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ECONOMIC COMMISSION FOR LATIN AMERICA  
Ad Hoc Committee on International Trade  
Fourth Session  
Mexico City  
Item 4 of the agenda

MAINTENANCE OF PURCHASING POWER OF BALANCES  
ACCUMULATED DURING THE EMERGENCY PERIOD

Brazil and Chile: Joint draft resolution

THE ECONOMIC COMMISSION FOR LATIN AMERICA

CONSIDERING that according to studies presented to this fourth session by the Executive Secretariat, favourable balances are being accumulated by the Latin American countries as a result of the emergency and that, in present circumstances, it may be assumed that this accumulation will continue;

That this fact derives directly from the difficulties experienced by the Latin American countries in finding sources of supply of products and capital goods which they must buy abroad in order to maintain normal economic life activity and the development of their economies;

That by reason of this development, the Latin American countries might be obliged to import scarce or sumptuary goods or else might aggravate the inflation from which they are suffering by being forced to resort to issuing excessive amounts of currency in order to liquidate such balances;

/That, if the  
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That, if the Latin American countries decide, even at the risk of causing greater inflation, to acquire subsequently the capital goods and other articles necessary to their continued economic development, they still will be exposed to the danger that for lack of the maintenance of the prices which existed when sales were made, these extraordinary reserves will lose buying power before useful purchases can be made;

That, in so far as trade between the American countries is concerned, the Fourth Conference of American Foreign Ministers recently held in Washington adopted resolutions which point the way to the ~~solution of~~ this grave problem;

That nevertheless the problem bears directly upon Latin American trade in European markets, and that it is generally and mutually desirable that this trade be maintained and increased;

That in relation to these European markets the immediate solution to the problem would seem to be the conclusion of trade and payments agreements, to guarantee supplies for the normal progress of our economies and the provision of capital goods for their development; and that if such supplies cannot be obtained simultaneously with Latin American sales to Europe, it is urgent that ways be found to secure the purchasing power of the currencies in which balances are accumulating; and

That if this stability is not achieved, trade with Europe will deteriorate as time passes with evident prejudice to Latin American economies, whose capacity to import will be severely reduced;

/RESOLVES

## RESOLVES

1. To recommend to the governments of the countries engaged in this trade that, in order to maintain and increase it, they should conclude trade and payments agreements which include guarantees - covering specific periods of time - that the purchasing power of currencies in which balances are accumulating will be preserved.
2. To request the Executive Secretary that, in concert with the Economic Commission for Europe, he should offer to the governments concerned all possible co-operation to facilitate the conclusion of such agreements.
3. To recommend to the Executive Secretary that he offer his cooperation to the Inter-American Economic and Social Council of the Organization of American States in the completion of the studies asked of the Ad Hoc Committee designated in Resolution XVII, No. 6, of the Fourth Conference of American Foreign Ministers;
4. Request the Executive Secretary to continue the studies recommended in Resolution No. E/CN.12/200, of the third session in Montevideo, implementing them and, particularly, finding practical ways of enabling the Latin American countries to enjoy the benefits that are available to countries within the European Payments Union.

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