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Fifth Session
Rio de Janeiro, Brazil

COMMITTEE V (INTRA-REGIONAL TRADE)

SUMMARY RECORD OF THE FIRST MEETING

Held at Rio de Janeiro on
14 April 1953 at 10 a.m.

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/PRESENT:

PRESENT:

<u>Chairman:</u>	Mr. URBIETA FLEITAS	Paraguay
<u>Rapporteur:</u>	Mr. VILAS BOAS	Brazil
<u>Members:</u>	Mr. MARTINEZ	Argentina
	Mr. SANTIBAÑEZ	Bolivia
	Mr. OLIVEIRA CAMPOS	Brazil
	Mr. RADRIGAN	Chile
	Mr. CAMPAGNE	France
	Mr. ALDOR	Mexico
	Mr. BARRETO	Peru
	Mr. CORLISS	United States of America
	Mr. PASTORI	Uruguay

Also present:

Representatives of inter-governmental
organizations:

Mr. TAYLOR)	Inter-American Economic and Social Council
Mr. HEURTEMATTE)	

<u>Secretariat:</u>	Mr. IVOVICH	Secretary of the Committee
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THE COMMITTEE'S PROGRAMME OF WORK

The CHAIRMAN explained that Committees were authorized to settle their own procedure, and invited suggestions from delegations.

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On the proposal of the Peruvian delegation, it was agreed that the Chair should be authorized to settle questions of procedure.

Mr. IVOVICH (Secretary of the Committee) made a brief statement on the document to be discussed (E/CN.12/304), explaining that only the seven southern countries had been considered in the study. Their trade represented 80 per cent of the total intra-regional trade. The remaining countries would be covered by later studies.

One of the conclusions drawn from the study had been that there was a direct relationship between food shortages and balance of payments deficits in some countries, where raw material exports to other countries in the region had tended to decline, with few exceptions, since the pre-war period. There arose the paradox that, while there was progress in industrial development, there was a simultaneous reduction in intra-regional trade in raw materials, particularly during the last five years.

Chapter II dealt with matters of trade policy and analysed some of the basic aspects thereof. While the main concern in the past had been to defend the level of exports towards the large industrial centres, there had been a more recent trend to introduce, at the same time, some preferences among the Latin-American countries. Eight of the twenty Latin-American republics had acceded to the General Agreement on Trade and Tariffs: Brazil, Cuba, Chile, Haiti, Nicaragua, Peru, the Dominican Republic and /Uruguay. Since

Uruguay. Since the other Republics had not acceded to GATT, the homogeneity of commercial policy had been upset and hence it became necessary to formulate a common policy.

The third part of the study related to payments problems, including those connected with the absence of parities between the various national currencies, the system of price differentials in the current account, the absence of regulations covering re-exports and so forth.

The fourth chapter was virtually a study on maritime transport which should be covered in more detail in future. An important factor was that goods moving from the Atlantic to the Pacific had a unit value double that of those moving in the opposite direction, which resulted in disequilibrium in the load when payments tended to be in balance. On the other hand, the tariffs for similar goods, though identical in terms of dollars, differed from country to country owing to use of different conversion rates.

The CHAIRMAN asked for suggestions for a Vice-Chairman, for those occasions when he had to be absent.

After an exchange of views it was agreed that the Vice-Chairmanship should rotate in alphabetical order.

Mr. BARRETO (Peru) congratulated the Secretariat on the high quality of the study. He thought, however, that the Commission should be recommended to extend the study to the rest of the Latin-American countries.

Mr. MARTINEZ (Argentina) said the document before the Committee was merely a stage in the study and the Secretariat

/had planned

had planned to extend it. He suggested that there should first be a general review of the document, in order that the Committee might discuss the method followed and make recommendations for expanding the study. His delegation would make some constructive proposals.

Mr. BARRETO (Peru) pointed out that though it was of course only the beginning of a more general study, the single document before the Committee could not be taken as a basis for concrete conclusions, as the essential supplementary studies were not available.

Mr. VILAS BOAS (Rapporteur) suggested that the Committee's work should be divided into two parts: recommendations to the Secretariat for the continuation of the work, and discussion of the specific problems contained in the document submitted.

Mr. RADRIGAN (Chile), Mr. BARRETO (Peru) and Mr. PASTORI (Uruguay) supported the suggestion.

Mr. MARTINEZ (Argentina) said that whenever possible in the discussions the commercial should be separated from the financial aspects.

Mr. PASTORI (Uruguay) felt the Committee should determine its procedure in the light of the suggestions made by the Rapporteur and Argentina.

Mr. CAMPOS (Brazil) considered that some subjects not expressly considered in the document should be dealt with in the debate, and put forward the following suggestions: extension of

/ECLA's work

ECLA's work on intra-regional trade; study of the possibilities of increasing exports to Venezuela from countries short of petroleum, including forms of payment and transport problems; a study of the possibilities of greater purchases of Bolivian tin by Latin-American countries and the relevant means of payment; a more thorough study of the means of achieving multilateral payments agreements; possibilities of expanding trade in manufactured goods; expansion of research into economic policies likely to facilitate trade; study of the development of certain industries with a view to greater intra-regional trade; detailed study of the restrictive influence of controls, and study of customs duties and tariffs.

Mr. AMADOR (Mexico) suggested that, when drawing up the work programme, the possible usefulness of the discussion to the countries not covered by the study should be borne in mind.

After an exchange of views, it was agreed to constitute a working group composed of the delegations of Argentina, Bolivia, Brazil, Chile and Uruguay; the group put forward the following work programme, which was approved by the Committee:

- (a) General discussion of the document submitted by the Secretariat;
- (b) Debate based on conclusions regarding trade in the commodities dealt with in the report;
- (c) Exchange of ideas on possible trade in new products;
- (d) Study of the general characteristics of intra-regional trade; including transport and frontier trade;

/(e) Questions of

- (e) Questions of trade policy and of payments;
- (f) Concrete proposals concerning special or general studies on foreign trade;
- (g) Discussion of the general conclusions concerning the problems dealt with in the document; and
- (h) Proposals concerning the planning of the Commission's future work.

It was agreed that the recommendations and suggestions would be submitted within three days, except those referring to the last point.

The meeting rose at 12.35 p.m.