

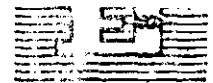
UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



GENERAL

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BIBLIOTECA NACIONES UNIDAS MEXICO

ECONOMIC COMMISSION FOR LATIN AMERICA

Sixth Session
Bogota, Colombia
29 August 1955

PROPIEDAD DE
LA BIBLIOTECA

PROGRESS REPORT ON THE CENTRAL AMERICAN

ECONOMIC INTEGRATION PROGRAMME

(17 October 1953 - 9 May 1955)

BIBLIOTECA NACIONES UNIDAS MEXICO

NOTE BY THE SECRETARIAT

The Central American Economic Integration Programme was initiated under the terms of a resolution adopted by the Commission during its fourth session, and the first meeting of the Economic Co-operation Committee was held at Tegucigalpa, Honduras, in August 1952.

The first progress report (document E/CN.12/296) was presented to the Commission's fifth session, which was held in Rio de Janeiro in April 1953, and the second (document E/CN.12/AC.24/5), to ECLA's Committee of the Whole, which met in Santiago de Chile in February 1952.

The secretariat now has pleasure in submitting the report of the Central American Economic Co-operation Committee (E/CN.12/CCE/29) for the consideration of the sixth session of the Commission. This report covers the period 17 October 1953 - 9 May 1955, which corresponds to the lapse of time between the termination of the second session of the Committee and its Extraordinary Meeting held in San Salvador.

The latter meeting was convened by the member governments for the purpose of adopting measures which would ensure the pursuance of the programme, in view of the fact that the Third Ordinary Meeting had had to be adjourned, owing to unforeseen circumstances.

To date, the Economic Co-operation Committee has established two sub-committees: a) the Central American Trade Sub-Committee, with headquarters at Tegucigalpa, which has met twice - for the first time at Tegucigalpa, from 27 September to 1 October 1954, and for the second, at Mexico City, from 24 to 28 January last. It is planned to hold a third meeting during the course of this year; b) the Statistical Co-ordination Sub-Committee, established at San Salvador, whose first meeting it is hoped will be held next August.

During the period covered by this report, the secretariat has followed up its work on transport, foreign and inter-Central-American trade, tariff nomenclature, customs regulations, statistical co-ordination, and the financing of economic development. In the same way, the secretariat has continued to collaborate in the technical assistance activities carried

/on in the

on in the area; it has been available for consultation by missions of experts; and has taken a part in fulfilling the tasks of the Working Group responsible for co-ordinating technical assistance programmes.

The secretariat has had pleasure in maintaining the closest contact with the governments of the Central American republics, in pursuance of the programme.

The progress achieved in this field may be appreciated in the report of the Committee which is contained in the following pages, as well as in the reports of the first and second sessions of the Central American Trade Sub-Committee, which form Annexes I and II of the present document.

BIBLIOTECA NACIONES UNIDAS MEXICO

REPORT OF THE CENTRAL AMERICAN
ECONOMIC CO-OPERATION COMMITTEE
(17 October 1953 - 9 May 1955)

E/CN.12/CCE/29

9 May 1955

This report represents three individual documents as follows:

Report on the Extraordinary Session of the Central American Economic Co-operation Committee (document E/CN.12/CCE/29);

Report on the First Session of the Central American Trade Sub-Committee (document E/CN.12/CCE/9); and

Report on the Second Session of the Central American Trade Sub-Committee (document E/CN.12/CCE/14).

To avoid waste and duplication of work, these documents have not been re-stencilled and as a result the page numbers and document title correspond in each case to those of the originals.

Annex I

REPORT ON THE FIRST SESSION OF THE CENTRAL-AMERICAN
TRADE SUB-COMMITTEE

(Tegucigalpa, Honduras, 27 September-1 October 1954)

E/CN.12/CCE/9

(E/CN.12/CCE/SC.1/11)

1 October 1954

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FOREWORD

This document covers the activities of the first session of the Central-American Trade Sub-Committee, which was held at Tegucigalpa, Honduras from 27 September to 1 October 1954. This report includes the background to the meeting, a summary of its activities and the text of the resolutions.

This report was approved unanimously at the closing session, held on 1 October 1954.

I. BACKGROUND

When the Central American Economic Co-operation Committee met for the first time at Tegucigalpa, Honduras in August 1952 and the Ministers of Economy comprising the Committee discussed the requirements in the field of foreign trade for carrying out a programme of economic integration in the area, special importance was given to a series of technical projects in the field of tariffs and statistics which would enable customs nomenclature to be standardized and thus the comparability of data on foreign trade. To this end, resolution 9 (AC.17) was approved, which, inter alia, created a Sub-Committee to draw up a draft standard customs nomenclature for the Central American countries in collaboration with the ECLA Secretariat.

In accordance with the foregoing resolution, from 24 November 1952 to 4 March 1953, a Sub-Committee on Standardization of Central American Customs Nomenclature met at Tegucigalpa and was attended by experts from the five Central American republics. In addition to that of the secretariat staff, the Sub-Committee had the collaboration of an expert from the Statistical Office of the United Nations and one from the Inter-American Statistical Institute. This Sub-Committee drew up a plan for a Standard Central American Customs Nomenclature (SCACN), based on the Standard International Trade Classification (SITC) of the United Nations, in such a way as to establish a single classification that would serve for both statistical and tariff purposes.

The Sub-Committee made its report^{1/} to the Committee during the second session of the latter, held at San José, Costa Rica, in October 1953. The Committee, believing that the draft nomenclature was adapted to the needs of the Central American countries, in resolution 18 (AC.17) recommended its immediate adoption by the governments. At the same time, the Committee,

^{1/} Report of the Sub-Committee on the Unification of Central American Tariff Nomenclature (document E/CN.12/AC.17/25, 4 March 1953).

/foreseeing that

foreseeing that the most efficient application of the nomenclature would require a code manual for the commodities involved in intra-Central-American trade, also decided to request the secretariat to draw up such a manual for the SCACN, in collaboration with the United Nations Statistical Office and the Inter-American Statistical Institute.

Furthermore, the Committee agreed to constitute another Sub-Committee, to be called the Central-American Trade Sub-Committee, for the following purposes:

- a) to draw up a uniform Central American tariff nomenclature for export products;
- b) to study the means for unifying customs legislation, regulations, terminology and procedures, as well as the concepts for units of appraisal and criteria for valuing merchandise;
- c) to proceed with the consideration of customs, commercial, monetary, exchange, taxation or other factors affecting the cost of commodities exchanged between the Central American republics, particularly those which are or may be the object of contraband, with a view to offsetting the differentials which give or may give rise to such traffic;
- d) to formulate recommendations on the foregoing subjects so that governments may adopt uniform solutions and procedure.

In accordance with this resolution, the Central American Trade Sub-Committee held its first meeting at Tegucigalpa, Honduras from 27 September to 1 October 1954, to consider the draft Code Manual for the SCACN (paragraph 3 of resolution 18 (AC.17)) and to draw up a uniform Central American tariff nomenclature for export products: paragraph 4 a) of resolution 18 (AC.17). The present document is the report of that meeting.

II. FIRST SESSION OF THE SUB-COMMITTEEA. Membership, attendance and organization of work

Representatives of all member countries attended the meeting of the Sub-Committee, as well as an observer from Panama.

a) List of delegations:

Costa Rica

Rodrigo Soley
Alfredo Povedano
Mario Rodríguez
Lino Vicarioli

El Salvador

Ramon Albiñana Marcet
Guillermo Napoleón Fuentes
René Santiago Carrillo

Guatemala

Franz Walter
Edwin Alcántara Pons

Honduras

Armando Flores Fiallos
Guillermo Bueso
Félix Gómez y Gómez

Nicaragua

Ulises Huete
Gustavo Guerrero

b) Observers:

Panama

Gabriel Obarrio

c) Advisers:

Inter-American Statistical
Institute

John B. Rothrock

United Nations Technical
Assistance Administration

José A. Escobar, expert on
customs regulations and
procedures

d) Secretariat

Santiago P. Macario, ECLA
John Hancock, Statistical
Office of the United Nations

/Mr. Pedro Pineda Madrid,

Mr. Pedro Pineda Madrid, Under-Secretary of Finance, Public Credit and Commerce of Honduras, opened the session with a speech welcoming the members of the Sub-Committee in the name of the Government of Honduras. Mr. Armando Flores Fiallos (Honduras) was elected Chairman, and Mr. Rodrigo Soley (Costa Rica) was elected Vice-Chairman.

B. Agenda

The Sub-Committee adopted the draft agenda presented by the secretariat (document E/CN.12/CCE/SC.1/1) at the first session, reversing the order of points 5 and 6. The final agenda was as follows:

1. Opening addresses
2. Election of officers
3. Adoption of the agenda
4. Note by the secretariat (document E/CN.12/CCE/SC.1/2)
5. Draft Standard Export Nomenclature for Central America (document E/CN.12/CCE/AC.1/4)
6. Draft Code Manual for the Standard Central American Customs Nomenclature (document E/CN.12/CCE/SC.1/3)
7. Adoption of the report of the Central-American Trade Sub-Committee to the Central American Economic Co-operation Committee
8. Date and place of the second session
9. Closing meeting

C. Account of proceedings

1. Progress of the work

The Note prepared by the secretariat (document E/CN.12/CCE/SC.1/2) was read at the first session; thus the Sub-Committee was informed of the development of the work being carried out under its terms of reference, as well as of the progress achieved in the Central American countries in the application of the Standard Customs Nomenclature.

The delegation of Costa Rica pointed out an error in the Note. The expression "National Assembly of Costa Rica" appearing in the penultimate line of page 5, should be replaced by "Legislative Assembly of Costa Rica".

/2. Standard Central

2. Standard Central American Customs Nomenclature

Bearing in mind that paragraph 4 a) of resolution 18 (AC.17) of the Central American Economic Co-operation Committee assigned to the Sub-Committee the task of "drafting standard Central American customs nomenclature for export products", the secretariat, with the advice of the Statistical Office of the United Nations and the collaboration of the United Nations Technical Assistance Administration, as well as the co-operation of an expert from the National Statistics Office of El Salvador and Guatemala, prepared a draft Standard Export Nomenclature for Central America (document E/CN.12/CCE/SC.1/4).

The Sub-Committee, taking this draft into account, which had been circulated previously to the Central American governments, and after discussing it and modifying it in certain respects, agreed to adopt it, with those modifications, in the belief that it responds to the customs and statistical needs in the field of export trade of the Central American countries (resolution 2, document E/CN.12/CCE/SC.1/6).

3. Code Manual for SCACN

In accordance with paragraph 3 of resolution 18 (AC.17) of the Central American Economic Co-operation Committee, the secretariat, with the assistance of the Statistical Office of the United Nations and the United Nations Technical Assistance Administration, and on the basis of the Code Manual prepared by the Inter-American Statistical Institute and the commodity indexes for the Standard International Trade Classification published by the United Nations, prepared a draft code manual for the SCACN, which was submitted to the Sub-Committee for study at its first meeting.

Since the above-mentioned draft was very long, the time that it had been in the hands of the member governments had not been sufficient for its detailed and adequate study, and since such a necessary study in the Sub-Committee meetings would require several months' work, the Sub-Committee decided to postpone consideration and final approval of the draft until its next meeting, in order to give their respective governments the opportunity to study it carefully and to make whatever observations they might deem advisable. In order that these observations could be properly considered,

/it was

it was agreed that they should be sent to the ECLA Office in Mexico by 31 December 1954.

Until such time as the Sub-Committee gives its definite approval to the Draft Code Manual, it can be used in a provisional way by the Central American countries, in order to facilitate the application of the SCACN in those countries.

Considering also that in the Draft Code Manual certain modifications to the SCACN have been introduced, in some cases because of discrepancies between the latter and the commodity indexes for the Standard International Trade Classification drawn up by the UN Statistical Office, and in other cases because of the need to correct errors found in the SCACN, or in accordance with suggestions presented by member countries of the Sub-Committee, and keeping in mind the desirability that the SCACN correspond as much as possible to the SITC, the Sub-Committee approved those modifications, as indicated in the Draft Code Manual, but with some changes that affect not only the above-mentioned modifications, but also some other parts of the Draft Code Manual. The amendments in the Draft Code Manual are to be found in document E/CN.12/CCE/SC.1/3/Add.2.

The Sub-Committee's decisions with respect to the Draft Code Manual for the SCACN are contained in resolution 3 (document E/CN.12/CCE/SC.1/7).

4. Date and place of next meeting

The Sub-Committee decided in its resolution 4 (document E/CN.12/CCE/SC.1/8) that its next meeting was to be held in January 1955, at the ECLA office in Mexico City, in accordance with the possibility foreseen in resolution 18 (AC.17) of the Committee.

5. Votes of thanks

The Sub-Committee expressed its warm appreciation to the Government and authorities of Honduras for the hospitality extended to the members of the Sub-Committee and for the facilities placed at its disposal for its effective operation. It also agreed to thank the Chairman of the Sub-Committee, Mr. Armando Flores Fiallo, for his valuable contribution in directing the meeting, and to the secretariat and the representatives of the United Nations and the Inter-American Statistical Institute for their help with the work of the Sub-Committee.

III. RESOLUTIONS ADOPTED

PROGRESS OF WORK

Resolution 1 (SC.1) adopted on 27 September 1954 (E/CN.12/CCE/SC.1/5)

THE CENTRAL-AMERICAN TRADE SUB-COMMITTEE,

CONSIDERING that the secretariat has presented a Note with information on the progress of the work done in fields within the competence of the Sub-Committee, as well as on the progress achieved in the Central American countries by the application of the Standard Central American Customs Nomenclature (document E/CN.12/CCE/SC.1/2):

RESOLVES

TO TAKE NOTE with satisfaction of the Report submitted by the secretariat on the progress of the work done in fields within its competence, in accordance with resolution 18 (AC.17) of the Central American Economic Co-operation Committee and of the progress achieved by the application of the Standard Central American Customs Nomenclature (SCACN) in Central America.

/STANDARD REPORT

STANDARD EXPORT NOMENCLATURE FOR CENTRAL AMERICA

Resolution 2 (SC.1) adopted on 29 September 1954 (E/CN.12/CCE/SC.1/6)

THE CENTRAL-AMERICAN TRADE SUB-COMMITTEE,

CONSIDERING that paragraph 4 a) of resolution 18 (AC.17) of the Central American Economic Co-operation Committee assigned to it the task of drawing up a standard Central American customs nomenclature for export products;

CONSIDERING that a standard export nomenclature, principally of a customs nature, would be very limited in its scope and without statistical application, because of the small number of commodities specified in the export tariffs of the Central American countries;

CONSIDERING that the standard export nomenclature should apply to statistics as well as to tariffs;

CONSIDERING that the secretariat has presented a Draft Standard Export Nomenclature for Central America, prepared with the advice of the UN Statistical Office, the assistance of the Technical Assistance Administration and the collaboration of two officials of the National Statistics Offices of El Salvador and Guatemala;

CONSIDERING that the above-mentioned draft, with the changes introduced by this Sub-Committee, meets the customs and statistical needs of Central American export trade;

RESOLVES

1. To approve the Draft Standard Export Nomenclature for Central America submitted by the secretariat (document E/CN.12/CCE/SC.1/4) with the changes indicated in document E/CN.12/CCE/SC.1/4/Add.1.
2. To submit the Standard Export Nomenclature in the form approved by the Sub-Committee to the consideration of the Central American Economic Co-operation Committee.

CODE MANUAL FOR THE STANDARD CENTRAL AMERICAN CUSTOMS
NOMENCLATURE

Resolution 3 (SC.1) adopted on 1 October 1954 (E/CN.12/CCE/SC.1/7)

THE CENTRAL-AMERICAN TRADE SUB-COMMITTEE,

CONSIDERING that the secretariat, in accordance with resolution 18 (AC.17) of the Central American Economic Co-operation Committee, has drawn up, with the assistance of the UN Statistical Office and the Technical Assistance Administration, a Draft Code Manual for the Standard Central American Customs Nomenclature (document E/CN.12/CCE/SC.1/3);

CONSIDERING that the member governments require to examine this draft in greater detail, in the light of their experience;

CONSIDERING that the Standard Central American Customs Nomenclature (SCACN) has the dual purpose of providing a standard customs classification and a standard basis for the presentation of statistics of imports in conformity with the Standard International Trade Classification, and that consequently it is advisable that the SCACN and its Code Manual correspond as far as possible to the commodity indexes for the Standard International Trade Classification drawn up by the United Nations;

CONSIDERING that in the Draft Code Manual appear some modifications to the SCACN with the purpose of eliminating discrepancies between the latter and the Standard International Trade Classification or of correcting errors found in the draft;

CONSIDERING that in the course of the discussion on the changes in the SCACN suggested in the Draft Code Manual the need to modify the latter in some respects became apparent:

RESOLVES

1. To postpone final consideration and approval of the Draft Code Manual for the SCACN until the next meeting of the Sub-Committee.

2. To recommend to the member governments of the Sub-Committee that they study the Draft Code Manual carefully in order to determine if it
/is adequate

is adequate to their needs, and that they propose whatever changes and additions, if any, that they believe appropriate, which should be sent to the secretariat by 31 December of the current year so that such amendments may be considered at the next session of the Sub-Committee.

3. To recommend to the governments that for correct classification of commodities in their respective customs nomenclatures, that they make use, provisionally, of the Draft Code Manual for the SCACN, with the corrections indicated in documents E/CN.12/CCE/SC.1/3/Add.1 and 2.

4. To approve the changes in the SCACN suggested in the Draft Code Manual, but with the modifications introduced in this draft as specified in document E/CN.12/CCE/SC.1/3/Add.2.

5. To approve the modifications introduced in the Draft Code Manual specified in documents E/CN.12/CCE/SC.1/3/Add. 1 and 2.

6. To recommend to the secretariat that, in collaboration with the UN Statistical Office and the Technical Assistance Administration, as well as the Inter-American Statistical Institute, it continue the necessary work to assure that the Draft Code Manual for the SCACN be brought into conformity, insofar as possible, with the Commodity Indexes of the SITC, and that it submit to the Sub-Committee the results of its work with corresponding recommendations.

/DATE AND PLACE

DATE AND PLACE OF NEXT MEETING

Resolution 4 (SC.1) adopted on 1 October 1954 (E/CN.12/CCE/SC.1/8)

THE CENTRAL-AMERICAN TRADE SUB-COMMITTEE,

CONSIDERING that point 4 of resolution 18 (AC.17) of the Central American Economic Co-operation Committee authorizes the Sub-Committee to hold its meetings in any of the Central American capital cities or at the Office of the Economic Commission for Latin America in Mexico;

CONSIDERING that the member governments of the Sub-Committee should have a period of at least three months for careful study of the Draft Code Manual for the SCACN and for sending to the secretariat the observations that they believe appropriate:

RESOLVES

That the second session of the Sub-Committee take place at the Office of the Economic Commission for Latin America in Mexico during January 1955.

/VOTE OF THANKS

VOTE OF THANKS TO THE GOVERNMENT AND AUTHORITIES OF HONDURAS

Resolution 5 (SC.1) adopted on 1 October 1954 (E/CN.12/CCE/SC.1/9).

THE CENTRAL-AMERICAN TRADE SUB-COMMITTEE,

RESOLVES:

To express its deep appreciation to the government and authorities of the Republic of Honduras for the generous hospitality extended to the delegations, advisers and the secretariat, and for the efficient measures that they took to assure the successful functioning of the meeting.

/VOTE OF THANKS

VOTE OF THANKS TO THE CHAIR AND TO THE SECRETARIAT

Resolution 6 (SC.1) adopted on 1 October 1954 (E/CN.12/CCE/SC.1/10)

THE CENTRAL-AMERICAN TRADE SUB-COMMITTEE,

RESOLVES:

To express its warm appreciation

a) to the Chairman of the Sub-Committee, Mr. Armando Flores Fiallos, for the efficient way in which he has conducted the proceedings of the meeting, thus contributing to the successful conclusion of the work;

b) to the secretariat and the advisers representing the UN Statistical Office and the Technical Assistance Administration, and the Inter-American Statistical Institute, for their preparation of the Conference, for the technical reports, and for having given their valuable co-operation to the Sub-Committee.

Annex II

REPORT OF THE SECOND SESSION OF THE CENTRAL AMERICAN
TRADE SUB-COMMITTEE

(Mexico City, 24-28 January 1955)

E/CN.12/CCE/14

(E/CN.12/CCE/SC.1/18)

28 January 1955

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INTRODUCTION

This report summarizes the activities of the Second Session of the Central American Trade Sub-Committee of the Central American Economic Co-operation Committee, which was held at Mexico City on 24-28 January 1955. It includes the resolutions adopted at that meeting.

This report was unanimously adopted at the closing session, held on 28 January 1955.

/I. BACKGROUND

I. BACKGROUND

At its first session, held at Tegucigalpa in September 1954, the Central American Trade Sub-Committee decided to postpone consideration and final approval of the Draft Code Manual until its second session. The delay in adopting this document, which had been prepared by the secretariat, was to give the member countries of the Sub-Committee an opportunity to examine it in more detail and to make the comments they considered opportune at the second session (resolution 3 (SC.1)). It was resolved to hold the second session at the Mexico City office of the Economic Commission for Latin America in January 1955 (resolution 4 (SC.1)).

The Sub-Committee accordingly held its second session at Mexico City from 24-28 January 1955, and this document is the report on the second session.

II. SECOND SESSION OF THE SUB-COMMITTEE

A. Membership, attendance and organization of work

Delegates of all the member countries, as well as observers from Mexico, attended the meeting of the Sub-Committee. Panama nominated an observer who, through unforeseen circumstances, was unable to attend.

a) List of delegations:

Costa Rica

Belisario Ardón
Lino Vicarioli

El Salvador

Julio M. Barillas
Ramón Albiñana Marcet
Juan A. Menjívar

Guatemala

José Domingo Monzón
Félix Dardón Rodas

Honduras

Armando Flores Fiallos
Félix Gómez y Gómez
Guillermo Bueso
Robert Kennedy (Technical adviser)

Nicaragua

Ulises Huete
Gustavo Fernández

/b) Observers:

b) Observers:

Mexico

Ernesto Huergo
Juan Jiménez
Octaviano Campos Salas

c) Advisers:

Inter-American Institute
of Statistics

John B. Rothrock

United Nations Technical Assistance
Administration

Alfredo Escobar, expert on
customs regulations and
procedures

d) Secretariat:

Víctor L. Urquidi, Director
of the Mexico Office, ECLA
Santiago P. Macario, ECLA
John Hancock, UN Statistical
Office

Under the temporary chairmanship of Mr. Armando Flores Fiallos, of Honduras, who took the Chair at the First Session of the Sub-Committee, the inaugural session was opened on Monday, 24 January 1955. Mr. Víctor L. Urquidi, Director of the ECLA Office in Mexico, welcomed the delegates in the name of ECLA's Executive Secretary. Mr. Francisco de Abrisqueta, General Secretary of the Inter-American Statistical Institute and Mr. John Hancock, of the UN Statistical Office also spoke on behalf of their organizations.

Mr. Flores Fiallos proposed that Mr. José Domingo Monzón, the Guatemalan delegate, be appointed Chairman of the Second Session of the Sub-Committee and that Mr. Julio Mariano Barillas, of El Salvador, be designated as Rapporteur. The motion having been seconded and approved, Mr. Monzón took the Chair. He expressed his appreciation and proposed a vote of thanks to the retiring Chairman.

/B. Agenda

B. Agenda

The draft Agenda (document E/CN.12/CCE/SC.1/12) was submitted for the consideration of the Sub-Committee and was adopted without modification, in the following form:

1. Inaugural addresses
2. Election of officers
3. Adoption of the Agenda
4. Note by the secretariat (document E/CN.12/CCE/SC.1/13)
5. Draft Code Manual for the SCACN (document E/CN.12/CCE/SC.1/3)
 - a) Comments on the Draft
 - b) Draft Introduction to the Manual
 - c) Alphabetical Index of the Manual
6. Progress report on standard customs regulations, definitions and procedures.

7. Adoption of the Report of the Second Session of the Central American Trade Sub-Committee to the Central American Economic Co-operation Committee.

8. Date and place of the third session

9. Closing address

C. Account of the proceedings

1. Progress report

The proceedings opened with the reading of the secretariat's Note (document E/CN.12/CCE/SC.1/13) reporting to the Sub-Committee on the work carried out since the first session and on the principal points to be considered by the Sub-Committee at its present meeting.

2. Draft Introduction to the SCACN Code Manual

The Sub-Committee proceeded to consider the Draft Introduction to the Standard Central American Customs Nomenclature (SCACN) Code Manual, prepared by the secretariat (and included in document E/CN.12/CCE/SC.1/3). Special attention was given to that part of the draft concerned with general classification regulations, and the Sub-Committee agreed to modify

/Regulation No.5,

Regulation No.5, to the effect that, until such time as the Sub-Committee should issue a ruling on this point, the classification problems not dealt with by the Code Manual should be solved by each country in the way which it considers most opportune. Notice of such decisions should, however, be sent to the secretariat, which will make the appropriate recommendations.

The Sub-Committee also resolved on the addition of a further Classification Regulation which should point out that the titles of the sections, chapters and groups are given in the Manual (as they are in the SCACN) for reference only, and that classification for legal purposes shall be determined in accordance with the terms of the items and sub-items and of the relevant notes and corresponding lists of products. This Regulation became No.2, so that Regulations Nos. 2,3, 4 and 5 were changed to 3, 4, 5 and 6 respectively.

3. Comments on the Draft Code Manual

In accordance with resolution 3 (SC.1), adopted at the first session of the Sub-Committee, this latter examined the comments on the Draft Code Manual and the proposals for its modification submitted both by the member countries of the Sub-Committee and by the secretariat. In the course of discussion, the following points were emphasized in connexion with the fundamental criteria of classification followed in the SCACN:

a) That the SCACN is concerned primarily with customs, since it aims at the standardization of customs nomenclature so as to facilitate the implementation of the programme of Central American economic integration; that its adoption of the Standard International Trade Classification (SITC) in no way detracts from this basic character of the SCACN; and that from the point of view of customs, it is the items that are of fundamental importance, not the regulations which are applied to them.

b) That with respect to the classification of chemical products on the one hand, and pharmaceutical and medical products, pigments, etc., on the other, either of the following main criteria may be adopted:

.i) classification of

i) classification of these products according to their principal use, regardless of the form in which they are published; ii) classification of given chemical products in one group, except when they come measured out or prepared and packaged for retail sale, in which case they have a specific use, and classification of given chemical products according to their use only when they come in this condition or in mixtures which are also made up for specific uses.

The SCACN (following the SITC) adopted the second of the above criteria, which is in harmony with the most recent customs and statistics practices and which is justified by the nature of chemical products. It was pointed out that the dynamic character of chemistry and the great progress which has been and is being made in this field on the one hand, and the complexity of chemical products on the other, have meant not only that the great majority of chemical products have many different uses, but also that these uses, and the relative importance of each within the applications of any given chemical product, vary from time to time and from country to country. If, therefore, the use of these products were taken as a criterion, this would lead to equivocal or arbitrary classifications and would create difficult problems. Consequently, the Sub-Committee came to the conclusion that the criterion for the classification of chemical products adopted by the SCACN is not only the most accurate from the technical point of view, but also the most suitable from that of customs; and that exceptions to the general rule should be reduced to the minimum and admitted only when they were fully justified.

Apart from the above points, the comments of the member nations of the Sub-Committee and those of the secretariat posed no major problems, but reduced themselves in essence to modifications of the following three kinds: changes of form, changes aimed at more precise definition of the SCACN and its Code Manual, and changes eliminating errors.

The modifications and corrections of the Draft Code Manual and of the SCACN approved by the Sub-Committee at this meeting, are detailed in document E/CN.12/CCE/SC.1/3/Add.3, as Third Addenda et Corrigenda to the Draft Code Manual.

/In resolution 8 (SC.1),

In resolution 8 (SC.1), document E/CN.12/CCE/SC.1/15, the Sub-Committee approved the Draft Code Manual, together with its introduction and alphabetical index, and recommended to the member countries that they adopt the appropriate legislative and administrative procedures for the full implementation of the Manual in the application of their customs tariffs based on the SCACN. The Sub-Committee also resolved to request the secretariat to take the necessary steps for the preparation of a printed edition of the SCACN and of its Code Manual, in sufficient numbers to be utilized by the customs and statistics services of the Central American governments.

The secretariat called the attention of the Sub-Committee to the fact that this last recommendation would represent a financial obligation not envisaged in the publications budget for this year. The Sub-Committee expressed the desire that everything possible be done to carry out its recommendation.

In the same resolution it was agreed to request the Central American Economic Co-operation Committee to urge those Central American governments which have not yet adopted the SCACN in accordance with this Committee's recommendation, to give due consideration to the desirability of adopting this nomenclature as soon as possible for the purpose of achieving the uniformity of nomenclature necessary for customs and statistics purposes throughout the region, and in particular for the programme of Central American economic integration.

4. Standard customs regulations, definitions and procedures

The TAA expert responsible for preparing draft standard customs regulations, definitions and procedures for Central America gave the Sub-Committee an oral report on the progress of his work, which is being carried out in conformity with resolution 18 (AC.17) of the Central American Economic Co-operation Committee. The expert stated that the following were the principal points studied: customs organization, distribution and number of officials, training of officials, customs procedures, basic legislation relating to customs, customs tariffs and
/customs legislation

customs legislation and regulations. He also pointed out that the approval of the Code Manual for the SCACN made it indispensable for the task of standardizing customs tariff terminology to be undertaken immediately. This would require the establishment of common definitions of concepts such as value, net weight, gross weight, etc., and the adoption of other regulations which, although necessary for the uniform application of the SCACN, are not included in the Code Manual.

The Sub-Committee took note with satisfaction of the expert's report on the progress of his work and agreed, in resolution 8 (SC.1), to ask the secretariat to speed up the work on standard customs regulations, definitions and procedures designed to supplement the Code Manual of the SCACN and to present the relevant reports and proposals at the next session of the Sub-Committee.

5. Training in customs procedures

Attention was drawn to the need for the member countries of the Sub-Committee to have at their disposal, for the application of the SCACN and of its Code Manual, customs personnel who are properly trained in their use, and to the general advisability of improving customs techniques and procedures in Central America. In view of these considerations, the Sub-Committee passed a resolution requesting the Central American Economic Co-operation Committee to recommend that the governments establish the appropriate educational means to improve the qualifications of their customs personnel, taking into consideration, among other possibilities, the guidance and aid available at the Advanced School of Public Administration for Central America, which is now functioning at San José, Costa Rica (resolution 7 (SC.1) document E/CN.12/CCE/SC.1/14).

6. Date and place of next meeting

The Sub-Committee agreed, in resolution 9 (document E/CN.12/CCE/SC.1/16), to request the secretariat to consult in due course with the Central American governments and with the Chairman of the Economic Co-operation Committee as to the place and date of the next meeting.

/7. Expressions of

7. Expressions of appreciation

The Sub-Committee thanked the Chairman of this Second Session, Mr. José Domingo Monzón, for the able manner in which he had presided over the discussions, thus contributing to the success of the meeting; the Rapporteur, Mr. Julio Mariano Barillas, for his report on the activities of the meeting; and the secretariat and the advisers representing the UN Statistical Office, the United Nations Technical Assistance Administration and the Inter-American Statistical Institute for the organization of the meeting and for the preparation of the technical reports submitted.

/TRAINING IN CUSTOMS

TRAINING IN CUSTOMS PROCEDURES

Resolution 7 (SC.1), adopted 28 January 1955 (E/CN.12/CCE/SC.1/14)

THE CENTRAL AMERICAN TRADE SUB-COMMITTEE,

CONSIDERING that for the application of the Standard Central American Customs Nomenclature (SCACN) and its corresponding Code Manual and Index properly trained customs personnel will be an indispensable necessity, and that, in general, the desirability of improving customs techniques and procedures in Central America is manifest,

RESOLVES

To request the Central American Economic Co-operation Committee to recommend that the governments establish the appropriate educational means to improve the training of their customs personnel, taking into account, among other possibilities, the guidance and aid available at the Advanced School of Public Administration for Central America (ESAPAC) now functioning at San José, Costa Rica.

/CODE MANUAL

CODE MANUAL FOR THE SCACN

Resolution 8 (SC.1) adopted 28 January 1955 (E/CN.12/CCE/SC.1/15)

THE CENTRAL AMERICAN TRADE SUB-COMMITTEE,

CONSIDERING that at its first session it resolved to recommend to the governments the provisional utilization of the Draft Code Manual for the Standard Central American Customs Nomenclature (SCACN), and that the final approval of this Manual was postponed until the comments of the member governments could be made known;

CONSIDERING that several delegations have submitted proposals for modifications in the Manual, which have been duly discussed;

CONSIDERING that the early adoption by all the Central American countries of the SCACN with its corresponding Code Manual and alphabetical index is of primary importance for the programme of Central American economic integration in its foreign trade aspects;

CONSIDERING that the secretariat has presented a Draft Introduction to the Manual, in which rules are laid down for its interpretation and application; and

CONSIDERING that the secretariat has reported upon the progress of the work on standard customs regulations, definitions and procedures;

RESOLVES

1. To approve in its entirety the Draft Code Manual for the Standard Central American Customs Nomenclature (SCACN), with the modifications agreed upon at this meeting and specified in document E/CN.12/CCE/SC.1/3/Add.3, and with the addition of the corresponding alphabetical index and the draft introduction prepared by the secretariat and revised during this meeting.

2. To recommend to the member governments that they adopt the appropriate legislative and administrative procedures for the implementation of the Code Manual of the SCACN, in the application of their tariffs based on this Standard Nomenclature.

/3. To request

3. To request the Central American Economic Co-operation Committee to urge those Central American governments which have not yet adopted the SCACN, in accordance with this Committee's recommendation, to give due consideration to the desirability of adopting this nomenclature as soon as possible in order to achieve the uniformity of nomenclature necessary for customs and statistics purposes throughout the region, in particular for the programme of Central American economic integration.

4. To ask the secretariat to take the necessary steps for the preparation of a printed edition of the SCACN and of its Code Manual in sufficient numbers to be utilized by the customs and statistics services of the Central American governments.

5. To request that the secretariat speed up the work on standard customs regulations, definitions and procedures designed to supplement the Code Manual of the SCACN, and that it submit the relevant reports and proposals at the next meeting of the Sub-Committee.

/PLACE AND DATE

PLACE AND DATE OF NEXT MEETING

Resolution 9 (SC.1) adopted 28 January 1955 (E/CN.12/CCE/SC.1/16)

THE CENTRAL AMERICAN TRADE SUB-COMMITTEE,

CONSIDERING that as the Standard Central American Customs Nomenclature (SCACN) and the Code Manual are put into operation, the Central American governments will undoubtedly submit suggestions and elucidations which it will be expedient to take into consideration, and

CONSIDERING that the terms of reference of the Sub-Committee include standard customs regulations and procedures and other points connected with trade and customs concerning which the secretariat has reported that various studies are being prepared for discussion,

RESOLVES

To request the secretariat to consult in due course with the Central American governments and with the Chairman of the Central American Economic Co-operation Committee as to the place and date of the next meeting.

/EXPRESSIONS OF

EXPRESSIONS OF APPRECIATION TO THE CHAIR
AND TO THE SECRETARIAT

Resolution 10 (SC.1) adopted 28 January 1955 (E/CN.12/CCE/SC.1/17)

THE CENTRAL AMERICAN TRADE SUB-COMMITTEE,

RESOLVES

To express its warm thanks

- a) To the Chairman of the Sub-Committee, Mr. José Domingo Monzón, for the able manner in which he has presided over the proceedings of the meeting, thus contributing to the successful completion of its work;
- b) To the Rapporteur, Mr. Julio Mariano Barillas, for his excellent report on the activities of this meeting;
- c) To the secretariat and to the advisers representing the UN Statistical Office, the United Nations Technical Assistance Administration and the Inter-American Statistical Institute for the organization of the meeting and the preparation of the technical reports submitted, as well as for their valuable co-operation at the Second Session of the Sub-Committee.