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THE ROLE OF AGRICULTURE IN LATIN AMERICAN  
COMMON MARKET AND FREE-TRADE AREA ARRANGEMENTS

Document prepared by the Joint ECLA/FAO Agricultural Division

CONTENTS

	<u>Pages</u>
<u>Note by the Secretariat</u> .....	1
<u>Introduction</u> .....	2
<u>I. Scope and status of present arrangements and programmes</u> .....	2
1. The Central American arrangements .....	2
2. The countries of the Latin American Free-Trade Association .....	5
3. The common market for all Latin America .....	6
<u>II. Size and pattern of present intra-regional transactions</u> .....	7
1. Central American countries .....	7
2. The countries of the Latin American Free-Trade Association .....	10
<u>III. Possible repercussions of economic integration on agriculture</u> .....	17
1. Opportunities for expanding intra-regional trade in agricultural products .....	17
2. Opportunities for increasing the level of technology of Latin American farming .....	19
3. Possibilities for stimulating demand for food and agri- cultural raw materials.....	21
<u>IV. The need for formulating an agricultural policy in the light     of integration</u> .....	22
<u>Annex: Trade among the signatories of the Montevideo Treaty</u> .....	26

/NOTE BY

NOTE BY THE SECRETARIAT

The secretariat considers that it will be useful to bring to the attention of the Governments members of the Economic Commission for Latin America the document on The role of agriculture in Latin American common market and free-trade area arrangements, which is reproduced below. It was prepared by the Joint ECLA/FAO Agriculture Division for presentation at the Sixth Regional Conference for Latin America of the Food and Agriculture Organization of the United Nations and the Fifth Inter-American Conference on Agriculture of the Organization of American States, which were held at Mexico City in August 1960. The date of publication and the form of the document, which must be preserved, explain why some of the information it contains is no longer quite up to date, especially as regards the work of the Central American Economic Co-operation Committee in the matter of integration during the latter months of 1960. The Committee's activities which at the time of the Conference were no more than projects in course of preparation, have culminated in the approval and signature, by the Governments of Guatemala, El Salvador, Honduras and Nicaragua, of the General Treaty on Central American Economic Integration, the Agreement establishing the Central American Bank for Economic Integration and the Protocol to the Agreement on the Equalization of Import Duties and Charges (Managua, 13 December 1960). These reservations, however, in no way detract from the general interest of the present document with respect to the possible impact of economic integration on agriculture and the need to formulate agricultural policy in the light of this integration.

/Introduction

## Introduction

Plans for economic integration on a regional basis gained considerable impetus in many areas after the last World War. Latin American countries have been particularly active in this respect, and at least two integration schemes are already in the first stages of implementation. In contrast with the European situation, where trade in manufactured products constituted the greater proportion of the exchange among signatories of the Treaty of Rome, present intra-regional trade in Latin America is based on agricultural and other primary products.

It is generally recognized that agriculture does not lend itself particularly well to regional integration programmes because of productivity differences among countries, sheltered production and marketing conditions, autarkic policy traditions, and other considerations. It is, therefore, of the greatest urgency for countries participating or intending to participate in common market or Free Trade Area arrangements in this region to examine carefully the size and pattern of present agricultural transactions, the implications of the proposed arrangements on production and supply, and the need for agricultural policy confrontations at the international level in order to obtain the gradual adaptation of agriculture to the requirements of economic integration.

### I. SCOPE AND STATUS OF PRESENT ARRANGEMENTS AND PROGRAMMES

#### 1. The Central American arrangement

The first group of countries to embark on a programme for economic integration were the five Central American republics of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. In August 1952, the Central American Economic Cooperation Committee met for the first time at Tegucigalpa in Honduras. This Committee was organized as a subsidiary body of the Economic Commission for Latin America. During the years that have elapsed since its establishment the Committee has been very active, with the cooperation of several agencies of the United Nations family, particularly ECLA, FAO and TAO.<sup>1/</sup>

<sup>1/</sup> The growing interest displayed by the Government of Panama in the Economic Integration Programme has resulted in closer cooperation between Central America and Panama. This country participates as an observer in the Committee and has stated its willingness to take part in future activities.

At the fifth session of the Committee, also held at Tegucigalpa, in June 1958, plenipotentiaries of the five countries signed a Multilateral Treaty on Free Trade and Central American Economic Integration. The basic aim of this Treaty is the gradual implementation - within a ten-year period - of a free-trade area covering the essentials of Central American intra-regional trade. Ancillary to this main objective, the Central American Economic Cooperation Committee has conducted or sponsored, in preparation for the complete economic integration of the five countries, a series of activities, mainly through subsidiary bodies, for the study and coordination of solutions to problems of common interest. Among the important achievements already made, the following are worthy of special mention:

(a) The Uniform Customs Nomenclature for Central America (NAUCA), which is already in force;

(b) The Agreement on a Régime for Central American Integration Industries, which attempts to render economically feasible the establishment of certain manufacturing activities by opening to them the markets of the five republics;<sup>2/</sup> and

(c) The Agreement on the Equalization of Import Duties and Charges.<sup>3/</sup>

While, in the future, additional protocols should increase the number of products included in the liberalization scheme of the Multilateral Treaty, the initial schedule attached to this Treaty indicates that

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<sup>2/</sup> The agreement, however, has not yet been ratified by all five countries.

<sup>3/</sup> To give an idea of the wide range of activities that are at present under way or about to be initiated, brief mention should also be made of the following: (a) consultations of Central American investors and businessmen; (b) studies, through the Electric Power Development Sub-Committee, of available resources and coordination of national programmes for electric power development; (c) preparations for a permanent session of the Trade Sub-Committee at which a common import tariff for the five countries will be negotiated; (d) the first session of the ad hoc Working Group on the Régime for Central American Integration Industries, to be held during the first half of 1960; (e) a meeting of Government officials and experts to study fiscal incentives for the industrial development of the area and to formulate draft standard Central American legislation on the subject; (f) preparation of a project for the establishment of a financing and economic development institution; (g) first session of the Agricultural Development Sub-Committee, scheduled for the first half of 1960 and to be serviced jointly by ECLA and FAO; (h) second session of the Transport Sub-Committee to consider a draft standard maritime code for Central America; (i) examination and coordination of Central American efforts in housing, construction and urbanization, etc.

agricultural products are likely to constitute for some time the mainstay of the arrangement. This was to be expected in view of the nature of present trade among the participants. However, in the long run, the composition of imports and exports within the area should gradually change with the progress of industrialization and economic development.

As can be seen from the above, the Central American Governments have been very active in preparing the eventual integration of the five economies. However, the urgency of certain problems affecting El Salvador, Guatemala and Honduras (which together account for more than 70 per cent of Central American intra-regional trade) led these three countries to speed up integration. On 6 February 1960, a new treaty setting up an Economic Association of El Salvador, Guatemala and Honduras was signed at Guatemala City. The Treaty of Guatemala, upon entering into force, will establish a true common market among the three countries, with free circulation of persons, goods and capital. Trade in all primary commodities and manufactured goods of whatever origin will be completely freed in a period of 5 years, and a Customs Union, including a joint customs administration, will be established within two years of the ratification of the Treaty. Participating countries will adopt common legislation on production and trade, follow a common commercial policy with regard to countries outside of Central America, and set up a joint development fund. Thus, the Treaty of Guatemala aims at the complete economic integration of the members of the Association within a period which is considerably shorter than in the case of any of the other similar - though apparently less ambitious - arrangements.

The signatories of the Treaty of Guatemala have repeatedly stressed that the new Association is in no way incompatible with the Central American Economic Integration Programme, and have left the door open for the accession of the other countries in the area. They have also stated that the Multi-lateral Treaty on Free Trade and Central American Economic Integration could now be broadened to whatever extent those countries might desire.

/2. The countries

## 2. The countries of the Latin American Free Trade Association

Approximately one week after the signature of the Treaty of Guatemala, on 18 February 1960, plenipotentiaries of Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay, signed in Montevideo a Treaty establishing the Latin American Free Trade Association (LAFTA) - with Bolivia a possible early additional member. In view of the importance of the participating countries which together represent more than 70 per cent of the population and of the total gross geographical product of Latin America, the Treaty of Montevideo, although falling considerably short of the far-reaching aims of the Guatemala agreement, is certainly the most significant move of its kind in the region.

The Montevideo Treaty establishes a Free Trade Area which should be perfected for the essentials of the trade within a period of twelve years. However, in contrast to the Treaty of Guatemala, free circulation of persons and capital is not yet envisaged, and the free circulation of goods is restricted by special clauses particularly related to agricultural trade. Uniformity in production and commercial policies is desired, but no formal commitment was taken in this respect. As the Treaty stands, its impact on the size, composition and pattern of intra-regional trade should mainly depend on the outcome of the annual negotiations of the Contracting Parties to implement the objectives of the Association.

The signatories of the Montevideo Treaty have expressed their determination "to persist in their efforts to establish, gradually and progressively, a Latin American Common Market", and the Treaty contains provisions on possible amendments when the Contracting Parties deem this desirable (article 60), and on ways for facilitating the accession of the other Latin American countries to the Association (article 58). The participation of Mexico will help to dispel misgivings that were previously felt with respect to the sub-regional character of the Latin American Free Trade Association.

No other schemes of a similar nature have been initiated in the region. The Gran Colombia countries (Colombia, Ecuador and Venezuela) have had very preliminary discussions on trade policy problems of their own. However, in view of the importance and magnitude of the LAFTA, some or all of these countries might prefer joining the Montevideo group, thus making unnecessary further efforts on other more limited schemes.

## /3. The common

### 3. The common market for all Latin America

To conclude this brief description of present regional integration plans and programmes mention should be made of the projected Latin American common market, which is intended to embrace all the countries in the region. Negotiations for this proposed arrangement have been carried out through ECLA's Trade Committee and its subsidiary bodies. At its second session, held at Panama City from 11 to 19 May 1959, the Trade Committee received the reports of the second sessions of its two working groups on payments and on the regional market.

The second session of the Central Banks Working Group (on payments) discussed payments problems not only between clearing-account countries, but also between countries not maintaining such accounts. Progress in implementing the Standard Agreement adopted at Montevideo in 1957 was reviewed, with particular reference to the application of the principles of parity in selected sectors, the question of bilateral credit limits and the transfer and liquidation of balances.

The second session of the Working Group on the Latin American Common Market made a series of recommendations concerning the structure and basic principles for the proposed common market scheme. The recommendations dealt with the possible structure of the common market, including its objectives, its juridical form, the customs and liberalizing régime to be instituted, the classification of products, the programme for the first stage, the treatment to be accorded to less developed countries, the size of the market and initial groupings, specific complementarity and specialization agreements, treaties on trade or economic matters not covered by the common market agreement, most-favoured-nation treatment and a proposed committee on trade policy and payments to carry out the negotiations resulting from the agreement. The Group also recommended the adoption of a series of guiding principles covering various aspects of the actual operation of the common market. These principles, which would have to be worked out in detail during the negotiations required for the adoption of the agreement itself, cover the following points: reciprocal trade benefits of the common market, stability in reciprocal /treatment, determination



treatment, determination of the origin of goods, equalization of customs duties, coordination of trade policy, special programmes for the reduction of high customs duties, rules of competition, measures to remedy balance of payments disequilibria, statistical coordination and the payments régime.

The Trade Committee took note of the recommendations of both Working Groups, and decided to call, in 1960, a meeting of Government experts in order to prepare a preliminary draft agreement for the common market.<sup>4/</sup> Delegations to the Economic Commission for Latin America have continued to assign the highest possible priority to activities in that field, even after the signature of the Montevideo Treaty.<sup>5/</sup> Therefore, the plans for a fully-fledged common market, embracing all the countries of the region, continue to be actively studied. However, considering the commitments undertaken with regard to schemes which are already in the stage of implementation, the actual realization of this particularly far-reaching plan should probably be viewed more as the natural outcome of the efforts for gradual integration now being carried out, than as a parallel or independent initiative. In this respect, the meeting of Government experts recommended by the Trade Committee should be very useful in clarifying the points on which Governments can base their important choice between the two alternatives.

## II. SIZE AND PATTERN OF PRESENT INTRA-REGIONAL TRANSACTIONS

### 1. Central American countries

A dominant aspect of the Central American export trade is its reliance on a very limited number of commodities. Coffee, bananas, cotton and cacao are the products channeled to the main international markets. Other items of much less importance for the external trade of the area, such as cattle, oilseeds, feeds, sugar, hogs, wood and tobacco, are exchanged among Central American countries and constitute the basis of the intra-regional trade. Although imports from the rest of the world are made up principally of manufactured goods, some foodstuffs like wheat and flour are of considerable importance in the total.

<sup>4/</sup> Trade Committee resolution 6 (II)

<sup>5/</sup> Resolution 172 (AC/45), endorsed by the Committee of the Whole of ECLA on 28 March 1960.

Notwithstanding the apparently narrow differences of geographical conditions among Central American countries, present intra-regional trade is in a large measure the result of well-defined complementarities based on the distribution of climate, soil and other resources. These differences can be exploited to still greater advantage through the integration programme, which could result even in a certain degree of import substitution from outside the area. However, up to now the expansion of intra-regional trade has been checked by the need to provide the population of each country with adequate supplies of staple foods without recourse to large imports, by transport difficulties, and other considerations. Consequently, trade in agricultural products among the Central American countries has remained very small as shown in table 1, which presents average figures on total trade for 1956-58, the last period for which adequate data are available.

The evidence indicates that only a very small proportion of the total trade of the five Central American republics takes place among themselves. Trade with the rest of Latin America is on an even more limited scale.

Central American intra-regional trade is concentrated around the signatories of the Guatemala Treaty, mainly around El Salvador which is prominent both on the import and on the export side. Only Honduras equals the Salvadorian Central American trade values and then only with respect to exports.

Table 1  
TOTAL TRADE OF CENTRAL AMERICA

(Annual average 1956-58; millions of dollars at current prices)

	Importers:	El	Gua-	Hon-	The	Costa	Nica	The	Rest of	Rest of
	: EL	te-	duras	three	Rica	ra-	five	Latin	world	
Exporters	: Sal-	vador	mala			gua		America		
El Salvador	: xx	2.6	2.4	<u>5.0</u>	0.6	1.3	<u>6.9</u>	0.1	115.4	
Guatemala	: 2.5	xx	0.2	<u>2.7</u>	0.1	0.2	<u>3.0</u>	0.6	105.6	
Honduras	: 5.6	0.9	xx	<u>6.5</u>	0.2	0.1	<u>6.8</u>	3.8	58.8	
<u>The three</u>	: <u>8.1</u>	<u>3.5</u>	<u>2.6</u>	<u>14.2</u>	<u>0.9</u>	<u>1.6</u>	<u>16.7</u>	<u>4.5</u>	279.8	
Costa Rica	: 0.5	0.3	0.1	<u>0.9</u>	xx	0.7	<u>1.6</u>	3.5	77.5	
Nicaragua	: 0.8	-	0.1	<u>0.9</u>	0.3	xx	<u>1.2</u>	1.7	66.2	
<u>The five</u>	: <u>9.4</u>	<u>3.8</u>	<u>2.8</u>	<u>16.0</u>	<u>1.2</u>	<u>2.3</u>	<u>19.5</u>	<u>9.7</u>	423.5	
Rest of Latin America	: 4.7	4.7	1.7	<u>11.1</u>	4.5	4.1	<u>19.7</u>	...	...	
Rest of World	: 95.3	120.7	60.1	<u>276.1</u>	92.6	69.5	<u>438.2</u>	...	...	

Source: ECLA, on the basis of official trade returns.

As previously stated, most of the intra-regional Central American trade shown in table 1 consists of agricultural products. A separation of these from total trade is hardly worth while on account of the smallness of non-agricultural trade, which in any case is principally made up of agricultural products with a certain degree of processing, such as edible oils and fats, textiles, beverages, etc. There are a limited number of items which are responsible for most of the trade. Honduras and Nicaragua are large suppliers of cattle. Honduras also maintains a substantial export trade in hogs, beans, maize, edible fats, tobacco, round and sawn wood, and some dairy products to El Salvador. This country exports cattle to Guatemala, feeds, to Costa Rica, sugar to Honduras, and vegetable oils and fats, textiles, beer, soluble coffee and other processed products to the other four Central American markets. Guatemala sells fresh vegetables, some types of deciduous fruit, beer, and a number of other commodities, principally to El Salvador. Part of this trade is quite irregular and for some products - particularly staple foods, such as maize and beans - the quantities exchanged vary sizably from year to year.

Central American exports to other Latin American countries consist mainly of cattle, meat and cacao from Costa Rica; and cattle, tobacco, hides and other commodities from Honduras. Nicaragua also exports some cattle to Peru.

In spite of the predominantly agricultural character of their activities, Central American countries spend considerable amounts of foreign exchange on imports of food from outside the area. The main items of food imported are by far wheat and wheat flour; then come edible oils, fats and oilseeds; and, on a lower level, maize, rice, other cereals, tobacco and some dairy products. All these together constitute the bulk of the agricultural imports. However, a number of exotic and luxury items such as fresh and dry temperate-zone fruits, canned and preserved products, wine, spirits, malt and other minor commodities also weigh heavily on the trade balance.

It seems that apart from wheat - a product which the area is unable to produce in sufficient quantities due to climatic conditions -, there is much room for improvement of the local production of most other items included

/in the

in the import list. Oilseeds, fats, tobacco, maize, dairy products, canned vegetables, fruit juices of many types, and some kinds of temperate-zone fruits, could certainly be produced in suitable economic conditions within Central America. A proper survey of land resources and detailed studies on production possibilities will illustrate the extent to which present agricultural imports could be substituted. In view of climatic differences (based wholly on altitude above sea level), and the uneven distribution of population and arable land among the republics of the Isthmus, the Integration Programme should finally stimulate a much more efficient use of available resources. This is particularly true in the case of the three countries of the Economic Association, where the considerable population pressure on available agricultural resources in El Salvador contrasts sharply with the excellent opportunities for the expansion of farm and forest activities in Guatemala and Honduras. Concerning the other two countries of the group, prospects seem less clear cut. At this stage it is not even clear what will be the relationship between the Economic Association and the Integration Programme. The ECLA secretariat has recommended an early special session of the Economic Cooperation Committee to elucidate this issue.

## 2. The countries of the Latin American Free-Trade Association

In view of the magnitude of the geographical area involved, and the demographic and economic importance of the participating countries, the Latin American Free-Trade Association should be destined to play the major role in the movement towards the economic integration of the region. Total agricultural exports of the Association reached an average of 2,567 million dollars per year in the period 1955-57. This represents 60 per cent of the total agricultural export trade of Latin America, valued at 4,220 million dollars per year in the same period. The proportion of agricultural commodities in the trade among LAFTA countries in those years is even greater: of a total of 413 million dollars traded among participants of the Association 283 million, i.e. 69 per cent were represented by agricultural products.

/While expressing

While expressing the wish that the studies on the Latin American Common Market should be continued, the Treaty of Montevideo, is mainly concerned with the development of trade among its members. Therefore, it seems appropriate to assess the importance of intra-regional trade in agricultural products and to determine how this trade compares with the remaining agricultural imports and exports of the Association. Table 2 gives average agricultural exports of the LAFTA countries for the period 1955-57.

Table 2

AGRICULTURAL EXPORTS OF THE SIGNATORIES OF THE TREATY OF  
MONTEVIDEO, AND BOLIVIA, WITH COMPARISONS

(Annual average 1955-57; f.o.b. values in millions of dollars at current prices)

Destination Source	LAFTA <sup>a/</sup> and Bolivia	Rest of Latin America	Total Latin America	Rest of world	Total agricultural exports
Argentina	108.6	19.7	128.3	595.2	723.5
Brazil	103.5	41.5	145.0	1096.4	1241.4
Chile	10.6	5.6	16.2	16.8	33.0
Mexico	0.2	2.3	2.5	283.9	286.4
Paraguay	13.7	0.9	14.6	9.6	24.2
Peru	27.6	3.8	31.4	102.9	134.3
Uruguay	18.3	1.5	19.8	103.7	123.5
Bolivia	0.2	-	0.2	-	0.2
Total LAFTA and Bolivia	282.6	75.4	358.1	2208.4	2566.5
Rest of Latin America			35.5	1618.4	1653.9
All Latin America <sup>b/</sup>			393.6	3826.8	4220.4

Source: ECLA on the basis of official trade returns

a/ Latin American Free-Trade Association

b/ Refers to the 20 Latin American Republics.

/While the

While the agricultural exports of the Association represent about 60 per cent of the total agricultural exports of Latin America, the agricultural trade among its members reaches little more than 10 per cent of their aggregate agricultural exports. This would tend to show that in the foreseeable future the traditional markets of the highly industrialized countries of Europe and North America will continue to provide the main stimulus for the development of exportable agricultural production.

The importance of exports from countries of the Association to other members of the Association, in relation to total agricultural exports, varies widely among countries. Whereas it is practically nil in the case of Mexico, it reaches almost one third of the total in the case of Chile, and more than one half in the case of Paraguay. For Brazil and Argentina, the two largest agricultural exporters of the area, sales to the other Association countries amount to about 8 and 15 per cent, respectively, of their total agricultural trade. Thus, the impact of the implementation of the Treaty on the agricultural activities of the Association should also vary considerably from country to country.

There are also wide differences concerning the individual position of the various products within the total value of agricultural trade. While mate is almost wholly consumed within the area, and the major part of the wood is traded between Association countries, coffee, sugar and cacao are supplied mainly to outsiders. Wheat and flour remain in an intermediate position. Table 3 gives f.o.b. values of agricultural exports for ten major commodities for the years 1955 to 1958. Data refer to trade among signatories of the Montevideo Treaty plus Bolivia and are shown in comparison with average total Latin American agricultural exports.

/Table 3

Table 3

## EXPORT INTRA-REGIONAL TRADE OF LAFTA COUNTRIES AND BOLIVIA BY MAIN PRODUCTS, COMPARED WITH TOTAL LATIN AMERICAN EXPORT TRADE

(Values f.o.b. in million of dollars at current prices)

Products	LAFTA <sup>a/</sup> countries				All Latin America (annual average - 1956-58)
	1955	1956	1957	1958	
Edible oils and fats	4.1	1.6	4.9	5.9	26.9
Sugar	24.4	17.4	25.2	25.8	630.1
Cacao	6.4	4.6	4.6	8.6	124.2
Coffee	38.8	31.6	41.2	41.8	1,846.3
Meat and cattle	11.5	14.0	12.9	10.1	278.5
Fresh fruit	32.7	19.6	21.4	14.3	197.6
Wheat and flour	136.6	82.3	78.3	82.1	215.9
Yerba mate	14.7	12.7	14.6	15.6	15.1
Cotton	16.3	11.0	6.1	7.2	336.9
Wood	71.2	42.7	40.1	57.7	97.2
Other farm products	0.3	0.4	-	-	443.5
<u>Total agricultural products</u>	<u>357.0</u>	<u>237.9</u>	<u>249.3</u>	<u>269.1</u>	<u>4,212.2</u>

Source: ECLA, on the basis of official trade returns.

a/ Latin American Free-Trade Association.

The very large volume of the total agricultural export trade of the region tends to obscure the importance of the transactions which take place among the members of the Association. Using import figures, intra-regional trade acquires immediately a much larger perspective, as shown in table 4.

The small share of their agricultural exports which the members of the LAFTA send to other participants in the Free-Trade Area actually corresponds to more than one half of the total c.i.f. value of their imports of this category of products. It is, however, true that, on the whole, agricultural products of the Association represent a relatively small fraction of its total import trade. In the period 1955-57 the yearly average of

/659 million

659 million dollars of agricultural imports only represents 14 per cent of total imports which amounted to 4,654 million in the same period. Nevertheless, in intra-regional trade, the proportion is entirely different: of a total transaction of 472 million dollars, agricultural trade, valued at 352 million, represents 65 per cent.

It is also worth noting that only ten products account virtually for the whole of the intra-regional agricultural trade of the Association, and that wheat and wheat flour, wood and coffee alone represent more than two thirds of this trade.

Again, sizable differences exist from country to country. While Paraguay and Argentina are mainly dependent on other partners in the Association to cover their internal deficits of agricultural commodities, the degree of such dependence is much lower in other cases, and it is practically nil in the case of Mexico.

Table 4

AGRICULTURAL IMPORTS OF THE SIGNATORIES OF THE MONTEVIDEO TREATY,  
AND BOLIVIA, WITH COMPARISONS

(Annual average 1955-57: c.i.f. values in million of dollars at current prices)

Source Destination	LAFTA <sup>a/</sup> and Bolivia	Rest of Latin America	All Latin America	United States	Public law 480	Rest of world	Total
Argentina	104.2	3.2	107.4	4.0	11.2	10.2	132.8
Brazil	118.4	1.1	119.5	11.7	22.3	61.0	214.5
Chile	60.2	7.7	67.9	14.6	13.9	7.8	104.2
Mexico	2.9	7.6	10.5	36.5	10.2	11.1	68.3
Paraguay	7.5	0.1	7.6	0.1	0.7	-	8.4
Peru	19.1	4.7	23.8	12.2	10.3	12.7	59.0
Uruguay	31.7	4.6	36.3	4.0	-	3.5	43.8
Bolivia	8.0	0.3	8.3	9.6	6.6	3.5	28.0
LAFTA and Bolivia	<u>352.0</u>	<u>29.3</u>	<u>381.3</u>	<u>92.8</u>	<u>75.2</u>	<u>109.8</u>	<u>659.1</u>
Rest of Latin America	...	...	33.9	158.8	...	97.8	290.5
<u>Total</u>	...	...	<u>415.2</u>	<u>251.6</u>	...	<u>207.6</u>	<u>949.6</u>

Source: ECLA, on the basis of official trade returns.

a/ Latin American Free-Trade Association



Trade among the members of the LAFTA under the bilateral agreements which had been in force up to the present is shown in the Annex (table A to H) for the period 1955-57. By order of importance there are essentially three levels of trade: the first group comprises bilateral trade between Argentina and Brazil, Brazil and Chile, and Chile and Argentina; the second group includes Brazil-Uruguay, Argentina-Paraguay, and Chile-Peru; finally, the third group is made up of the flows from Peru and Argentina to Bolivia, and Bolivia-Argentina.

Argentina imports from Brazil wood, coffee, bananas, cacao and mate, and exports, in turn, wheat, edible oils and fats, deciduous fruit and some other minor products. Brazil's exports to Chile include principally beverages (coffee, cacao and mate) and some cotton. Chile sends to Brazil products which are generally of non-agricultural origin, except for some wine. Argentina imports almost exclusively timber from Chile, sending in return edible oils and fats, cattle (a considerable part of which is not recorded in statistics), and wheat to cover internal deficits. Several other minor products complete these exchanges.

In a second category of exchanges (on account of the smaller volume of trade), Brazil receives wheat from Uruguay and exports sugar, coffee, cacao, bananas, mate, cotton, tobacco and wood. Argentina buys in Paraguay wood, mate and some fruit, and sells to this country wheat and some edible oils and fats. Chile imports sugar and cotton from Peru.

Finally, at a third level, a small volume of trade in sugar and cotton flows from Peru to Bolivia. Peru also supplies Argentina with some cotton, although not on a regular basis. This last country exports some cattle, oilseeds and other minor products to Bolivia.

The above summary description of trade within the Association clearly indicates a heavy concentration in a very limited number of commodities and countries. Essentially, the trade centres around the ABC group, that is, Argentina-Brazil-Chile, and consists mainly of an exchange of tropical for temperate-zone products. However, while the tropical products acquired by members of the Association originate almost wholly within the Area, the same does not hold true for imports of temperate-zone products. This might be attributable, at least in part, to the difficulties of supply which have

/been apparent

been apparent in Argentina during recent years. In any event, it seems that there exists much room for the intensification of intra-regional trade in this field.

In spite of the diversity of climatic conditions and large possibilities of production, the members of the LAFTA import a sizable volume of agricultural commodities from outside the area. These imports have taken place notwithstanding the fact that most of the bilateral trade was never subject to import duties. Consequently, it is not certain that the multilateral treaty will, by itself, stimulate the replacement of present imports by goods produced within the Free-Trade Area. Data on the main agricultural commodities imported from the outside are given in table 5 for the period 1955-57.

Table 5

## LAFTA IMPORTS OF AGRICULTURAL COMMODITIES FROM OUTSIDE COUNTRIES

(Annual average 1955-57; millions of dollars)

Product	Value of imports	Product	Value of imports
Livestock and meat	19.3	Oilseeds	1.5
Dairy products	13.4	Raw tobacco	16.9
Wheat and flour	114.7	Raw cotton	13.0
Other grains	37.5	Wool	11.3
Fruit	15.1	Hides and skins	7.3
Tea	6.8	Wood	18.7
Edible oils and fats	48.4		

Source: ECLA, on the basis of official trade returns.

All the commodities shown in the table are produced in very large quantities<sup>6/</sup> within the Association, and substantial exports of some of them are made to the outside world. However, the simple replacement of outside imports by supplies from within the area would not always be advantageous or even possible. The main problem seems to be one of taking advantage of the existing natural possibilities for complementary production, and of the trade facilities accorded in the Treaty, to develop additional production

<sup>6/</sup> Tea is already produced in large amounts. Tea production in Argentina has been above 40,000 tons per year for the last three years. Peru and Brazil are also important producers of this commodity.

for coping with the expected increases in demand rather than to displace other agricultural suppliers of the Association or to stop attending to the needs of the traditional external markets of Latin America's food and fibre products.

### III. POSSIBLE REPERCUSSIONS OF ECONOMIC INTEGRATION ON AGRICULTURE

The impact of present integration programmes on Latin American agriculture will be in the long run far-reaching and manifold. Three aspects might be considered here:

(1) The liberalization programmes should result in the intensification of present trade in farm products among Latin American countries and in an improvement of their pattern and composition. This should, in turn, stimulate the adoption of much needed innovations in agricultural production and marketing.

(2) The expected industrial development and general raising of the levels of technology resulting from integration should contribute to the adoption of better cultivation practices and to the expanded use of agricultural requisites. Under present conditions the extended use of fertilizers, pesticides, mechanical and power equipment, tractors, etc. is considerably affected by the limited import capacity of the region.

(3) The rise in income levels which is expected as one of the consequences of the successful implementation of integration plans should considerably increase the demand for agricultural products in view of the low levels of living actually prevailing in Latin America.

#### 1. Opportunities for expanding intra-regional trade in agricultural products

The Central American Integration Programme opens up good possibilities for a gradual liberalization of trade in agricultural commodities. However, this programme was originally conceived for a much longer implementation period than the one required by the Economic Association of El Salvador, Guatemala and Honduras. Under prevailing circumstances, discussion of future possibilities is rather difficult in view of existing uncertainties regarding the relationship between the two programmes.

/Agricultural trade

Agricultural trade among El Salvador, Guatemala and Honduras should be completely liberalized within five years' time. The Guatemala Treaty will at the same time give the opportunity for using all productive means more efficiently. Consequently good conditions for applying common agricultural and trade policies exist in this case. Except for temperate-zone products, such as wheat, certain types and qualities of deciduous fruit and special products, it seems that the new Economic Association may be able to satisfy most of its own domestic demand for food and fibre without affecting export possibilities to outside areas. If part of the resources of the Development Fund are made available to stimulate the agricultural integration of the associated countries, this, in addition to attracting further private capital into agriculture, will make it possible to expand areas under cultivation and also to improve fairly rapidly farming practices throughout the area of the Association. At present the Salvadorian level of efficiency, according to available statistics, is on the average twice as high as that of the other two partners.

The problem of agricultural trade among the LAFTA countries is rather complicated in view of the restrictive clauses included in the Montevideo Treaty. While the document expresses the wish that preference should be given to suppliers within the area and development of uneconomic production discouraged, there are practically no firm commitments in this respect, and the possibility of limiting agricultural imports to the amount of calculated domestic deficits and of equating domestic and import prices may affect the trade.

However, the possibility of negotiating long-term contracts within the area may supply the necessary element to ensure producers against sharp fluctuations of the import demand.

As it stands, the Treaty may have quite a different impact on the various products. For instance, whereas imports of wheat are already dispensed from payment of import duties and liberalization may not result in a very large increase of the quantities traded, demand for products such as coffee might be considerably stimulated by a reduction of customs charges which are at present relatively high in some cases.

/The Treaty

The Treaty should be viewed as a preferential instrument which will be used to negotiate future régimes for the intra-regional trade in both primary and manufactured products. Since the Agreement applies only to the essential of the trade - and this is made up mainly of farm commodities - the restrictions contained in the Treaty were in large measure necessary in order to preserve the bargaining position of countries which are not endowed with large agricultural resources. The LAFTA can be whatever the partners want to make of it; it will all depend on how they want to use the preferential instrument which they have acquired.

Increased agricultural specialization, that would follow more closely the potentialities of land and climate, would depend essentially on the chances for the gradual implementation of coordinated agricultural policies, or at least for the reorientation of production in accordance with the new opportunities arising from integration. One of the basic needs in this respect is the gradual reduction of the very wide differences from country to country in the average productivity of the agricultural sector and in the remuneration of the production factors. However, detailed studies will be required before anything of practical value could be said regarding specialization.

## 2. Opportunities for increasing the level of technology of Latin American farming

It is a well-recognized fact that, with certain notable exceptions, Latin America generally lags behind in the application of modern technology to farming operations. A large country such as Brazil consumes less nitrogenous fertilizer than Austria and only about one half of that applied in Belgium. The total consumption of nitrogen in Argentina is less than that in Iceland. Similar situations occur in the case of other fertilizer elements such as phosphoric acid, potash, etc. Concerning the employment of mechanical equipment the situation is equally striking. In 1956, Mexico used about 53,000 farm tractors. In 1957, Brazil and Argentina (two countries which depend very heavily on agricultural exports) possessed about 58,000 and 70,000 tractors respectively, against 79,000 in Austria alone. Even the use of work animals would seem progressive in the face of

/the present

the present technological level of agriculture in the region because a very high percentage of the used land is still cultivated by hand with the aid of the hoe and different types of cutting instruments. In many areas, wooden implements are still common. The use of pesticides, herbicides, selected and hybrid seeds, irrigation equipment, etc., is also small, and the application of these factors of production is often carried out without the appropriate knowledge. This state of affairs produces several adverse results on Latin American agriculture. Productivity per man is very low. Thus, the major proportion of the available manpower has to remain on the land with a level of living generally very near subsistence conditions. The land resources are undergoing a serious process of exhaustion which is mostly countered through a migratory pattern of agriculture in cases where new land is still available.

Despite the considerable progress of the mechanical and chemical industries in certain countries of the region, most of the agricultural requisites still have to be imported from outside the area. These outside purchases have to be made within the narrow limits of the capacity to import which has not improved during recent years. Moreover, local production of mechanized equipment is still in its early stages and the output of fertilizers and other chemicals of interest to agriculture falls far below the levels which modern cultivation techniques would recommend.

The implementation of present economic integration schemes in Latin America, particularly the LAFTA, will be a most appropriate means of creating opportunities for the establishment of mechanical and petrochemical industries destined to serve the needs of the region's agriculture. The expanded markets available for these industries would offer adequate stimulus for the large investments required by such ventures. The necessary conditions for the initiation of a cycle of progressive expansion in agriculture may thus be created and this would, in turn, offer additional stimulus to the industries working for agriculture. On the other hand, the gradual introduction of modern techniques in agriculture would also liberate manpower to the industrial and service sectors. This is a development which the economy should be prepared to absorb. New employment opportunities /should be

should be opened for labour leaving agriculture and the movement should be planned in such a way as to avoid both unemployment in the urban areas or bottlenecks in the supply of labour, in case industrial development progresses at a fast pace.

Along another line of activity, integration may bring forth closer cooperation in the educational and research aspects of agriculture. Regional agricultural schools, laboratories and research centres may be easier and more economical to run if the associated countries pull together with their human and financial resources. This, again, should finally lead to an improvement of the technological level of Latin American agriculture.

3. Possibilities for stimulating demand for food and  
agricultural raw materials

While economic integration of two or more countries is by itself certainly not the only method of achieving economic development, successful integration should nevertheless contribute considerably to this process.

The prevailing levels of income in Latin America and their distribution are such that the great majority of the people need to improve their food, clothing and housing standards. This suggests that one of the first results of an increase in the disposable incomes of large sections of the population would be added pressure on agricultural supplies. Faster economic development through integration and the expected rapid growth of population make it imperative for Latin American agriculture to prepare itself in order to be able to meet the resulting increases in demand. A larger measure of specialization through the opportunities offered by the free-trade and economic integration arrangements would facilitate the attainment of this objective.

To give a very rough indication of the magnitude of the expected change it might be said that demand for food and agricultural raw materials will possibly double during the next twenty years. In recent years - except for a few products such as coffee, cotton and sugar - aggregate Latin American output has been far from reaching the rate of development suitable to meet such fast increasing demand. This slow increase in production is particularly  
/noteworthy in

noteworthy in the case of cereals and meat, two items which may become in chronic short supply unless very considerable efforts are made to step up production. The further development of trade among all Latin American countries seems to be not only desirable, but in fact indispensable to avoid substantially larger imports of basic food supplies from outside the region.

#### IV. THE NEED FOR FORMULATING AN AGRICULTURAL POLICY IN THE LIGHT OF INTEGRATION

Agriculture would have to participate fully in the economic integration programmes of Latin America in order effectively to include in those programmes the major part of the economic activities of the areas involved. It might even be said that the participation of the farm sector is one of the necessary conditions for the ultimate success of these integration arrangements. Latin American agriculture is in much need of effective development incentives and basic institutional changes that will facilitate the breaking of the series of vicious circles in which this activity is presently entailed, so that it can be lifted in its entirety to increasingly higher levels of productions and productivity. The expansion of markets and the chances for a much more efficient use of resources that the new arrangements could provide would give the necessary opportunity for the attainment of the above-mentioned objectives. In view of this, the fact that some of the schemes already in the first stages of implementation include certain limitations regarding agriculture may be an obstacle to the early success of the economic integration programmes, unless very effective action is taken to remove gradually the real obstacles as well as the misgivings now felt with regard to the full participation of the agricultural sector in the integration process. This action could mainly involve two basic problems: (a) the formulation of the basic principles which should be incorporated in an effectively coordinated agricultural policy for countries in the process of integration; and (b) the creation of adequate contacts to handle the common problems at the intra-regional level and generally carry out periodic confrontations of national policies aimed at bringing the agricultural sector in line with the general requirements of successful integration.

/Governments would



Governments would have to consider very carefully general objectives and goals as well as particular situations in order to formulate the basic principles of an agricultural policy for economic integration. However, in a very general way it could be assumed that the principal aims of such a policy should be to place agriculture in a position to take the fullest advantage of the opportunities offered by economic integration and also to contribute as much as possible to the ultimate success of the integration plans. To achieve these aims the coordinated policies should, among other things:

(1) Favour the gradual reorientation of production in accordance with sound principles of regional specialization in order to achieve the highest possible level of efficiency. Sight should not be lost of (a) the prospective needs of the population of the area and of the international markets in general; and (b) the possibility of favourably influencing demand through the reduction in prices resulting from specialization and more efficient production, as well as through the quality, diversity and better presentation of the products offered for consumption.

(2) Bring about the institutional changes necessary to improve the present structure of the agricultural sector, including measures to correct the inadequate distribution of land and income.

(3) Stimulate agricultural activities mainly through the establishment of adequate incentives for the development and improvement of the farm enterprise. Particular attention should be given to the problem of prices at the farm level, but indirect measures of support that would make agricultural requisites more readily accessible to farmers should also be considered.

9 (4) Stabilize markets in order to ensure a regular (and increasing) demand for farm produce at remunerative prices. In particular, adequate marketing arrangements and storage and financial facilities should contribute to levelling out annual and seasonal fluctuations in production and final demand.

(5) Contribute to the improvement of general distribution conditions in order to expedite the flow of produce from farm to consumer and to avoid excessive and unwarranted commercial charges. Uniformity of trading rules and standards within the area should also be pursued.

/(6) Stimulate the

(6) Stimulate the creation and coordination of the net of transport facilities necessary within each member country and also between the different participants of the integration arrangement. International motorways, railways, waterways and all terminal facilities should be made available to intra-regional trade in the best possible condition. The establishment of joint transport enterprises, particularly a common merchant fleet, might be studied as a measure that could appreciably contribute to the integration programmes.

(7) Assist the regional industries using agricultural raw materials through improvements in quality, adoption of uniform standards of production, and in general through measures tending to facilitate the improvement of the efficiency of such industries.

(8) Consider the interest of the final consumers, particularly with respect to the prices and quality of the products offered for sale; the regularity of supply; and the adoption of better marketing practices such as selection, grading, packaging, and inspection of quality and contents.

(9) Stimulate the demand for agricultural products through educational campaigns indicating the advantages of consuming certain types of food products such as meat, milk, cheese, fruit, eggs, etc.

(10) Consolidate the commercial policies of the member countries and sponsor coordinated action in the large international markets in the defence or the promotion of the main export products of the region.

In order to be able to take appropriate decisions on the above points and others, Governments participating in integration programmes need to start analysing in detail their present differences in costs, prices, yields, general productivity, usual cultivation techniques, marketing and commercial practices, etc. Integration may involve, in certain cases, the replacement of some crops by others but, provided the income of producers is maintained at adequate levels during the process and the change is brought about gradually and in an orderly manner, there is no real reason to doubt the beneficial result of these measures. Integration seems, furthermore, the only way to eliminate present restrictions of agricultural trade within Latin America which are likely to remain in force until farmers are satisfied that increased specialization, far from being detrimental to their interests, would, on the contrary, be one of the most efficient ways to improve their situation.

As a rule, integration schemes provide for a main governing body, such as an assembly or conference of contracting parties, and an executive commission assisted by a secretariat. On a lower level, special commissions, working groups and similar bodies are generally established to tackle the most important and urgent special problems arising in connection with integration. Latin America has followed this tradition. The experience of the Central American Integration Programme is already ample in this respect, however, consultations on agriculture did not until recently take place through a specialized group. The Latin American Free-Trade Association has not yet established any of its governing or consulting bodies.

In view of the very serious obstacles which stand in the way of a smooth and satisfactory integration of agriculture, Governments might consider the desirability of establishing permanent consultative machinery to discuss common problems among members of each association. In these consultative bodies, representatives of member Governments, farmers, traders and consumers could assemble periodically to discuss and agree on the basic contents of a common agricultural policy for integration and to confront national policies of member governments in the light of integration requirements. These agricultural consultative committees could appoint special working groups to tackle well defined problems as required.

Although these bodies could get advice from many sources, FAO, ECLA and other appropriate international agencies could assist them in their work upon request. This assistance can take the form of preparation of basic studies on problems which fall within the field of activity of each organization, technical advice and general secretariat work.

To sum up, present integration programmes would require the participation of agriculture in order to reach their full economic meaning. This participation presents difficulties on account of productivity differences, autarkic policies and other considerations. In order to bring about gradual readjustments that would place agriculture in line with the requirements of integration and economic development, countries might consider it desirable to study the possibility of arriving at a common agricultural policy of integration and of establishing permanent inter-governmental machinery at the regional level to carry it out.

Annex

Trade among the signatories of the Montevideo treaty

Table A

ARGENTINA: AGRICULTURAL AND LIVESTOCK IMPORTS FROM THE  
OTHER SEVEN COUNTRIES OF THE AREA  
(Thousands of dollars c.i.f.)

Country	Year	Cacao	Coffee	Meat and live- stock	Fresh fruit	Maté	Cotton	Timber	Others
Bolivia	1955	-	-	-	-	-	-	46	-
	1956	-	-	-	-	-	-	97	-
	1957	-	-	-	-	-	-	116	82
Brazil	1955	6 044	29 914	29	22 606	6 453	-	38 792	810
	1956	4 268	25 726	-	19 563	4 509	-	25 328	-
	1957	4 243	34 603	108	16 770	7 496	-	58 054	351
Chile	1955	-	-	-	-	-	-	21 850	720
	1956	-	-	-	-	-	-	9 983	530
	1957	-	-	6	-	-	-	5 339	249
Mexico	1955	-	-	-	-	-	-	-	130
	1956	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-
Paraguay	1955	-	-	-	788	1 300	-	15 960	-
	1956	-	-	-	215	639	-	12 727	-
	1957	-	-	-	271	870	-	9 805	174
Peru	1955	-	-	-	-	-	1 251	673	414
	1956	-	-	-	-	-	1 296	679	-
	1957	-	-	-	-	-	4 230	-	-
Uruguay	1955	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-
	1957	-	-	26	-	-	-	-	-

/Table B

Table B

BRAZIL: AGRICULTURAL AND LIVESTOCK IMPORTS FROM THE OTHER SEVEN COUNTRIES OF THE AREA  
 (Thousands of dollars c.i.f.)

Country	Year	Fats and oils	Sugar	Cacao	Coffee	Meat and livestock	Fresh fruit	Wheat and wheat flour	Maté	Cotton	Timber	Others
Argentina	1955	560	-	-	-	-	20 811	118 070	-	-	-	5 781
	1956	52	-	-	-	-	4 905	49 808	-	-	-	5 683
	1957	3 271	-	-	-	-	11 755	62 324	-	-	-	3 840
Bolivia	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-	-	-	-
Chile	1955	-	-	-	-	-	-	-	-	-	-	1 456
	1956	-	-	-	-	-	-	-	-	-	-	898
	1957	-	-	-	-	-	-	-	-	-	-	805
Mexico	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-	-	-	-
Paraguay	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-	-	-	-
Peru	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-	-	-	-
Uruguay	1955	-	-	-	-	-	24	25 988	-	-	-	-
	1956	-	-	-	-	-	0	93 540	-	-	-	-
	1957	-	-	-	-	-	70	7 988	-	-	-	666

Table C

## CHILE: AGRICULTURAL AND LIVESTOCK IMPORTS FROM THE OTHER SEVEN COUNTRIES OF THE AREA

(Thousands of dollars c.i.f.)

Country	Year	Fats and oils	Sugar	Cacao	Coffee	Meat and livestock	Fresh fruit	Wheat and wheat flour	Maté	Cotton	Timber	Others
Argentina	1955	2 112	-	-	-	6 646	-	14 424	286	-	-	1 200
	1956	1 315	-	-	-	7 454	-	7 013	15	-	-	2 011
	1957	977	1	-	-	7 025	-	334	25	-	-	2 415
Bolivia	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	7	-	-	-	-	-
	1957	-	-	-	-	-	1	-	-	-	-	-
Brazil	1955	-	-	806	6 695	-	-	-	371	968	-	300
	1956	-	-	504	4 034	-	-	-	4 081	1 734	-	-
	1957	-	59	411	5 857	-	-	-	2 556	1 832	-	164
Mexico	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	59	-	-
	1957	-	-	-	-	-	-	-	-	65	-	-
Paraguay	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-	-	-	-
Peru	1955	-	17 827	-	-	-	180	-	-	9 324	-	-
	1956	-	5 025	-	-	-	91	-	-	15 931	-	-
	1957	-	18 103	-	-	-	15	-	-	7 794	-	-
Uruguay	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	1	-	-	-	-

/Table D

Table D  
MEXICO: AGRICULTURAL AND LIVESTOCK IMPORTS FROM THE  
OTHER SEVEN COUNTRIES OF THE AREA  
(Thousands of dollars c.i.f.)

Country	Year	Fats and oils	Meat	Quebracho	Others
Argentina	1955	-	8	230	48
	1956	175	10	320	77
	1957	4	11	314	110
Bolivia	1955	-	-	-	-
	1956	-	-	-	-
	1957	-	-	-	-
Brazil	1955	-	-	-	-
	1956	-	-	-	-
	1957	-	-	-	-
Chile	1955	-	-	-	-
	1956	-	-	-	-
	1957	-	-	-	-
Paraguay	1955	-	-	-	-
	1956	-	-	38	-
	1957	-	-	39	-
Peru	1955	-	-	-	-
	1956	-	-	-	-
	1957	-	-	-	-
Uruguay	1955	-	-	-	-
	1956	-	-	-	-
	1957	-	-	-	-

/Table E

Table E

PARAGUAY: AGRICULTURAL AND LIVESTOCK IMPORTS FROM THE  
OTHER SEVEN COUNTRIES ON THE AREA  
(Thousands of dollars f.o.b.) a/

Country	Year	Edible oils	Wheat and wheat flour	Meat and livestock
Argentina	1956	198	3 204	102
	1957	262	3 090	109
Bolivia	1956	-	-	-
	1957	-	-	-
Brazil	1956	-	-	-
	1957	-	-	-
Chile	1956	-	-	-
	1957	-	-	-
Mexico	1956	-	-	-
	1957	-	-	-
Peru	1956	-	-	-
	1957	-	-	-
Uruguay	1956	-	1 730	2
	1957	-	...	...

a/ No data available for 1955.

/Table F



Table F

PERU: AGRICULTURAL AND LIVESTOCK IMPORTS FROM  
THE OTHER SEVEN COUNTRIES OF THE AREA

(Thousands of dollars c.i.f.)

Country	Year	Fats and oils	Sug- ar	Cacao	Cof- fee	Meat and live- stock	Fresh fruit	Wheat and wheat flour	Maté	Tim- ber	Others
Argentina	1955	448	-	-	-	2 306	-	9 082	-	-	1 883
	1956	1 479	-	-	-	1 807	-	9 149	-	-	1 829
	1957	2 110	-	-	-	2 944	204	9 876	-	-	2 055
Bolivia	1955	-	-	-	51	-	-	-	-	-	13
	1956	-	-	-	110	-	-	-	-	-	36
	1957	-	-	-	123	-	-	-	-	24	230
Brazil	1955	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	1	-	-	-	-	-	6
Chile	1955	-	-	-	-	-	230	9	-	6	953
	1956	-	-	-	-	-	173	2	-	39	1 246
	1957	-	-	-	-	15	239	3	-	98	1 351
Mexico	1955	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	10	-
	1957	-	-	-	-	-	-	-	-	7	-
Paraguay	1955	-	-	-	-	-	-	-	-	-	0
	1956	-	-	-	-	-	-	-	-	-	5
	1957	-	-	-	-	-	-	-	-	-	5
Uruguay	1955	-	-	-	-	-	-	3 790	-	-	-
	1956	-	-	-	-	-	-	311	-	-	-
	1957	-	-	-	-	6	-	542	-	-	136

/Table G

Table G

URUGUAY: AGRICULTURAL AND LIVESTOCK IMPORTS FROM THE OTHER SEVEN COUNTRIES OF THE AREA  
(Thousands of dollars c.i.f.)

E/CN.12/551  
Page 32

Country	Year	Fats and oils	Sugar	Cacao	Coffee	Meat and livestock	Fresh fruit	Wheat and wheat flour	Maté	Cotton	Timber	Others
Argentina	1955	-	-	-	-	-	-	-	-	-	-	211
	1956	-	-	-	-	-	-	-	-	-	27	327
	1957	-	1 448	-	-	16	49	-	-	-	76	561
Bolivia	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-	-	-	-
Brazil	1955	-	7 793	646	3 251	-	1 527	-	5 570	5 005	9 339	1 975 a/
	1956	-	1 532	599	3 080	-	1 112	-	5 502	2 527	5 874	2 170 a/
	1957	-	5 063	259	2 629	-	1 561	-	5 232	4	5 220	1 483 a/
Chile	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-	-	-	5
Mexico	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	-	-	-	-	-	-	-	-	-	-	-
	1957	-	-	-	-	-	-	-	-	-	-	40
Paraguay	1955	-	-	-	-	-	4	-	-	43	1 145	293
	1956	-	-	-	-	-	10	-	-	630	1 205	217
	1957	-	-	-	-	-	6	-	1	1	1 056	32
Peru	1955	-	670	-	-	-	-	-	-	848	-	-
	1956	-	3 144	-	-	-	-	-	-	559	-	-
	1957	-	-	-	-	-	-	-	-	427	-	-

a/ Principally tobacco.

Table H

## BOLIVIA: AGRICULTURAL AND LIVESTOCK IMPORTS FROM THE OTHER SEVEN COUNTRIES OF THE AREA

(Thousands of dollars c.i.f.) a/

Country	Year	Fats and oils	Sugar	Cacao	Coffee	Meat and livestock	Fresh fruit	Wheat and wheat flour	Maté	Cotton	Timber	Others
Argentina	1955	609	12	-	-	4 329	-	1 050	39	-	-	1 309
	1956	...	...	...	...	...	...	...	...	...	...	...
	1957	...	...	...	...	...	...	...	...	...	...	...
Brazil	1955	37	35	-	32	6	-	4	-	949	-	189
	1956	...	...	...	...	...	...	...	...	...	...	...
	1957	...	...	...	...	...	...	...	...	...	...	...
Chile	1955	-	-	-	-	-	13	-	-	-	2	-
	1956	...	...	...	...	...	...	...	...	...	...	...
	1957	...	...	...	...	...	...	...	...	...	...	...
Mexico	1955	-	577	-	-	-	-	-	-	-	-	-
	1956	...	...	...	...	...	...	...	...	...	...	...
	1957	...	...	...	...	...	...	...	...	...	...	...
Paraguay	1955	-	-	-	-	-	-	-	-	-	-	-
	1956	...	...	...	...	...	...	...	...	...	...	...
	1957	...	...	...	...	...	...	...	...	...	...	...
Peru	1955	-	3 399	-	-	-	-	-	-	-	-	263
	1956	...	...	...	...	...	...	...	...	...	...	...
	1957	...	...	...	...	...	...	...	...	...	...	...
Uruguay	1955	-	-	-	-	-	-	-	-	-	-	950
	1956	...	...	...	...	...	...	...	...	...	...	...
	1957	...	...	...	...	...	...	...	...	...	...	...

a/ No data available for 1956 and 1957.

Year	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Population	100	100	100	100	100	100	100	100	100	100	100
Production	100	100	100	100	100	100	100	100	100	100	100
Consumption	100	100	100	100	100	100	100	100	100	100	100
Investment	100	100	100	100	100	100	100	100	100	100	100
Exports	100	100	100	100	100	100	100	100	100	100	100
Imports	100	100	100	100	100	100	100	100	100	100	100
Balance of Trade	100	100	100	100	100	100	100	100	100	100	100
Government Revenue	100	100	100	100	100	100	100	100	100	100	100
Government Expenditure	100	100	100	100	100	100	100	100	100	100	100
Foreign Aid	100	100	100	100	100	100	100	100	100	100	100
Debt Service	100	100	100	100	100	100	100	100	100	100	100
Reserves	100	100	100	100	100	100	100	100	100	100	100
Money Supply	100	100	100	100	100	100	100	100	100	100	100
Interest Rate	100	100	100	100	100	100	100	100	100	100	100
Exchange Rate	100	100	100	100	100	100	100	100	100	100	100
Inflation Rate	100	100	100	100	100	100	100	100	100	100	100
Unemployment Rate	100	100	100	100	100	100	100	100	100	100	100
Real GDP Growth	100	100	100	100	100	100	100	100	100	100	100
Per Capita Income	100	100	100	100	100	100	100	100	100	100	100
Life Expectancy	100	100	100	100	100	100	100	100	100	100	100
Healthcare Expenditure	100	100	100	100	100	100	100	100	100	100	100
Education Expenditure	100	100	100	100	100	100	100	100	100	100	100
Government Debt	100	100	100	100	100	100	100	100	100	100	100
Foreign Debt	100	100	100	100	100	100	100	100	100	100	100
Domestic Debt	100	100	100	100	100	100	100	100	100	100	100
Current Account	100	100	100	100	100	100	100	100	100	100	100
Capital Account	100	100	100	100	100	100	100	100	100	100	100
Trade Balance	100	100	100	100	100	100	100	100	100	100	100
Service Balance	100	100	100	100	100	100	100	100	100	100	100
Income Balance	100	100	100	100	100	100	100	100	100	100	100
Transfer Balance	100	100	100	100	100	100	100	100	100	100	100
Net Exports	100	100	100	100	100	100	100	100	100	100	100
Net Imports	100	100	100	100	100	100	100	100	100	100	100
Net Investment	100	100	100	100	100	100	100	100	100	100	100
Net Savings	100	100	100	100	100	100	100	100	100	100	100
Net Capital Flows	100	100	100	100	100	100	100	100	100	100	100
Net Foreign Investment	100	100	100	100	100	100	100	100	100	100	100
Net Domestic Investment	100	100	100	100	100	100	100	100	100	100	100
Net Government Investment	100	100	100	100	100	100	100	100	100	100	100
Net Private Investment	100	100	100	100	100	100	100	100	100	100	100
Net Consumption	100	100	100	100	100	100	100	100	100	100	100
Net Savings	100	100	100	100	100	100	100	100	100	100	100
Net Investment	100	100	100	100	100	100	100	100	100	100	100
Net Capital Flows	100	100	100	100	100	100	100	100	100	100	100
Net Foreign Investment	100	100	100	100	100	100	100	100	100	100	100
Net Domestic Investment	100	100	100	100	100	100	100	100	100	100	100
Net Government Investment	100	100	100	100	100	100	100	100	100	100	100
Net Private Investment	100	100	100	100	100	100	100	100	100	100	100
Net Consumption	100	100	100	100	100	100	100	100	100	100	100

Vertical text on the right side of the page, possibly bleed-through from the reverse side or a separate column of data.