlined in sections V and VI.

e. Coordination at the international level to make it easier for the countries to obtain external aid (Elsewhere in this report we have outlined the responsibility of the PAU to establish a clearinghouse for technical assistance and that of the IADB for similar service in the financial field.)

If there is a reasonable amount of "a"-type coordination, that is, consistency in the countries' approaches to international questions in different forums, there will be adequate coordination in the actions of international consultative bodies. This is the prerequisite for effective "b"-type coordination. Both "a" and "b" coordination problems should periodically be on the IA-ECOSOC's agenda.

The Charter of the OAS contemplates coordination of the work of the Specialized Organizations under articles 98 and 99, which provide for the submission to the Council of "periodic reports on the progress of their work and on their annual budgets and expenses," and which authorize that agreements between the Council and the Specialized Organizations "may provide that such Organizations transmit their budgets to the Council for approval." We propose that the Council request the IA-ECOSOC to submit recommendations on how these provisions can be more fully implemented with respect to economic and social development affairs.

Coordination at the working level

The expanded economic and social programs and the increase in operating activities will require resourceful and continuous measures to achieve coordination in the work and services of the several agencies. The initiative and responsibility for this rests with the Secretary General. A major function of the newly appointed Representative of the Secretary General on Economic and Social Affairs will be to assist the Secretary General in coordinated planning and execution of development measures. (See section VI.)

As indicated earlier, a great amount of coordination takes place through the exchange of information and through liaison. However, the Secretary General is severely handicapped in this process because the Secretariat has been denied funds to establish and maintain the necessary contacts with other organizations, particularly those involving attendance at meetings. For example,
the Secretary General has funds approved for representation at the meetings of only two of the Specialized Organizations of the OAS. If the resources of all agencies are to be concerted under the new development plan, the Council must appropriate funds for Secretariat liaison. This includes the UN and the proposed Organization for Economic Cooperation and Development (revised OEEC).

Periodic meetings of the administrative heads of organizations provide an important means of coordination. Such meetings will be indispensable in the future. Within the OAS, a first step was taken in this direction when the Secretary General convoked two meetings with the heads of the Specialized Organizations. Poor planning appears to have diluted the effect of these meetings.

The most effective work in this direction within the OAS has been accomplished by the Technical Cooperation Board on which most of the OAS agencies are represented. However, its agenda is necessarily limited to matters related to the Program of Technical Cooperation of the OAS.

The United Nations has had relevant experience in the meetings of the Secretary-General with the heads of its Specialized Agencies, in ad hoc working groups of staff with comparable interests, and in its Technical Assistance Board. This experience should be examined.

Coordination within the OAS and throughout the Hemisphere

Looking to the future, we recommend the use of two continuing areas of coordination, the first within the OAS system, and the second, throughout the Western Hemisphere. It is recommended that the Secretary General propose to the heads of the official inter-American agencies the establishment on a permanent basis of an OAS coordinating committee to meet at least once a year to discuss matters of common interest, particularly those related to program planning. Consideration should be given to inviting the heads of these agencies to attend the preparatory and ministerial sessions of the annual meeting of the IA-ECOSOC. ECLA and other interested agencies could also be invited to attend this meeting.

If it is further recommended that arrangements be made to strengthen the liaison functions of the General Secretariat in connection with program planning and operation and progress reporting and to provide representation of the General Secretariat in the meetings of other international organizations. In addition to the authorization of funds for this purpose, it is necessary that Secretariat representation, whether in OAS meetings or in those of other agencies, should be more thoroughly prepared through examination of the agenda, preparation of position papers, and delineation of responsibility.

The PAU Office of Council and Conference Secretariat Services might take a more active role in serving as a channel of information on the work of other international organizations and programs. In particular, it should police the existing agreements with other agencies to assure compliance of both parties.
Coordination through shared work programs

With a view toward stimulating cooperation among OAS agencies and others serving the Western Hemisphere, the Secretariat should consider the preparation of an annual report on all major research, demonstration projects, technical assistance, and other activities which contribute significantly to Operation Pan America, including its social development component. This report should cover the activities of the PAU, the IADB and other Specialized Organizations, the UN and its Specialized Agencies, bilateral assistance, and the especially significant activities of major foundations and private international agencies.

This report should consist of two parts. One would list the activities of agencies in each major sector of national development relating to OPA, that is public health, education, public works, agriculture, industrial development, etc. The second would be a country-by-country summary of the totality of activities of all agencies which are directly related to each country's national plans and programs. Such a report would provide an informational framework to be used by each agency in program planning and in reviewing proposed undertakings.

In addition to cooperation in joint reporting, actual cooperation in joint undertakings offers an excellent means of achieving interagency coordination. The value of this is seen in the results obtained from the recent simultaneous agricultural conferences sponsored by the OAS and FAO in Mexico City. A second example can be found in the support by the OAS of a major ECLA program that resulted in the creation of the Latin American Free Trade Association.
IX. RESPONSIBILITIES OF THE MEMBER STATES

An oft-quoted declaration made before the Tenth Inter-American Conference by the then Secretary General of the OAS, now President of Colombia, refers to the inescapable fact that the Organization is what the governments of the member states desire it to be. The same can be said of such an integrated undertaking as OPA. Much has been made in our report of the need for reform of all or part of the inter-American system. However, for this system to function with any degree of efficiency and productivity, there must be a corresponding reform in the actions and attitudes of the member states.

The price of progress

The OAS can be nothing more than a series of meetings and conferences at which delegates of the member states make speeches, often for home consumption, pass high-sounding resolutions, refrain from pledging funds to accomplish what has been resolved, criticize the Secretariat for taking initiative or for not taking it, and then return home with conditions unchanged.

Or the OAS can be a means through which the officials of the twenty-one republics, with conviction and dedication, take collective measures supported by national action to bring about social and economic progress, freedom, good will.

Too frequently representatives at OAS meetings have, in all earnestness, called for appealing economic and social measures, but without much effect. Will Bogotá be different? That is the question.

If life is to be improved in the Western Hemisphere it will take a great deal of hard work, sacrifice, and cooperation by the officials and citizens of all the member states. It will require far more support and encouragement to the Secretariat than have ever been given, together with insistence on effective performance. No Secretary General can provide the leadership required unless the officials of the member countries make it clear that they want action. To our knowledge, no Secretary General of the OAS has ever been given this kind of support and encouragement. Criticism is a perennial habit in international organizations. The alternatives are to place the burden of getting the job done on the Secretary General, with member support (replacing a Secretary General if he does not measure up to the task), or to give up and suffer the consequences.

The immediate test is whether the member states can take the radical measures needed to strengthen and develop the OAS system--the Council, the IA-ECOSOC, the Secretariat, the Inter-American Development Bank, and the other pieces of machinery--into an integrated, efficient, and productive instrument. If the countries can unite in this bold and crucial act of mutual help and, at the same time, launch vigorous programs of self-help at home, the future of the Western Hemisphere can be a bright one.

Speaking resolutely

A major need in strengthening the OAS, so that it can fulfill its expanding economic and social responsibilities, is to secure strong, consistent, and effective leadership in its councils, a leadership which reflects the policies of each member state and which has the political and administrative capacity to
translate agreements into action at home. Representation must come from the cen­
ter of government power. This is why the Committee of Twenty-one proved relatively
effective. This is why it is so essential for the IA-ECOSOC to have ministerial
representation.

International organizations achieve their best results when the member states
are represented by high-level unified governmental teams. The UN General Assembly
attracts this kind of representation. The Organization for European Economic
Cooperation also has claimed the sustained attention of the most senior technical
and political leaders of its member governments.

Is it not just as necessary to link political policy with technical repre­
sentation in OAS organs? Often representatives have not been in close touch with
the main channels of policy and administration in their own countries, and posi­
tions taken in international agencies have not been related to the political
realities in their governments. Too often representations made by delegates far
removed from domestic responsibility have not been translated into action at the
seat of government.

The Council and the IA-ECOSOC need team representation of this caliber at
all times. If the delegations to both organs consist of a balanced team repre­
sentative of the foreign office, the ministry of economy, the ministry of finance,
and any other ministry or executive office directly concerned with the issues to
be considered, the objectives set forth at Bogotá can be achieved.

Speaking with one voice

It has been pointed out that one of the grave problems confronting the
IA-ECOSOC has been the multitude of tasks assigned to it by numerous inter-American
meetings. It must be recalled that the same twenty-one states were represented
at those meetings.

This obviously implies the need for each country to integrate its policies
so that its representatives in the different international bodies will not speak
with widely different viewpoints or take conflicting positions. A major task of
each government is to develop an effective system of internal leadership and
coordination in the conduct of foreign affairs, so that all relevant ministries
and other agencies can contribute effectively to policy and program formulation
and execution.

A further means of attaining a more consistent collective voice for the
deliberative organs is granting more opportunity for representatives of the Secre­
tary General to participate in discussions, in order to help focus the issues and
to call attention to inconsistencies and to the financial and administrative im­
plications of proposed decisions and recommendations.

Representation on the Council and the IA-ECOSOC

The question of authentic and coordinated representation of each country is
vital to the effective functioning of the Council and the IA-ECOSOC and to sound
relations between these two bodies.
By convening the IA-ECOSOC at the ministerial level and having persons of ambassadorial rank permanently represent the governments in the Council, and with substantial overlap in the two delegations, it should be possible to rectify the common practice of the organs' working at cross purposes. A minister in the IA-ECOSOC can be expected to know the position of his government in respect to its willingness to give financial and other support to any new measures. In any event, a minister operates at a level in which speedy clarification of such a question can be easily obtained.

Steps should be taken to see that one body does not make a decision whose execution entails expenditures, while other representatives of the countries in another organ deny the necessary funds and thereby nullify the action of the first body.

A good principle to follow is that the Council and the IA-ECOSOC postpone all decisions involving expenditures unless funds are already available or forthcoming, or unless the member governments are prepared to consider the decisions of their representatives in such meetings as an obligation to provide the necessary funds.

Requests for assistance

Another area in which coordinated action is needed by the member governments is in their requests to multilateral and bilateral assistance agencies. Many requests are made haphazardly, without reference to a coordinated plan of development.

A first step in securing maximum benefit from projects submitted to the Inter-American Development Bank, the Pan American Union, and other agencies is to formulate a comprehensive development program in which the needs for all forms of external assistance to supplement internal resources are clearly identified including, for example, fellowships and other technical training requirements. This will enable a country to formulate specific projects and proposals on a priority basis and to determine which assistance agency is the proper one from which to seek help in each case. At present, countries often "shop around" with the same project, with resulting duplication in the review and appraisal of projects.

Three steps are needed to help countries in connection with external technical assistance. First, each country should establish a mechanism to handle in a coordinated manner all arrangements for such aid. Such mechanism may be made up of a single or integrated unit or may have separate units for the financial and technical sectors. In any event it must be closely integrated with the central office concerned with the planning and coordination of development programs. In other words, an important element in planning and executing development programs is provision for integrating external assistance of all types with the self-help measures of the country.

The second step is to organize clearinghouses for information on the kinds of assistance available to the country from all sources. As indicated previously, one such clearinghouse, that for technical assistance, would be operated by the PAU; a second, for financial assistance, would be the responsibility of the IADB.
These clearinghouses would furnish governments with needed information and advice on where to apply and how to secure help, and they would aid the international agencies in coordinating their activities as well.

The third step is to develop a center of information and coordination in each country. The countries are bewildered by representatives of a dozen or more agencies conducting projects. The agencies often appear to be competitive, each preoccupied with its own particular section and without apparent regard to the effect of that activity on total development or on priorities. Thus the question of how to secure coordination of external assistance within each country is very important.

The United Nations has sought to facilitate coordination among UN agencies in a few countries through the designation of resident representatives.

The Pan American Union has established offices in sixteen member countries, each headed by a director. These PAU offices serve as informational centers for the work and programs of the OAS, help secure information needed by the Secretariat, advise on preparation of fellowship applications, represent the PAU at meetings, and assist in recruitment of personnel. It is recommended that such offices be headed by persons who are competent in the field of economic and social development; they can play a significant role in advising officials in the respective countries and helping them identify the appropriate sources and procedures for securing external aid for particular purposes. Through information and liaison work they could facilitate the coordination of assistance activities within the various countries. Wherever there is a UN resident representative, the two should work closely. These two officials would maintain liaison with the external assistance officer of the host government, with whom must rest the major responsibility for securing coordination among international agencies in the country.

Support for an international staff

The development of a highly competent, dynamic staff capable of discharging the very difficult economic and social responsibilities of the OAS requires continuous support of the member states.

Governments must help the Secretary General find the most competent persons and facilitate their release. They must refrain from importuning on behalf of anyone for "patronage" purposes or even on account of assured competence. The Secretary General must have a free hand in a recruitment system based on merit. In this regard, attention is drawn to the following provisions of the Charter of the OAS:

Article 89. In the performance of their duties the personnel shall not seek or receive instructions from any government or from any other authority outside the Pan American Union. They shall refrain from any action that might reflect upon their position as international officials responsible only to the Union.

Article 90. Every member of the Organization of American States pledges itself to respect the exclusively international character of the responsibilities of the Secretary General and the personnel, and not to seek to influence them in the discharge of their duties.
In citing these articles, we do not wish to infer that there is wholesale disregard of these provisions. On appointment, every employee of the Union takes an oath within the terms of Article 89. It is probable that the majority take this oath seriously and perform their duties in the impartial manner required of international civil servants, irrespective of their inclinations as nationals of the various countries. However, violations undoubtedly occur from time to time, and the Secretary General should be free to deal with the disciplinary problem involved as he sees fit, within his general authority.

Without question, influences are frequently brought to bear on the Secretary General which infringe on his authority as administrative head of the Organization. There are also cases in which employees are subjected to national pressures. It is only in refraining from such actions and giving sustained support to a truly international civil service that the governments can expect an impartial and competent performance of functions, which will result in the general advancement of the Western Hemisphere community of nations.
SUMMARY OF RESOURCES AVAILABLE FOR ASSISTANCE TO LATIN AMERICAN COUNTRIES

The following tables contain a schematic presentation of some of the principal agencies -- international and national, public and private -- that undertake research and diverse types of technical and financial assistance in the Western Hemisphere. It should be noted that the tables have been designed according to the primary interest of the agencies involved. As a result, the technical assistance activities of lending institutions appear in Table II rather than Table I.

### TABLE I. TECHNICAL ASSISTANCE AGENCIES AND PROGRAMS

<table>
<thead>
<tr>
<th>Agency or Program</th>
<th>Regular Program</th>
<th>Special Program</th>
<th>Total</th>
</tr>
</thead>
</table>
| **I. ORGANIZATION OF AMERICAN STATES**  
Pan American Union | $8,363,382 | $474,923 | $8,798,305 |
| Fellowship Program | (1,000,000) | --- | (1,000,000) |
| Direct Technical Assistance Program | (150,000) | --- | (150,000) |
| Inter-American Housing and Planning Center | (227,573) | --- | (227,573) |
| Professorship Program | (24,000) | --- | (24,000) |
| Inter-American Institute of Agricultural Sciences | 331,152 | 326,940 | 658,092 |
| Inter-American Indian Institute | 976,000 | --- | 976,000 |
| Inter-American Statistical Institute | --- | 164,114 | 164,114 |
| Pan American Health Organization | 4,000,000 | 404,979 | 4,404,979 |
| Pan American Institute of Geography and History | 124,999 | 55,321 | 180,320 |
| **TOTAL - ORGANIZATION OF AMERICAN STATES** | **$13,115,533** | **$1,695,877** | **$14,811,410** |

1/ For the Organization of American States, funds are provided under its Program of Technical Cooperation; for the United Nations, funds are from its Expanded Programs of Technical Assistance.

2/ Financial data for this section represent funds available in fiscal year 1960.

3/ Training projects of the Organization of American States Program of Technical Cooperation: Inter-American Training Center for Economic and Financial Statistics (Santiago, Chile); Inter-American Rural Education Center (Río de Janeiro, Brazil); Technical Training for the Improvement of Agricultural and Rural Life (Panama, Costa Rica, Panama, Cuba, Lima, Peru, Montevideo, Uruguay); Pan American Foot-and-Mouth Disease Center (Río de Janeiro, Brazil); Inter-American Training Course in the Planning and Administration of Social Welfare Programs (Buenos Aires, Argentina); Inter-American Program for Advanced Training in Applied Social Sciences (Mexico City, Mexico); Inter-American Program for Training in Business Administration (Sao Paulo, Brazil).
<table>
<thead>
<tr>
<th>Agency or Program</th>
<th>RESOURCES</th>
<th></th>
<th>Fields of Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular Program</td>
<td>Special Program</td>
<td>Total</td>
</tr>
<tr>
<td>II. UNITED NATIONS 1/</td>
<td>1/</td>
<td>1/</td>
<td></td>
</tr>
<tr>
<td>Economic Commission for Latin America</td>
<td>$ *</td>
<td>$ *</td>
<td>$ *</td>
</tr>
<tr>
<td>United Nations Technical Assistance 1/</td>
<td>570,213</td>
<td>1,549,616</td>
<td>2,119,829</td>
</tr>
<tr>
<td>Food and Agriculture Organization</td>
<td>&quot;</td>
<td>2,230,848</td>
<td>2,230,848</td>
</tr>
<tr>
<td>International Atomic Energy Agency</td>
<td>62,993</td>
<td>73,425</td>
<td>136,418</td>
</tr>
<tr>
<td>International Civil Aviation Organization</td>
<td>&quot;</td>
<td>996,551</td>
<td>996,551</td>
</tr>
<tr>
<td>International Labour Organization</td>
<td>20,501</td>
<td>911,669</td>
<td>932,170</td>
</tr>
<tr>
<td>International Telecommunications Union</td>
<td>&quot;</td>
<td>75,805</td>
<td>75,805</td>
</tr>
<tr>
<td>United Nations Educational, Scientific and Cultural Organization</td>
<td>333,000</td>
<td>1,170,453</td>
<td>1,503,453</td>
</tr>
<tr>
<td>World Health Organisation - Pan American Health Organisation</td>
<td>1,088,448</td>
<td>967,329</td>
<td>2,055,777</td>
</tr>
<tr>
<td>World Meteorological Organization</td>
<td>&quot;</td>
<td>111,451</td>
<td>111,451</td>
</tr>
<tr>
<td>Special Fund</td>
<td>3,605,575</td>
<td>&quot;</td>
<td>3,605,575</td>
</tr>
<tr>
<td>TOTAL - UNITED NATIONS</td>
<td>$ 5,680,730</td>
<td>$ 7,386,947</td>
<td>$13,067,677</td>
</tr>
</tbody>
</table>

* Figures not available.
1/ See footnote 1, p. 62.
1/ Financial data for this section represent expenditures for calendar year 1959, as reported in the Annual Report of the Technical Assistance Board for 1959 (New York, UN, 1960).
2/ This title is used to identify the United Nations as a participating organization in the Expanded Programme of Technical Assistance.
<table>
<thead>
<tr>
<th>Agency or Program</th>
<th>Resources</th>
<th>Fields of Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>III. OTHER MULTILATERAL AGENCIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin American Free Trade Association (Argentina, Bolivia, Brazil, Chile, Mexico, Paraguay, and Peru)</td>
<td>$ ---</td>
<td>$ ---</td>
</tr>
<tr>
<td>Treaty of Economic Association between the Republics of Honduras, Guatemala and El Salvador</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>IV. BILATERAL PROGRAMS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Technical Cooperation Program</td>
<td>39,000,000</td>
<td>---</td>
</tr>
<tr>
<td>U.S. Special Assistance</td>
<td>24,800,000</td>
<td>---</td>
</tr>
<tr>
<td><strong>TOTAL - BILATERAL PROGRAMS</strong></td>
<td>$ 63,800,000</td>
<td>---</td>
</tr>
<tr>
<td><strong>V. PRIVATE AGENCIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ford</td>
<td>$121,293</td>
<td>---</td>
</tr>
<tr>
<td>Kellogg</td>
<td>680,074</td>
<td>---</td>
</tr>
<tr>
<td>Rockefeller</td>
<td>3,354,760</td>
<td>---</td>
</tr>
<tr>
<td>Voluntary Agencies (Red Cross, CARE, etc.)</td>
<td>17,074,230</td>
<td>---</td>
</tr>
<tr>
<td><strong>TOTAL - PRIVATE AGENCIES</strong></td>
<td>$ 21,260,457</td>
<td>---</td>
</tr>
</tbody>
</table>

1/ See footnote 1, p.62.
2/ See footnote 2, p.62.
3/ This is only a sampling of the larger agencies. Financial data for this section represent expenditures for calendar year 1959.
<table>
<thead>
<tr>
<th>Agency</th>
<th>Total Capital</th>
<th>Loans Made in Latin America in 1959</th>
<th>Fields of Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. MULTILATERAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Bank for Reconstruction and Development</td>
<td>$18,614,400,000</td>
<td>$80,650,000 1/</td>
<td>Loans to facilitate economic development, principally large-scale loans for infrastructure; conducts country studies in relation to loan activities; administers Economic Development Institute for training in management of economic affairs.</td>
</tr>
<tr>
<td>International Finance Corporation</td>
<td>96,566,000</td>
<td>13,756,000 2/</td>
<td>Independent agency closely affiliated with the World Bank; invests without government guarantees in private productive enterprise contributing to economic development.</td>
</tr>
<tr>
<td>International Development Association</td>
<td>1,000,000,000</td>
<td>no operations</td>
<td>An affiliate of the World Bank that is being established for loans on flexible terms regarding interest rates, maturities, currencies, etc.</td>
</tr>
<tr>
<td>International Monetary Fund</td>
<td>14,067,000,000</td>
<td>not available 3/</td>
<td>Loan for currency stabilization and fiscal reform.</td>
</tr>
<tr>
<td>Inter-American Development Bank</td>
<td>1,000,000,000</td>
<td>no operations</td>
<td>Loans in currencies of member countries to finance development principally of specific projects, some loans repayable in borrower's currency; provides technical assistance in conjunction with lending program; is responsible for administration of the special inter-American fund for social development, established by the Act of Bogota.</td>
</tr>
<tr>
<td><strong>II. BILATERAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Export-Import Bank</td>
<td>7,000,000,000</td>
<td>308,400,000 3/</td>
<td>Loans to develop transportation, manufacturing and agricultural activities</td>
</tr>
<tr>
<td>U.S. Development Loan Fund</td>
<td>1,400,000,000</td>
<td>58,600,000 3/</td>
<td>Finances loans, credits, or guarantees to encourage economic development</td>
</tr>
<tr>
<td>U.S. Commodity Credit Corporation</td>
<td>not available</td>
<td>no operations</td>
<td>For commodity loans in activities approved by the U.S. in agreement with the host countries.</td>
</tr>
</tbody>
</table>

---

1/ This figure is based on loan agreements signed in 1959.
2/ This agency undertook stabilization and monetary reform activities in Argentina, Bolivia, Chile, the Dominican Republic, Guatemala, Haiti, Paraguay, and Peru.
3/ This figure represents total disbursements in 1959.