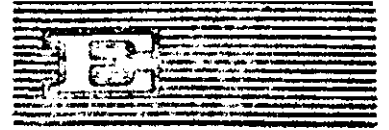


UNITED NATIONS

ECONOMIC
AND
SOCIAL COUNCIL



GENERAL

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Eleventh session
Mexico City, May 1965

REPORT OF THE FOURTH SESSION OF THE TRADE COMMITTEE

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SOCIAL COUNCIL



GENERAL

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25 November 1964

ENGLISH ONLY

ECONOMIC COMMISSION FOR LATIN AMERICA

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Corrigendum

Page 5, paragraph 4, line 6:

Insert the word "Conference"
after "United Nations".

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PRELIMINARY NOTE

1. The present report reviews the activities of the Trade Committee of the Economic Commission for Latin America at its fourth session, held in Santiago, Chile, from 9 to 13 November 1964. The Trade Committee met pursuant to resolution 241 (AC.57) of the Committee of the Whole in which stress was laid on the need for concerted action on the part of the Latin American countries in the field of foreign trade and development, particularly during the United Nations Conference on Trade and Development, and subsequently, throughout the negotiations directed towards the establishment of a new order and new principles in international trade which will adequately safeguard the interests of the developing countries. Accordingly, in conformity with the said resolution, the chief aim of the meeting of the Trade Committee was that "of evaluating the results achieved at Geneva and formulating specific recommendations to the Latin American Governments on the trade policy that should be pursued in the light of those results". Since they constitute topics closely related to the above aim, consideration was given to Latin American economic integration and to other internal measures which must be taken if economic and social growth is to be achieved more rapidly in Latin America.

2. On 20 July 1964 the United Nations Economic and Social Council adopted resolution 1000 (XXXVII) in which it expresses the hope that the regional economic commissions will make a detailed study of the recommendations of the United Nations Conference on Trade and Development within the field of their competence and will continue their activities with a view to the implementation of these recommendations in the field of trade and development.

3. The present report is divided into two parts. Part I relates to the membership and attendance, organization of the work and the account of proceedings. Part II contains the resolutions adopted.

/Part I



Part I

FOURTH SESSION OF THE TRADE COMMITTEE

A. MEMBERSHIP, ATTENDANCE AND ORGANIZATION OF WORK

Opening and closing meetings

4. The opening meeting of the Committee was held on 9 November 1964. Addresses were delivered by Mr. Gabriel Valdés, Minister for Foreign Affairs of Chile, Mr. Mario Tancredo Borges da Fonseca, representative of Brazil, and Mr. José Antonio Mayobre, Executive Secretary of the Economic Commission for Latin America. Present by special invitation was Mr. Raúl Prebisch, Secretary-General of the United Nations Conference on Trade and Development, who made a statement on the Conference at the first working meeting.

5. The closing meeting of the Committee was held on 13 November 1964. Statements were made by Mr. Plácido García Reynoso, speaking on behalf of the delegations present, and by Mr. Mayobre.

Membership and attendance

6. The session was attended by representatives of the following States members of the Committee: Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, France, Guatemala, Honduras, Kingdom of the Netherlands, Mexico, Nicaragua, Paraguay, Peru, Trinidad and Tobago, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela. The complete list of representatives is given in the annex to the present report.

7. In accordance with paragraph 6 of the Commission's terms of reference, representatives of Hungary and Italy, as States members of the United Nations but not members of the Commission, attended the fourth session of the Trade Committee in a consultative capacity. The Federal Republic of Germany sent an observer, under the terms of Economic and Social Council resolution 632 (XXII), and the Government of Switzerland was represented by virtue of Economic and Social Council resolution 861 (XXXII).

/Election of

Election of officers

8. At its first meeting, on 9 November 1964, the following officers were elected:

<u>Chairman:</u>	Mr. Domingo Santa María (Chile)
<u>First Vice-Chairman:</u>	Mr. Edgardo Seoane Corrales (Peru)
<u>Second Vice-Chairman:</u>	Mr. Gilberto Secaira Estrada (Guatemala)
<u>Rapporteur:</u>	Mr. Benito Raúl Lozada (Venezuela)

B. AGENDA

9. At its first meeting, the Committee adopted the following agenda:

1. Opening addresses
2. Election of officers
3. Adoption of the agenda
4. United Nations Conference on Trade and Development:
 - (a) Evaluation of the results of the Conference
 - (b) Latin America's trade policy after the Conference

Documents:

United Nations Conference on Trade and Development - Analysis of the results and prospects for Latin America (E/CN.12/C.1/21)

Report by the secretariat on the Meeting of Latin American Government Experts on Trade Policy (E/CN.12/694)

5. Regional economic integration: recent trends

Documents:

Note by the secretariat on the Commission's activities in the field of economic integration (E/CN.12/C.1/22)

6. Consideration and adoption of the report of the fourth session of the Trade Committee

/C. ACCOUNT

C. ACCOUNT OF PROCEEDINGS

Introduction

10. In the addresses made at the opening meeting of the fourth session of the Trade Committee, emphasis was placed on the importance for Latin America of the subjects included in the agenda for the session which, as the speakers pointed out, together represent a definition and description of the basic problem confronting the developing countries.

11. In the first place, as regards the external sector of the Latin American economies, a subject dealt with by the United Nations Conference on Trade and Development, the position of the developing countries was confirmed with respect to the need for a far-reaching transformation of the structure of world trade and of present trade flows, so that that structure would no longer constitute one of the main obstacles to economic and social development. For that purpose it was essential to concentrate attention on the three methods of achieving that aim: increased export earnings, by providing for easier market access on favourable terms; diversification of exports; and financing related to trade conditions, in order to avoid the upheavals caused by fluctuations in the terms of trade.

12. The delegations of Canada, France, the Kingdom of the Netherlands, the United Kingdom and the United States said that, while they sympathized with the views expressed by the Trade Committee and understood the problems confronting the countries of the region, they would abstain from voting on the draft resolutions which could be specifically interpreted as a mandate or line of action for the Latin American Governments, particularly those relating to the United Nations Conference on Trade and Development. Accordingly, they would limit their remarks on those questions, and the views set out in the body of the present report therefore represent essentially those of the developing States members of ECLA.

13. Likewise, the delegation of Trinidad and Tobago stated that since its foreign trade problems differed widely from those affecting the rest of the Latin American countries, it would also abstain from voting when it deemed it expedient.

14. It was stated that the classical view of the virtues of free trade could not apply to a world composed of countries at varied stages of development, and consequently it must be regarded as perfectly legitimate that the economically weaker countries should band together in bargaining with the economically powerful, especially since the problems of the former were often increased by the economic decisions of the latter.
15. The participants considered that the Trade Committee session should not be confined to a mere academic evaluation of the results of the Conference on Trade and Development, without an attempt to arrive at specific conclusions. There would be no point in repeating the arguments put forward at Geneva, since the countries present there had made known their wishes and their problems, and conclusions had been reached that implied a line of action. The task for the immediate future was to put into effect the general principles agreed on, and to continue negotiations at the international level - in the General Assembly, the Trade and Development Board, and so forth - and at the bilateral level.
16. Although it was clear that solving the foreign trade problem of the developing countries was a vital step in increasing the pace of economic and social progress, it was equally true that those countries themselves must do their part by striving to set their economic affairs in order; to place their tax, monetary and investment policies on a sound footing; to improve their marketing systems; and to reorganize their production on such lines that their exports could be sold on the world market at competitive prices. That was essential from the standpoint both of economic development and of foreign trade, since international co-operation could not be expected to do everything. Nevertheless, it was clearly stated that there must be a two-way traffic of national and international effort, since the possibility of changes at the national level often depended largely on external circumstances.
17. The speakers stressed that the boldest, most ambitious and most promising internal effort was the economic integration movement in Latin America. Although integration was not an exclusively economic question, it was recognized as fundamental. The countries of the region could not

/continue to

continue to maintain their small national markets, because the import substitution process was drawing to its end in many Latin American countries. Even the utilization of natural resources called for large consumer units and vast sums of capital, and complex industries could not be established on a competitive basis without continually expanding markets. The study of economics had underlined the need for pooling effort, since the alternative was stagnation and poverty.

18. Lastly, a tribute was paid to the contribution made by the regional economic commissions, both in the preparation and in the organization and operation of the United Nations Conference on Trade and Development. The secretariat of the Economic Commission for Latin America was credited with an important role in the Conference, and had produced, in the form of document E/CN.12/C.1/21, a useful evaluation of the results of the Conference, together with possible lines of action that might be adopted for putting into effect the recommendations adopted at Geneva. In the field of integration, it was considered that the work being done by the secretariat, according to the programme described in document E/CN.12/C.1/21, was of the greatest value in promoting integration activities in the region and would permit Governments to take decisive action on the subject.

Evaluation of the United Nations Conference on
Trade and Development

General comments

19. Various views were stated during the over-all evaluation of the results of the United Nations Conference on Trade and Development. Although it was not specifically considered whether, taken as a whole, the Conference had been a profitable venture full of promise for the future, or whether it constituted the frustration of the effort being made by the developing countries to improve their situation, there was general consensus in not regarding its results as entirely satisfactory in relation to the hopes formulated by those countries. It was stressed, however, that those results signify undoubted progress towards the future prospects of obtaining a metamorphosis of the procedures, conditions and structure of world trade,

/because the

because the recommendations formulated at the Conference on Trade and Development implied the recognition and adoption of a number of principles and basic rules on trade and the aims of the international community, directed towards solving the external problems hindering the developing countries' economic and social progress.

20. The positive results achieved included the following: (a) the unity of the stand taken by the developing countries, a unity which was reflected in a clear consciousness of the common interest and the power of negotiation; (b) the creation of new institutional machinery for trade which, though only partly meeting the developing countries' hopes of securing a broader machinery that would provide the framework for a real world trade and development system, would nevertheless play an important part in overhauling traditional policies to bring them into line with the spirit and principles arising out of the Conference; (c) the recognition of some of the developing countries' wishes in the field of financing; and (d) the adoption of a number of measures in commodity trade and trade in invisible items which would pave the way for the future negotiation of formulas aimed at facilitating access to markets and increasing external income obtained from international transactions effected by the less developed countries.

21. Equal emphasis was laid on the fact that the existing gap between the amount of real income derived from external sales made by the developing countries and that required to promote their internal development, which had been brought to the Conference's attention, had ceased to be a purely academic or speculative concept, since it had been given great pragmatic validity by the Conference. It was therefore considered that the accurate measurement of that gap would be invaluable for future negotiation, both at the country and regional level, when studies on a country by country basis were made.

22. The Committee considered that another positive result of the Conference was its recognition of the fairness of the developing countries' demands. Since that recognition was irrevocable, it required no further consideration. The bases for action were set forth in the Charter of Alta Gracia, which was a political agreement and a commitment for the signatory states which has not

/yet been

yet been terminated, but must be tackled at another level and in another sphere. Accordingly, the Conference was considered merely a starting point and the Committee must obviously focus attention on consideration of the lines of action which should be adopted within the limits of the Geneva recommendations, as set forth in document E/CN.12/C.1/21 presented by the secretariat.

23. It was observed - and a resolution was adopted thereon - that the Conference had opened up better prospects than those existing hitherto for increasing trade between the countries with centrally-planned economies and the developing countries, with opportunities affording mutual benefit to both.

24. Lastly, it was agreed that the set of principles approved by the Conference should be adopted on a universal basis and their consolidation should constitute the basic instrument of the new institutional machinery created at Geneva. The representative of a developed country pointed out, however, that the Geneva Conference, also agreed in a resolution adopted unanimously, that the new institutional machinery should strive to achieve the broadest possible measure of agreement on a set of principles which might not be the same as those already approved.

25. The representative of a developed country observed that the resolutions adopted at Geneva, while entered into in good faith and would doubtless be carried out, did not involve legal commitments.

Commodity trade

26. When the topic of primary commodities was introduced, the Committee's attention was drawn to the importance of the agreements reached by the Conference on Trade and Development, especially as regards the liberalization of trade, access to markets and commodity agreements. In the study presented to the Committee, the secretariat had endeavoured to point up those aspects of the Conference's recommendations which required to be further clarified and defined, and to indicate the steps which could be taken in the immediate future, not only by the Latin American and other developing countries, but also by the international agencies concerned with commodity trade, including those whose establishment had been recommended by the Geneva Conference.

27. The various points meriting the Committee's attention included the need for the developing countries to draw up, as soon as possible, the lists of primary export commodities of particular interest to their economies, so that the competent international agencies could prepare the consolidated lists envisaged in recommendation A.II.1. It was also stressed that the new Trade and Development Board should proceed, in co-operation with the existing international agencies, to define more accurately, if possible in terms of figures, a number of general concepts included in the recommendations of the Conference on Trade and Development, such as those referring to the magnitude, time limits and methods to be applied in respect of the reductions of customs duties and other charges levied on primary export commodities in several of the developed countries.

28. Other points requiring further study and proper institutional machinery were those connected with the establishment of consultation procedures to deal with cases that constituted exceptions to the trade liberalization clauses and those in which export subsidies granted by the developed countries adversely affected the developing countries. The representative of a developed country pointed out that consultative machinery already existed in various organizations and that all countries did not agree that consultations on commodity or other questions would have to be carried out in the new institutional machinery.

29. The Committee further considered that the competent international agencies should study practical measures to compensate the developing countries when the time comes to abolish the discriminatory preferences extended in their favour.

30. Attention was also drawn to the necessity of working out a formula which would enable the developing countries to dispose of their primary commodity surpluses on an equal footing with the developed countries that maintained programmes of sales on special terms.

31. As regards international agreements, it was considered advisable to perfect and define such concepts as the maintenance of the real purchasing power of exports, and to devise the measures required for co-ordinating production with the creation and operation of funds earmarked for financing the diversification of production and trade in favour of the developing countries.

/32. Similarly,

32. Similarly, and as set forth in the relevant recommendation, a specific study should be made of the possibility and expediency of concluding new international trade agreements. In this connexion, the Committee referred to the contribution which the study groups of FAO and other agencies could offer in the conclusion of new agreements.

33. The latest developments in the field of primary commodities were then briefly reviewed, and the Committee expressed concern at the provisions adopted by some of the developed countries since the Geneva Conference, which affected the export position of the developing countries, particularly Latin America. For instance, reference was made to the failure of the United States Congress to complete the enabling legislation to put the Coffee Agreement legally into effect and the potentially restrictive measures on meat imports authorized recently by the United States Government. One delegation referred to the introduction by the United States of a sugar quota which was proportionately larger for domestic producers. Reference was also made to the import charges applied by the United Kingdom.

34. In relation to the above-mentioned points, the representative of the United States explained that administrative measures to implement effectively the Coffee Agreement were in effect. He confirmed the recent statement by the President of the United States that his Government would strive to secure enabling legislation for the International Coffee Agreement. He also commented on the sharp increase in meat imports and severe decline in prices leading to the legislation providing for the application of import quotas for meat if imports rose considerably further. He explained that no quotas had yet been imposed, and perhaps they never would be. The representative of the United Kingdom explained that the import charges referred to were a temporary measure designed to remedy a serious balance-of-payments problem, that they did not apply to food or raw materials, and that he did not believe that Latin America would be affected. Despite the above reassurances, and in the light of the arguments put forward by the representatives of a number of Latin American countries, the Committee adopted a resolution expressing its deepest concern at the measures in question.

35. Some delegates proposed that the discussion of the topic should focus on the possible lines of action suggested in document E/CN.12/C.1/21, which could serve as a basis for the preparation of draft resolutions on primary commodities. The Committee agreed with this proposal and, as a result, proceeded to adopt the draft resolutions included in Part II of the Report.

Manufactured and semi-manufactured products

36. With respect to trade in manufactures and semi-manufactures, the Committee concentrated its attention on the large world markets that could absorb increasing quantities of exports of these products from the developing countries.

37. It was stated that the Latin American countries, with a view to promoting such exports, had joined with the other developing countries in seeking acceptance at Geneva by the developed countries of a tariff preference scheme that would permit such exports to enter the major markets on a competitive footing with similar products from the more industrialized countries. Such a preference scheme became the main element in the hopes of the developing countries in that field.

38. The Committee studied with particular interest the recommendations adopted at Geneva on the treatment to be accorded to exports of manufactures and semi-manufactures from the developing countries, and considered what lines of action should be taken in that respect. In relation to preferences, it decided to recommend to the Latin American countries that they reaffirm their vital interest in securing the establishment of a preference system, since no such system was finally decided upon at Geneva, although one recommendation indicated the overwhelming opinion in favour of such a scheme; the Committee likewise recommended that the Secretary-General of the United Nations should appoint an ad hoc committee to study the best method of putting such a scheme into effect and to consider further differences of principle. The reaffirmation of Latin America's interest in the idea should be regarded as an indication that for the countries of the region a non-reciprocal, general and non-discriminatory system of preferences exempt from the application of the most-favoured-nation clause, in favour of the developing countries, was still the effective way of ensuring that manufactures and semi-manufactures were in fact exported to the developed countries.

/39. The

39. The Committee also sought a means of taking full and immediate advantage of the prospects offered by two other recommendations of the Geneva Conference that relate to the export of manufactures. The first recommendation involved an undertaking by the developed countries to reduce or abolish, in international trade negotiations, duties on manufactured and semi-manufactured products of special interest to developing countries by reason of their actual or potential competitive capacity. The undertaking involved in this recommendation also includes not raising existing tariffs, and an effort to eliminate tariffs that differentiate between the products concerned in their primary and processed forms.

40. Although, in the view of the developing countries represented on the Committee, the undertaking to broaden the market access enjoyed by the developing countries did not afford the same possibilities as a system of preferences, owing, for one reason, to the difficulty of the negotiations that would have to be conducted among the developed countries, the Committee considered that it was vital to make the greatest possible use of the recommendation on access to markets, and agreed, inter alia, to submit lists of products of special interest to the member countries and to take whatever steps seemed to be necessary to ensure that the developed countries would negotiate among themselves the reductions that had been offered.

41. The second recommendation in question concerned the undertaking on the part of the developed countries with a centrally-planned economy to diversify and increase their imports of manufactures and semi-manufactures from the developing countries. While deeming it important to take advantage of that possibility, the Committee considered that the first step should be the negotiation of a more specific commitment from the centrally-planned economy countries, whereby effective and permanent access would be afforded to an expanding market, and that, at the same time, the bilateral agreements currently governing trade with those countries should be made more flexible and multilateral.

/Financing

Financing

42. External financing was discussed by the Committee as a subject closely linked with trade, and the view was that financing should compensate as systematically as possible for the development deficit represented by the trade of the developing countries. The Geneva recommendations embodied the ruling principle that external financial aid should fill the gap in any developing country between the funds required to maintain a satisfactory development rate, and its current foreign exchange earnings. Financial aid, thus viewed, must be linked with a continuing and systematic development programme, and must therefore be continuing, flexible, and adequate.

43. The Committee considered how to secure the application of this principle and other related principles, such as the recommendations that the developed countries should undertake to make available to the developing countries a given proportion of their national product, and that they should support a revision of the financial services on the external debt. Specific decisions on those points were included in the resolutions adopted by the Committee. With respect to the recommendations on how the developed countries should help to meet the requirements of development plans, the Committee considered it essential that developing countries receiving such aid should revise those plans and put them into effect.

44. One vital form of external aid, especially in enabling the developing countries to undertake and carry out national plans, was financial aid to compensate for the losses incurred by them through the deterioration of their terms of trade. Some progress was achieved at Geneva in that the International Monetary Fund was asked to improve its system of short-term compensatory credits, and that an attempt was made to design a real system of compensatory financing of a more long-term nature, which would effectively indemnify the developing countries, with funds supplied by the developed countries, for their actual losses of earnings occasioned by deterioration of the terms of trade. In that connexion, the Committee discussed three possible lines of action: that the International Monetary Fund should be asked to revise its system of short-term compensatory credits, that the International Bank for Reconstruction and Development should be

/asked to

asked to give maximum priority to its study on supplementary financing, and that the Trade and Development Board should be asked to seek a more comprehensive solution over the long term.

45. With respect to other aspects of the financing of trade and development, such as suppliers' credits, the marketing of export commodities, an interest equalization fund, the international monetary situation and regional development, the Committee agreed that the only line of action that appeared practicable at the present stage, with a view to making headway with the process of obtaining specific decisions and benefits subsequently was to ask the international agencies requested by the Conference to undertake the studies concerned to indicate clearly that they would proceed with that task as speedily as possible.

Trade in invisible items

46. The secretariat, in introducing this item, summarized the lines of action proposed in document E/CN.12/C.1/21, on shipping, tourism and insurance. With respect to shipping, it was stressed that the prompt application of the relevant recommendations of the Conference on Trade and Development would be an important step in meeting the wishes of the Latin American countries in that field.

47. From the institutional standpoint, in view of the widely heterogeneous aspects of trade in invisibles and the specific characteristics of shipping, the best course would be for the Trade and Development Board to establish a special subsidiary body or committee on shipping. The terms of reference of such a committee could be based on recommendation A.IV.22 of the Geneva Conference, "Common measure of understanding on shipping questions".

48. A most important element in that recommendation related to the establishment of a system, on a national and regional basis, providing for consultation between the shipping conferences and shippers' associations or councils. The Latin American Governments should proceed with all speed to study the problems involved in establishing such a system in their countries.

49. It was suggested that the ECLA secretariat could collect the information on the experience of other countries in the organization and operation of such a system. Another suggestion was that the Latin American countries should establish freight study units, at a government level, on the lines recommended by the Trade Committee of the Economic Commission for Asia and the Far East.

50. Recommendation A.IV.22 also stressed the importance of port operation and the high incidence of port charges in freight costs. In view of the generally acknowledged defects of many ports in the region, it was considered that the Latin American countries should make vigorous efforts in the immediate future to improve their port facilities, and do everything they could to develop their merchant fleets.

51. Lastly, the Committee stressed the need for the ECLA secretariat to intensify its studies on the question, in close co-ordination with the secretariats of the Trade and Development Board and of the other United Nations regional economic commissions, as well as ALALC and the study groups on shipping questions and freight rates.

52. With respect to insurance and reinsurance, the Committee pointed out that recommendation A.IV.23 of the Geneva Conference embodied many of the aspirations of the Latin American countries, and stated that it was desirable for the Trade and Development, in co-operation with the regional commissions, to undertake, as soon as possible, an examination of the specific measures required to attain the objectives established in the recommendation.

53. As regards tourism, reference was made to recommendation A.IV.24 of the Conference, which contained a complete plan of action and measures for the expansion of tourist traffic towards the developing countries which the Latin American countries considered to be vital for the improvement of their balances of payments. However, as the question of tourism had been dealt with for many years by the OAS Inter-American Travel Congresses, and the next Congress was expected to take place at Bogota during March and April 1965, it was suggested that the matter should be referred to that Congress with the request by the Trade Committee that the Congress should consider what specific measures for the encouragement of tourist traffic should be adopted by the Latin American countries at both the national and regional level.

54. Fully endorsing the lines of action suggested by the secretariat and agreeing that it would be desirable for ECLA to continue its studies on shipping questions, the Committee proposed that the discussions should be focussed on the lines of action suggested in secretariat document E/CN.12/C.1/21.

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55. The conclusions of the debates were crystallized in the resolution on maritime transport included in Part II of the present report. The delegation of Cuba specifically reserved its position on the reference to the Punta del Este Charter in paragraph 26 of resolution F on maritime transport.

Regional economic integration

56. In presenting the subject of the regional integration of Latin America, the secretariat indicated the serious internal and external obstacles to the achievement of a swifter rate of economic and social development. Outstanding among the measures designed to remove such obstacles was economic integration. It was stressed that integration had come to be regarded as the best tool for directly remedying some of the manifestations of the external bottleneck and establishing a climate of healthy competition which would bring about a rise in productivity and promote the economic growth of the Latin American countries.

57. Referring to the established fact that the process of import substitution was meeting with increasing difficulties, the Committee pointed out that it could be reinitiated in the context of a regional market which, by transcending the narrow bounds of national markets, would allow for certain kinds of specialization and complementarity and thereby turn to account the relative advantages offered by each country. That would enable goods to be produced within the region that were currently being imported, since substitution was uneconomic when markets were small.

58. It was also stressed that, for future development, integration was as much a necessity as a basic instrument. The integration process was not the same in Latin America as in Europe. In Latin America, unlike Europe, there was no intensive, inter-country trade to provide a starting point, the problem being to create such trade flows. Hence the special importance of policy decisions on questions such as investment, the infrastructure, etc. The progress achieved by the Central American Common Market and the advances in ALALC had undoubtedly been an important step in the right direction, but the process had to be made less cumbersome. Hence, political decisions were required, and those were the province of the Governments, to which ECLA, with its many years of experience in the field of integration, should give as much data as possible, as had been stressed on numerous occasions. Moreover, those decisions would have to be founded on an adequate body of information as to

/their consequences,

their consequences, and ECLA was in fact carrying out the analyses which would furnish the Governments with the information they needed to adopt such decisions.

59. According to document E/CN.12/C.1/22 submitted by the secretariat for the consideration of the Committee, ECLA, as part of a programme, jointly undertaken by ECLA, the Inter-American Development Bank and the Latin American Institute for Economic and Social Planning was carrying out studies on the following subjects: analysis of the basic lines of trade policy proper; integration industries, covering studies on the steel industry, and the chemical, textile, pulp and paper and machine-tool industries; the infrastructure, such as the transport situation in Latin America and the future of transport in relation to integration; agricultural problems and agricultural inputs; and institutional shortcomings in order to bring these to the attention of Governments.

60. In reviewing the question of the intensification of trade among the developing countries, the Committee emphasized the importance of the decisions adopted at Geneva which led to the establishment of a set of principles and commitments aimed at promoting and increasing trade between the said countries, linking up such action with national development programmes and facilitating the conclusion of agreements on regional integration covering both trade and payments.

61. Particular attention was paid to the possible action that the developing countries, and especially the Latin American region, might take with respect to regional economic integration, given the fact that the developed countries had undertaken to permit those countries to prepare realistic integration programmes without being compelled to follow certain rigid patterns of world trade.

62. Moreover, stress was laid on the desirability that the action taken to intensify trade among the developing countries should be more extensively based on the use of long-term trade agreements. In view of the conditions and interests of the developing countries, such agreements would enable them to increase their trade both among themselves and with the developed countries by means of the widest possible geographical diversification of the trade flows in question.

63. Inspired by the foregoing considerations, the Committee adopted the operative paragraphs of the resolutions included in Part II of the present report.

Internal measures

64. Emphasis was laid on the urgent need for the Latin American countries to apply internal measures aimed at the more intensive and effective use of international co-operation in order to achieve more rapid and widespread economic and social progress. International co-operation was, indeed, often a prerequisite for such measures. Lastly, it was considered desirable for the ECLA secretariat, in co-operation with the other competent international organizations, to co-operate in the implementation of studies that would be useful for the achievement of the above objective. The recommendation included in Part II of the present report had been adopted with that end in view.

Part II

RESOLUTIONS ADOPTED BY THE TRADE COMMITTEE
AT ITS FOURTH SESSION

65. The Trade Committee of the Economic Commission for Latin America, at its fourth session, adopted the following set of resolutions:

18(IV) INTERNATIONAL TRADE, DEVELOPMENT AND INTEGRATION

I

LINES OF ACTION WITH RESPECT TO TRADE AND DEVELOPMENT

The ECLA Trade Committee, in view of the urgent need to ensure that the recommendations adopted at the United Nations Conference on Trade and Development are implemented in the fullest, most specific and expeditious way possible, and that they are improved and supplemented;

Conscious of the need for every effort to be made to foster the unity of the Latin American countries among themselves and with the other developing countries, towards which the first step had been taken at Geneva, in order to achieve such vital objectives for the economic future of the Latin American countries as easier access for their primary commodities to world markets and better prices for such commodities; an improvement in the terms of trade; the intensification and geographical diversification of their exports of manufactures and semi-manufactures; external financial co-operation, on a scale and on terms sufficient to aid in maintaining a satisfactory rate of economic and social development; the solution of their international transport problems and of other invisible items in their balances of payments, all of which are essential if the gap between their current export earning prospects and their need to import for development is to be bridged.

Likewise, in view of the pressing need to promote vigorous internal action in the Latin American countries with a view to organizing and intensifying their production so as to enable them to take the greatest possible advantage of the new conditions by which international trade should be governed.

/Decides:

Decides:

A. General evaluation of the Conference

1. To declare its dissatisfaction with the results achieved by the Conference on Trade and Development, while recognizing that they represent some advance in terms of the principles that can serve as a basis for a more equitable organization of world trade;
2. To note with keen interest the secretariat document entitled The United Nations Conference on Trade and Development: analysis of the results and prospects for Latin America (E/CN.12/C.1/21);
3. To express its deepest concern at the unilateral decisions taken by some developed countries since the United Nations Conference on Trade and Development, as they are contrary to the spirit and philosophy recognized by all the States signatories of the Final Act of the Conference and adversely affect the corresponding resolutions, particularly point 2 of the second part of Recommendation A.II.1 on standstill. These decisions include: (a) the delay in adopting the additional measures needed for effective operation of international commodity arrangements, negotiations in respect of which have already been concluded; (b) the application of new tariff measures which limit exports of products from developing countries; (c) the imposition of quantitative restrictions on trade in commodities of interest to the developing countries.
4. To transmit Part I.A. of the present resolution to the Group of Seventy-seven developing countries in New York in order that they may consider it and bring it to the attention of the United Nations General Assembly.

B. Internal measures

5. To recommend to Governments that, while continuing their efforts to achieve a different structure of world trade in line with the developing countries' proposals at the United Nations Conference on Trade and Development, and with a view to turning to really effective account the international action being taken in this sense, they intensify their internal efforts on the basis of measures such as the following:

/(a) Stimulating

- (a) Stimulating savings and domestic investment, mobilizing the latter in terms of national and regional development plans;
- (b) Promoting the structural and institutional reforms necessary for full and efficient use to be made of each country's production potential and of external financing resources;
- (c) Encouraging action to rationalize production and distribution with a view to increasing productivity and income, and avoiding undesirable disequilibria between supply and demand, at the national, regional and world levels;
- (d) Creating the requisite conditions to facilitate the establishment and expansion of export industries on a competitive footing;
- (e) Formulating and putting into practice specific export policies, including promotional measures, and others of a monetary, exchange, fiscal, administrative and legislative nature.

6. To make it clear that the Committee, in stressing the urgent need for national action on the lines described, does not in any way intend to imply that the measures sought in the external sector are necessarily contingent upon internal decisions, since these in many cases are only feasible through international co-operation.

7. To instruct the secretariat of ECLA, in co-operation with other competent international agencies, to give the Latin American Governments whatever co-operation they require, and to carry out the studies which might be useful in complying with this aim.

C. Commodity Trade

8. To recommend to the Government of the developing States Members of ECLA:

- (a) That, not later than thirty days after the establishment of the Commission on Commodity Arrangements and Policies,* they present lists of export commodities of interest to their economies. These lists should be

* All references to the Commission on Commodity Arrangements and Policies will be understood to mean the Commission proposed in the Final Act of the United Nations Conference on Trade and Development or any other equivalent agency that may be set up.

consolidated by the Commission, in co-operation with the Food and Agriculture Organization of the United Nations (FAO) and the Regional Economic Commissions. The resulting general list should be submitted forthwith to the Trade and Development Board for the purpose of applying the provisions of section II of recommendation A.II.1. The liberalization measures shall not be confined to the commodities included in the aforementioned general list.

(b) That they direct the Trade and Development Board to determine the exceptional circumstances under which the developed countries can, in the case of certain commodities, depart from the commitments relating to the liberalization of commodity trade, and to establish the appropriate consultation machinery with the aim of preventing adverse repercussions on the developing countries.

(c) That the Commission on Commodity Arrangements and Policies ascertain, as accurately as possible, the position with regard to commodity trade at the date of adoption of the Final Act by the Geneva Conference, in order to ensure application of the clause concerning the standstill.

(d) That, in regard to tariff and other charges levied on commodities and taking into account the various commitments undertaken with respect to the different types of commodities referred to in item 3, section II, of recommendation A.II.1, the Commission on Commodity Arrangements and Policies define the percentage, and rates of, reduction compatible with the meaning of the terms (such as "substantially", "at the earliest possible date", etc.) used in the said recommendation and likewise consider to the best way of effecting the reduction.

(e) That the Commission on Commodity Arrangements and Policies define the quantitative restrictions which ought to be abolished, propose a schedule for their elimination and establish procedures facilitating an increase in the commodity exports from developing countries, particularly in relation to the growth of the developed countries' markets.

/(f) That

(f) That the Commission on Commodity Arrangements and Policies ascertain the extent to which the developing countries are harmed by the anti-economic production of the developed countries, and suggest ways of amending the latter's protectionist policies.

(g) That the Commission on Commodity Arrangements and Policies determine which of the existing preferences are essential to the beneficiary developing countries, and study and suggest compensatory measures which will permit their complete abolition within the time-limits envisaged.

(h) That the Commission on Commodity Arrangements and Policies examine the trade and payments arrangements that would make for the establishment of multilateral trade between the developing countries and the centrally-planned economy countries, in line with the mutual interest they expressed at the Conference and with a view to putting into effect the increase in import targets, as announced in the Aide Mémoire of 10 June 1964 submitted by the Governments of the Union of Soviet Socialist Republics, Czechoslovakia, Poland and Hungary (E/CONF.46/L.28, annex C, p. 32).

(i) That the Commission on Commodity Arrangements and Policies determine which of the subsidies granted by the developed countries adversely affect the commodity exports of the developing countries or help to bring about a drop in the world prices of such commodities, and establish consultation machinery with the developing countries which are currently or might in future be affected by the subsidies concerned.

(j) That the Trade and Development Board, in co-operation with FAO, see that the principles of the Food and Agriculture Organization in relation to the disposal of agricultural commodity surpluses are strictly enforced, and likewise establish criteria for ensuring the orderly sale of the stocks of mineral ores (including strategic products) accumulated in the developed countries.

(k) That the Commission on Commodity Arrangements and Policies study and suggest a financial formula whereby the developing countries can sell their commodities on an equal footing with the developed countries which maintain special sales programmes in operation, and at the same time

/explore ways

explore ways and means of setting up financing machinery which will permit the absorption of seasonal surpluses in the developing countries.

(l) That the Commission on Commodity Arrangements and Policies decide on the criteria deemed most likely to ensure steady growth and predictability in the export earnings of the developing countries, such as:

- (i) The concept of equitable and stable prices for commodities, having due regard for their purchasing power;
 - (ii) An increase in the consumption and imports, by the developed countries, of primary products processed as far as possible;
 - (iii) The concept of "satisfactory access"; and
 - (iv) The co-ordination of production and marketing policies.
- (m) That the Commission on Commodity Arrangements and Policies analyse the various types and forms of commodity arrangements (international agreements, inter-governmental consultations, producers' organizations, etc.) and list the commodities which may be covered by such agreements.
- (n) That Governments, where necessary, promote action to review existing agreements from the standpoint of adequacy, in accordance with the criteria laid down in part I of Recommendation A.II.1.
- (o) That the Commission on Commodity Arrangements and Policies examine the techniques adopted in conformity with part I, Chapter C (8) of Recommendation A.II.1 and propose specific methods for their application.
- (p) That the Commission on Commodity Arrangements and Policies study the possibility of arriving at agreements by groups of commodities including, in particular, natural products and the synthetic products which compete against them.
- (q) That the Commission on Commodity Arrangements and Policies study schemes - including expansion of the developed countries' food aid programmes - to enable developing countries to obtain outlets for their commodity surpluses on the same footing as the developed countries which have special programmes of this type.
- (r) That Member States act to strengthen the World Food Programme of the United Nations and FAO and promote the study of procedures and systems likely to enlist the participation in the Programme of international financing agencies, such as the International Development Association, with

/a view

a view to facilitating the purchase of commodities in developing countries with exportable surpluses.

(s) That Member States, FAO and other international agencies concerned undertake studies to improve, from a technical standpoint, the production and marketing of natural products affected by competition from synthetics, and to discover new uses for the former.

(t) That the Commission on Commodity Arrangements and Policies support the action taken by international agencies in the developing countries which are the chief exporters of non-replenishable natural products aimed at increasing the real earnings of these countries.

(u) That the Commission on Commodity Arrangements and Policies determine the best method of giving practical effect to the recommendations contained in Recommendation A.II.9 of the United Nations Conference on Trade and Development.

D. Exports of manufactures and semi-manufactures:

9. To recommend to the Governments of States members of ECLA that they should urge the General Assembly, at its nineteenth session, to take the necessary steps to set up a specialized agency on industrial development, in accordance with the provisions and within the time limits set forth in General Assembly resolution 1940 (XVIII) and, pending the establishment of the agency concerned, to support the view that the existing Industrial Development Centre should carry out forthwith, in so far as it is able to do so, the activities provided for in Recommendation A.III.1 of the United Nations Conference on Trade and Development.

10. To recommend to the Latin American Governments members of the Commission that they reaffirm the vital interest of Latin America in securing the establishment by the developed countries, in favour of the developing countries, of a non-reciprocal, general and non-discriminatory system of preferences exempt from the application of the most-favoured-nation clause, which would permit exports of a satisfactory volume of manufactures and semi-manufactures to the developed countries;

11. To request the Executive Secretary of ECLA to draw the attention of the Secretary-General of the United Nations, on behalf of the Trade

/Committee to

Committee to the interest shown in that respect, and to request him to set up forthwith the committee of government representatives envisaged in recommendation A.III.5 of the United Nations Conference on Trade and Development.

12. Likewise, to request the Executive Secretary of ECLA officially to transmit the recommendations in Part I.D of the present resolution to the Executive Secretaries of the regional commissions for Africa and for Asia and the Far East as well as to the Chairman of the Seventy-seven in order to achieve concerted action in this respect.

13. To ask the ECLA secretariat to carry out further studies on the possible forms and features of a preference system in favour of the developing countries, and on the means of solving the problems involved in establishing such a system, so that the region can be fully prepared to participate in international meeting at which the subject is discussed. The ECLA secretariat should transmit the studies as soon as they have been completed, to the Governments of the States members of the Commission, and to the international agencies concerned.

14. To recommend to the Governments of the developing countries of ECLA that, until such time as a preference system has been decided on, and specific measures have been taken to apply it, they should endeavour, inter alia in GATT negotiations where appropriate, to ensure that the developed countries undertake, without delay:

(a) To abolish tariffs or reduce them to levels compatible with exports of manufactures of particular interest to the developing countries;

(b) To abolish customs duties for all semi-manufactures from developing countries; and

(c) To abolish all other non-tariff restrictions that affect imports of manufactures or semi-manufactures.

15. To recommend to the developed countries that they should extend the above measures to the developing countries which are not members of GATT.

/16. To

16. To recommend to the Governments of the developing States members of ECLA that they should submit periodically to the committee on manufactures of the Trade and Development Board a list of manufactured products whose export is of special importance to their economies, in order that this Committee - pursuant to point 10 of Recommendation A.III.4T - may present the list to the agencies concerned in order that the products can be considered in negotiations aimed at facilitating and expanding access to the markets of developed countries; the list must be brought up to date and consolidated annually. Moreover, to request the ECLA secretariat to inform the secretariats of the regional economic commissions for Africa and for Asia and the Far East of this decision by the Trade Committee, in order to ensure concerted action in this respect.

17. To ask the ECLA secretariat to prepare at once, in co-operation with the various national, regional or extra-regional bodies that could contribute to the task, a comprehensive list of manufactures or semi-manufactures that could be exported by Latin America if the customs charges, tariffs differentiating between raw materials and manufactured products, and other restrictions of equivalent effect, were eliminated or sufficiently reduced.

18. To recommend to Governments that they should instruct the committee on manufactures to define the "exceptional and compelling" circumstances under which the developed countries could impose or increase restrictions or tariffs on imports of manufactures and semi-manufactures from developing countries, and also to establish consultation machinery in which the developing countries affected by such measures can take part.

19. To request ECLA and the committee on manufactures to make a study of the additional concessions which should be granted to the relatively less developed countries, to enable them to turn to account the measures recommended in the previous points.

20. To ask the Executive Secretary of ECLA to request the Trade and Development Board to obtain periodically from the developed countries information on the measures they adopt in conformity with the previous paragraphs and with recommendations A.III.6 and A.III.7 for immediate transmittal to all the member countries.

/21. To

21. To recommend to the Latin American Governments that they should continue their efforts to obtain a commitment from the countries with centrally-planned economies aimed at ensuring that their economic plans provide for imports of manufactures and semi-manufactures from the developing countries in increasing and adequate quantities.

22. Likewise, to recommend to the aforementioned Governments that, in concluding trade and payments agreements with the centrally-planned economy countries, they should insist on a more multilateral approach, in line with the commitment expressed in recommendation A.III.7 adopted by the Geneva Conference.

E. Financing of trade and development

23. To recommend to the Governments of developing States members of ECLA:

Guidelines for international financial co-operation

(a) That they continue their efforts to formulate and execute national development plans and economic policies capable of achieving an intensive and balanced economic growth, taking into account the importance of such plans and policies for the steps being taken to facilitate continuing, adequate and sufficient financial co-operation on the part of the developed countries. Such national development plans and policies constitute the framework of action and the basis for the measures aimed at obtaining external financial co-operation, without prejudice to the flexibility of said plans;

(b) That those which are signatories to the Charter of Punta del Este co-operate with the work being done by the Inter-American Committee on the Alliance for Progress (ICAP) in the yearly examination of national development policies and programmes, with a view to ascertaining the internal effort and external assistance required to ensure their financing;

/(c) That,

(c) That, through the ECLA secretariat, they request the Trade and Development Board to urge the developed countries and the international financing institutions to comply promptly with the provisions contained in paragraph 1 of recommendation A.IV.1 adopted by the United Nations Conference on Trade and Development, as specified in paragraph 3 of the same recommendation;

(d) That they request the Trade and Development Board to adopt measures conducive to establishing the procedures for compliance with paragraph 5 of recommendation A.IV.1 by the developing and developed countries.

Growth and aid

(e) That they request the Trade and Development Board to undertake studies, in co-operation with the competent international agencies, on the extent of the aid actually provided by the developed countries, with a view to drawing conclusions as to the best way of complying with the objective referred to in recommendation A.IV.2, section III;

(f) That those which are signatories to the Charter of Punta del Este request the Trade and Development Board to take into consideration for this purpose, the studies carried out by the agencies to which they belong, with a view to compliance with paragraph 2 of recommendation A.IV.2, without prejudice to the operation of the institution provided for in the same paragraph to examine the situations of the other developing countries of the region.

Problems of debt service

(g) That they forthwith bring to the attention of the international financing agencies the pressing need to provide for machinery with a view to securing agreement, if necessary, on the rescheduling or consolidation of the developing countries' external debt, in conformity with recommendation A.IV.5;

/Compensatory financing

Compensatory financing

(h) That they instruct the Executive Directors representing them on the International Monetary Fund (IMF) to request that institution to apply forthwith the short-term compensatory credit system, set forth in recommendation A.IV.17;

(i) That they request their representatives in the International Bank for Reconstruction and Development (IBRD) to give maximum priority to the study referred to in part A of recommendation A.IV.18, and include in the study clear-cut provisions linking the financing by IMF of short-term disequilibria to complementary financing of long-term disequilibria;

(j) That, through the ECLA secretariat, they request the Trade and Development Board to give special priority to the study of a compensatory credit system to offset balance-of-payments disequilibria, in relation to the deterioration in the terms of trade and other factors, as set forth in the terms of reference contained in section B of recommendation A.IV.18.

Regional development

(k) That they firmly support the efforts and action of their regional institutions, particularly the Inter-American Development Bank (IDB), to secure that a larger proportion of the resources made available by the developed countries are channelled through the said institutions, with a view to strengthening the financial bases for multilateral action in the regional sphere.

Studies

(l) That they take steps to ensure:

(i) That IBRD complete, as soon as possible, the study on suppliers credit, credit insurance and rediscount arrangements alluded to in recommendation A.IV.14;

(ii) That IBRD expedite presentation of the study on the scheme for increasing capital flows to developing countries (recommendation A.IV.11);

(iii) That the Trade and Development Board investigate, as soon as possible, the trade conditions for exports of the developing

/countries' main

countries' main primary products, for the purposes set forth in recommendation A.IV.16.

International agencies

24. To recommend

- (a) That the international agencies concerned submit as soon as possible the studies on regional development referred to in recommendation A.IV.10;
- (b) That the ECLA secretariat urge the Secretary-General of the United Nations Conference on Trade and Development to expedite the convening of the group of experts alluded to in recommendation A.IV.19 and the completion of its studies; and likewise exhort the developing countries to submit, as soon as possible, a systematic statement of their views concerning the incidence of the international monetary situation in trade and development problems and propose the solutions they deem most expedient in time to be considered by the aforementioned group of experts;

F. Maritime transport

25. To recommend that the ECLA secretariat should ask the Trade and Development Board to establish, as soon as possible, a subsidiary organ specifically responsible for the problems of maritime transport referred to in recommendation A.IV.22, "Common measure of understanding on shipping questions".

26. To recommend to the Governments of the Latin American countries that, as a first step towards improving their shipping systems, they should:

(a) Adopt forthwith the measures needed to establish the system of consultation between the shippers and the shipping conferences recommended in paragraph 1 of the "Common measure of understanding on shipping questions"; and

(b) Establish at a government level, with the participation of shippers and associations of national shippers, units to study problems of maritime transport, which would meet regularly to report on the progress of their work, exchange information and co-ordinate their activities, and would be able to call on the advice and assistance of the secretariat of the Economic Commission for Latin America.

/(c) Redouble,

(c) Redouble, and co-ordinate, their efforts to develop their national maritime fleets, in order to increase their share of the transport of their foreign trade, improve their balances of payment and have at their disposal an effective instrument for bringing about a more favourable freight policy on the part of the shipping conference. Similarly, the Trade Committee recommends to the Governments that they should, by means of the international aid and financing envisaged in recommendation A.IV.22, and also in the Charter of Punta del Este, take vigorous action to speed up the improvement of their port facilities.

27. To recommend that the secretariat of the Economic Commission for Latin America should assist the Governments of the region to collect the relevant information and analyse the problems referred to in paragraph 26 above, and intensify its own studies in the field of maritime transport, in close co-operation with the study units dealing with problems of maritime transport in the countries of the region, with the secretariats of the United Nations Conference on Trade and Development, of the other regional economic commissions of the United Nations, and of the Latin American Free-Trade Association.

G. Future action

28. To recommend to the Governments of developing States members of ECLA:

(a) That, given the unity achieved by the developing countries during the Geneva Conference, they maintain and intensify Latin America's contacts and common action with the developing countries in other regions, as one of the chief methods of overcoming the obstacles to the attainment of the aims pursued at Geneva;

(b) That, at the nineteenth session of the United Nations General Assembly, they endorse the establishment of the institutional machinery approved in recommendation A.V.1 as a first step leading to the establishment of the worldwide agency advocated by the developing countries at the Geneva Conference.

(c) That, once established, they give this machinery whatever co-operation it needs to achieve its aims as quickly as possible;

(d) That they co-operate with the secretariat of ECLA in its studies and activities in connexion with these matters.

29. To recommend to the secretariat of ECLA:

(a) That, in consultation with the Governments of developing States members of ECLA, it continue and complete its studies and work on world trade in order to ensure that the principles and rules adopted by the United Nations Conference on Trade and Development are converted, as early as possible, into practical measures;

(b) That, with this end in view, it co-operate closely with the secretariat of the United Nations Conference on Trade and Development, with the secretariats of the other Regional Commissions and with the other international agencies concerned;

(c) That it continue to provide the Latin American Governments with advisory assistance in these matters, with a view to maintaining and strengthening their unity of thought and action at the regional level.

30. To recommend to member Governments that they see to it:

(a) That the set of principles adopted by the United Nations Conference on Trade and Development be constantly improved and adopted on a universal basis;

(b) That the Trade and Development Board, from the time of its establishment, takes steps to systematize the principles already prepared and continue to formulate rules of general value, in conformity with the recommendations adopted by the United Nations agencies whose terms of reference relate to trade and development;

(c) That the consolidation of those principles constitute a Charter on Trade and Development, as a basic instrument of the United Nations Conference on Trade and Development which is to meet at regular intervals, and of its executive agencies.

31. To recommend to the Governments of developing States members of ECLA,

that, taking into account the need for the Latin American countries to extend their trade to new areas, they should view with interest the opportunities for increasing such trade afforded by commerce with the centrally-planned economy countries, on the basis of the offers made by the latter at the United Nations Conference on Trade and Development, and take appropriate measures to that effect.

/H. Other

H. Other matters

32. To express its gratitude to the United Nations Economic and Social Council for its adoption of resolution 1000 (XXXVII), expressing appreciation of the work done by the regional economic commissions, and the co-operation established among them in connexion with the United Nations Conference on Trade and Development, and the hope that they will continue their activities with a view to the implementation of the recommendations on trade and development adopted at the Conference;

II

LATIN AMERICAN ECONOMIC INTEGRATION

The Trade Committee reiterates its conviction that the economic integration of Latin America is urgently necessary for intensifying the development of the Latin American countries, achieving the indispensable social changes, improving the position of the region with respect to the problems of its external sector and reorganizing production on the basis of lower costs and a more rational use of existing resources, and therefore, in order that its recommendations may serve as a guide for the future action that should be taken on the matter.

Decides:

A. Regional integration and the negotiation of international agreements

1. To recommend that they expedite the integration of the region by the most practical means possible in order to play an effective role in the negotiation of international agreements and of a new structure of world trade;

B. Activities of the ECLA secretariat

2. To take note with satisfaction of the work done by the Economic Commission for Latin America in support of the region's economic integration, in terms both of research and of the formulation of general guidelines for the Latin American Governments to use as a basis for decisions in their integration policy. Attention is drawn in particular to document E/CN.12/22, which reviews the activities of the secretariat of the Economic Commission for Latin America in the field of economic integration;

13. To

3. To take into account its earlier resolutions, which define the position of the Economic Commission for Latin America with respect to integration.

4. To note with satisfaction that the ECLA secretariat has already made considerable progress on new studies in this field, which are expected to be completed by the end of 1964, and whose aim is to determine specific formulas or proposals for the consideration of the Governments, with respect to problems that constitute major obstacles to integration.

5. To urge the ECLA secretariat that, as soon as those studies have been completed, they should be submitted to the Latin American Governments, so that once the studies have been examined by national experts, the Governments can begin consultations and take decisions on proposals or formulas considered likely to accelerate integration.

6. Likewise to urge the secretariat that it continue to give advisory assistance to Governments so requesting in the elucidation of questions of trade policy linked to the Latin American economic integration movement;

7. To recommend to the Governments members of ECLA that they give their full support to the preparation of the above mentioned studies, including the services of experts if and when necessary.

C. Promotion of trade among developing countries
and regional integration

8. To recommend that the Governments of developing States members of ECLA should make a systematic effort to intensify trade among themselves and the other developing countries and to promote and complete the present framework of regional integration with a view to achieving the full integration of Latin America.

9. To recommend to the Governments of the countries already participating in regional integration agreements that they should speed up their studies aimed at co-ordinating their economic policies and harmonizing trade policy instruments;

10. To recommend that these Governments consider adopting, in the near future, criteria for a reduction of the charges on reciprocal trade, giving greater automaticity to their liberalization programmes, defining the sectors in which such criteria may more easily be applied and bearing always in mind the need for the co-ordination work mentioned in point 8 above.

/11. To

11. To recommend that, within these criteria, the Governments concerned should give careful consideration to the broader use of the complementarity agreement in respect of the industrial sectors most likely to achieve integration;

12. To recommend that greater urgency be given to studies aimed at the establishment of multilateral payments systems, bearing always in mind the need for closer ties between official and commercial banking institutions as a favourable condition for the establishment of reciprocal credit;

13. To recommend that these Governments should promote the financial and trade measures likely to facilitate the integration of those countries deemed to be at relatively less advanced stage of development or to have an insufficient market, chiefly in respect of the financing of their foreign trade and of industrial projects to be carried out on their territories;

14. To recommend that the Governments of developing countries not yet part of regional integration movements should undertake or speed up studies aimed at their participation in the integration process;

15. To recommend that the Governments of developing countries, already part of regional integration agreements, should adopt at the highest political level the decisions likely to facilitate execution of the provisions of Part II.C of the present resolution, inter alia through the establishment of adequate mechanism to this end.

D. Participation of the workers in Latin America's economic integration process

16. To recommend that, considering the decisive importance of the labour sectors' participation in promoting Latin America's integration policy, the Economic Commission for Latin America, in co-operation with ALALC, SIECA and other agencies concerned, study and define the most appropriate formula for participation by the workers in the preparation and promotion of the integration effort.

ANNEX

List of delegations

STATES MEMBERS OF THE COMMISSION

Argentina

Representative: Carlos Becerra
Alternate Representatives: Bernardo Grinspun, Leopoldo H. Tettamanti,
Gabriel Martínez

Bolivia

Representative: Raúl Botelho Gonsálvez

Brazil

Representative: Mario Tancredo Borges da Fonseca
Alternate Representative: Gerson Augusto da Silva
Advisers: Stesio Henri Guitton, Octavio Lafayette de Souza
Bandeira, Cyro Gabriel do Espirito Santo Cardoso,
Fernando Guimaraes Reis

Canada

Representative: G.B. Summers, Ambassador to Chile
Alternate Representative: Zen W. Burianyk

Chile

Representative: Domingo Santa María, Minister for Economic
Affairs, Development and Reconstruction
Alternate Representatives: Francisco A. Pinto, José Piñera, Alejandro Jara,
Hernán Elgueta, Carlos Besa, Javier Vergara
Advisers: Hugo Cubillos, Lucía Avetikián

/Colombia

Colombia

Representative: Santiago Madriñán
Alternate Representative: Rafael Rodríguez

Costa Rica

Representative: Isaac Felipe Azofeifa, Ambassador to Chile
Alternate Representatives: Alvaro Sancho, Alonso Scott

Cuba

Representative: Mario García Incháustegui
Alternate Representatives: Enrique Serrano Avila, Sergio Martínez Carrasco

Dominican Republic

Representative: R. José Martínez Moraza

Ecuador

Representative: Clemente Yerovi
Alternate Representatives: Alejandro Rubio, José María Avilés Mosquera

El Salvador

Representative: Héctor Palomo Salazar, Ambassador to Chile
Alternate Representatives: Cristobal Humberto Ibarra, Rafael Mauricio Cabrera Regalado

France

Representative: Louis Bruneau
Alternate Representatives: Henri Fauville, Jean Ricard

Guatemala

Representative: Gilberto Secaira Estrada
Alternate Representative: Manuel Méndez Escobar

/Honduras

Honduras

Representative: Luis Molina Wood

Mexico

Representative: Plácido García Reynoso

Alternate Representatives: Francisco Apodaca Osuna, Julio Zamora Batiz,
Carlos Tello Macías, Saúl Arriola

Kingdom of the Netherlands

Representative: R.A.C. Henríquez

Alternate Representative: F.H. Fein

Nicaragua

Representative: Reynaldo Navas Barreto

Paraguay

Representative: José Jiménez Barreto

Peru

Representative: Edgardo Seoane Corrales, First Vice-President
of the Republic

Alternate Representatives: Guillermo Rey Terry, Javier Silva Ruete

Trinidad and Tobago

Representative: Hugh Forde

United Kingdom of Great Britain and Northern Ireland

Representative: Sir David Scott Fox, Ambassador to Chile

Alternate Representative: H.T. Kennedy

/United States

United States of America

Representative: Sydney Weintraub
Alternate Representative: Robert C. Walker

Uruguay

Representative: Aureliano Aguirre
Alternate Representative: Gualberto Sónora

Venezuela

Representative: Renito Raúl Losada
Alternate Representatives: Gilberto Gómez, Hugo Romero

STATES MEMBERS OF THE UNITED NATIONS, NOT MEMBERS OF THE
COMMISSION, ATTENDING IN A CONSULTATIVE CAPACITY

Hungary

Representative: Tibor Meran

Italy

Representative: Dante Negretti

Poland

Representative: Damian Silski

STATES NOT MEMBERS OF THE UNITED NATIONS,
ATTENDING IN A CONSULTATIVE CAPACITY

Federal Republic of Germany

Representative: Hans Joachim Mewes

Switzerland

Representative: Sven Stiner, Ambassador to Chile

/SPECIALIZED AGENCIES

SPECIALIZED AGENCIES

Food and Agriculture Organization of the
United Nations (FAO)

Hernán Santa Cruz
Jacobo Schatan

INTER-GOVERNMENTAL ORGANIZATIONS

Latin American Free-Trade Association (ALALC)

Hugo Opazo

Inter-American Development Bank (IDB)

Joaquín González

Inter-American Committee on the
Alliance for Progress (ICAP)

Alberto A. Fragufo

Organization of American States (OAS)

Alberto A. Fragufo

SPECIAL GUESTS INVITED BY THE SECRETARIAT

European Economic Community (EEC)

Gisele Delhaye

European Coal and Steel Community

Alexander Stakhovitch
Wolfgang Renner

United Nations Conference on Trade and Development

Mr. Raúl Prebisch, Secretary-General

NON-GOVERNMENTAL ORGANIZATIONS

Category B:

Centre for Latin American Monetary Studies (CEMLA)

Luis Yañez Pérez

