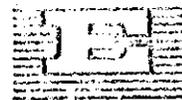


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ECONOMIC COMMISSION FOR LATIN AMERICA  
TRADE COMMITTEE  
Working Group on the Latin American Regional Market  
Santiago, Chile, 1-10 February 1958

MAIN BACKGROUND DATA RELATING TO THE WORKING GROUP  
ON THE LATIN AMERICAN REGIONAL MARKET

1. In accordance with resolution 101 (VI) of 15 September 1955, the Economic Commission for Latin America, after considering the secretariat Study on Inter-Latin American trade (E/CN.12/369), agreed to set up within the Commission a Trade Committee for the purpose of intensifying inter-Latin American trade, bearing in mind "the fundamental necessity of increasing over-all trade". In the above-mentioned resolution the Commission requested the Committee to formulate specific proposals for solving the practical problems of inter-Latin American trade and to prepare bases to facilitate intra-regional trade negotiations, such proposals and bases to be consistent with the countries' present international commitments.

2. At its first session (Santiago, November 1956), the Trade Committee adopted inter alia the following resolutions to promote the gradual attainment of its objectives:

Resolution 1 (I) on the gradual establishment of a multilateral payments régime. A permanent Working Group was set up composed of the Central Banks of countries holding inter-Latin American clearing accounts, to study the gradual establishment of such a régime and, during the transition period, the adoption of certain principles designed to co-ordinate the bilateral accounts in force.<sup>1/</sup>

Resolution 3 (I) on procedures for the creation of a regional market. As the future industrial development of Latin America will require broader markets than those in existence, a Group of Experts was set up for the following purposes:

- (a) to define the characteristics of the regional market, bearing in mind the differing degrees to which the countries of the region are industrialized;
- (b) to study its possibilities and projections;
- (c) to submit recommendations on basic principles and procedures for its establishment, within the terms of reference of the Trade Committee as defined in resolution 101 (VI).

<sup>1/</sup> The Central Banks Working Group held its first session in April-May 1957 at Montevideo. The result of its work was the preparation of a standard payments agreement and of an inter-Bank agreement - now in force - providing for the compilation and exchange of comparable information on inter-Latin American clearing accounts. The Group decided to hold its second session in 1958.

3. At the seventh session of the Commission (La Paz, Bolivia, May 1957), the member Governments recommended that the secretariat "call the attention of the Group of Experts to the specific situation of those Latin American countries which are landlocked or whose economic structure is dependent on a single branch of production or lacks diversification, so that the Group may consider, in planning the structure of the regional market, the possibilities for the absorption of the exportable commodities of such countries and for facilitating their industrial development within such a market" (resolution 116 (VII)). The Group was also requested to consider the desirability of facilitating the formation of enterprises with capital supplied from two or more countries and to study the problems of developing a regional market, bearing in mind the situation and possibilities of each and every Latin American country.

4. It should also be remembered that resolution 3 (I) of the Trade Committee provides that the conclusions reached by the Group of Experts are to be submitted by the ECLA secretariat, with its own observations and those received from other international organizations, directly to the member Governments for their consideration and comments. The resolution then goes on to state that, when this procedure has been complied with, the secretariat is to promulgate as widely as possible the documents transmitted to the member Governments. The study prepared by the Group - or a preliminary report on its work -- and the comments of the secretariat and Governments are also to be transmitted to the Trade Committee at its following session.