

THE DOCUMENTS OF THE  
ECONOMIC COMMISSION FOR LATIN AMERICA  
NOV 21 1949

**ECONOMIC COMMISSION FOR LATIN AMERICA**

**Second Session**

**COMMITTEE 2**

**(Foreign Trade and Finance)**

**SUMMARY RECORD OF THE SIXTH MEETING**

Held at Havana, Cuba,  
on Wednesday, 8 June 1949, at 10 a.m.

**CONTENTS:** Multilateral compensation of international payments in Latin America (E/CN.12/87): draft resolution approved by working group (E/CN.12/AC.2/W.2/Rev.1); Prospects for trade expansion (E/CN.12/85); draft resolution approved by working group (E/CN.12/AC.2/W.3).

**Chairman:** Mr. Ariosto D. GONZALEZ Uruguay

**Rapporteur:** Mr. Maucclair ZEPHIRIN Haiti

**Present:**

Mr. FORMICHELLI	Argentina
Mr. ALVARADO	Bolivia
Mr. PENIADO	Brazil
Mr. SANTA CRUZ)	
Mr. VERGARA )	Chile
Mr. VALDES RODRIGUEZ)	
Mr. GUERRA )	Cuba
Mr. CRUZ MORDAN	Dominican Republic
Mr. BRUNET	France
Mr. ZAMORA	Mexico
Mr. SENIOR	Netherlands
Mr. McCULLOUGH	Panama
Mr. BAEZ ALLENDE	Paraguay
Mr. CURRIE	United Kingdom
Mr. de BEERS	United States of America
Mr. PAZ AGUIRRE	Uruguay

**NOTE:** Any corrections of this record should be submitted in any of the working languages (Spanish, French or English) within three working days, to the Executive Secretary, Escuela Municipal Valdes Rodriguez, Havana, Cuba. Corrections should be accompanied by or incorporated in a letter, on headed note-paper, bearing the appropriate symbol number and enclosed in an envelope marked "Urgent". Corrections can be dealt with more speedily by the services concerned if delegations will be good enough also to incorporate them in a mimeographed copy of the record.



MULTILATERAL COMPENSATION OF INTERNATIONAL PAYMENTS IN LATIN AMERICA (E/CN.12/87): DRAFT RESOLUTION APPROVED BY WORKING GROUP (E/CN.12/AC.2/W.2/Rev.1).

The CHAIRMAN thanked the Committee's working group for its efficiency in drafting and approving the resolution on multilateral compensation of international payments in Latin America (E/CN.12/AC.2/W.2/Rev.1).

Mr. GUERRA (Cuba) proposed three amendments. In the second paragraph, the words "by members of its technical staff" ("por miembros del cuerpo técnico de éste") should be added. It should be made clear that the study (E/CN.12/87) had been submitted for information as prepared by the technical staff of the International Monetary Fund and that the Fund itself was not to be held responsible for it as representing a statement of monetary policy.

In the fourth paragraph, the words "in existing circumstances" ("en la presente circunstancia") should be inserted after the word "provides" ("ofrece"). The text as it stood made a too definite statement which would not be valid in all circumstances. Before the second world war, for example, Europe as a whole had been indebted to the United States but had had other sources of dollar exchange, so that European currencies had then been freely convertible.

In the sixth paragraph, the words "to special arrangements for" ("de arreglos especiales") should be inserted after the words "wishes with regard" ("las aspiraciones en materia"). The existing text was unduly restrictive; the countries concerned might in the future wish to see the establishment of a system of general convertibility.

/Mr. PENNEADO (Brazil)

Mr. PENTEADO (Brazil) supported the Cuban amendments to the fourth and sixth paragraphs, but was dubious whether the proposal affecting the second paragraph was valid.

Mr. GUERRA (Cuba) explained that his intention had been that it should be specified that the study was not to be taken as an expression of the official views of the Fund.

Mr. SANTA CRUZ (Chile) supported the Cuban amendments to the fourth and sixth paragraphs but agreed with the representative of Brazil about the proposed amendment to the second paragraph. The International Monetary Fund was a specialized agency working under agreement with the United Nations, which could request it to undertake specific work. The resolution adopted at the First Session of ECLA (E/CN.12/72) had specifically requested that the Fund should make the study. In any resolution it would be inappropriate to specify the actual authors of any study; the extent of the Fund's responsibility was obvious from the fact that the document was simply a technical study.

Mr. del CANTO (International Monetary Fund) pointed out that the second paragraph of the introduction to the study (E/CN.12/87) specifically stated that it was not to be taken as an expression of the official views of the Fund.

Mr. SANTA CRUZ (Chile) accepted the view of the Cuban representative. That view might be reflected better, however, by the insertion, after the words "documented study." ("documentado informe") of the words "prepared by its experts" ("preparado por sus expertos").

Mr. ALVARADO (Bolivia) observed that, in view of the fact that the resolution adopted at the First Session specifically

/requested that

requested that the Fund should prepare the study, the Commission should specify that the Fund had done so; otherwise, the resolution would not have been implemented.

Mr. del CANTO (International Monetary Fund) said that the Fund had interpreted that resolution (E/840) as a request for a technical study, not for an expression of monetary policy. Such a policy could not be formulated since circumstances were continually changing.

Mr. GUERRA (Cuba) said that whatever the phrasing of the resolution under discussion, the fact remained that the Fund itself had declined responsibility for a statement of policy. If the Committee were to insist on the Fund's official responsibility, there might be a danger that it would be reluctant to collaborate in the future in that field. It was for ECLA to draw its own conclusion and to take whatever action it deemed appropriate, using the report of the Fund merely for guidance. A decision taken by ECLA would not involve obtaining the approval of the Fund; Members of ECLA were free to make all necessary arrangements. He had not proposed the amendment out of regard for any special interest of his own country but because he considered the future collaboration of the Fund to be of the greatest value and importance to ECLA. Nothing should be done which might make the Fund reluctant to accord such collaboration.

Mr. SANTA CRUZ (Chile) proposed that the word "submitted" ("rendido") should be substituted for the word "presented" ("presentado") in the second paragraph. If the Cuban representative pressed his view, the Chilean delegation would

/abstain from

abstain from voting on the Cuban amendment.

Mr. GUERRA (Cuba) was prepared to compromise with the representative of Chile, provided that it was clearly specified that the Fund's official opinion on policy was not involved.

In reply to Mr. SANTA CRUZ (Chile), the CHAIRMAN explained that ECIA was empowered to request the Fund to make studies, but the latter could reserve its conclusions until the study had been completed.

The CHAIRMAN suggested that a compromise text reconciling the views of the Chilean and Cuban representatives might read: "presented by it subject to the reservations specified in the document" ("presentado por este con las reservas que en la misma se establece").

Mr. del CANTO (International Monetary Fund) accepted the suggestion of the Chairman.

Mr. SANTA CRUZ (Chile) and Mr. GUERRA (Cuba) accepted the Chairman's suggestion.

The CHAIRMAN pointed out that consequential changes must be made in the first paragraph of the operative part.

Mr. MARTINEZ CABANAS (Executive Secretary) observed that the word "prepared" ("preparado") should be substituted for the word "presented" ("presentado") in that clause.

The amendments to the fourth and sixth paragraphs submitted by the representative of Cuba were adopted.

The amendment to the second relation proposed by the Chairman was adopted.

Mr. de BEERS (United States of America) proposed the deletion of the words "with satisfaction" ("con satisfacción") because the extent of the Commission's satisfaction had

/already been

already been expressed in the second paragraph.

Mr. SANTA CRUZ (Chile) observed that the words referred simply to the Commission's satisfaction at receiving the study but did not imply satisfaction with the results. The paragraph went much further. In future resolutions the scope of the words "with satisfaction" should be defined.

Mr. GUERRA (Cuba) and Mr. PENTEADO (Brazil) supported the United States representative's amendment.

The first paragraph of the operative part, as amended, was adopted.

Mr. SENIOR (Netherlands) observed that the studies referred to in the third and fourth paragraphs of the operative part should be carried out in conjunction with the central banks of the countries concerned.

The resolution submitted by the working group (E/CN.12/AC.2/W.2/Rev.1) as amended, was adopted.

PROSPECTS FOR TRADE EXPANSION (E/CN.12/85): DRAFT RESOLUTION APPROVED BY WORKING GROUP (E/CN.12/AC.2/W.3).

Mr. VALDES RODRIGUEZ (Cuba) proposed the insertion in the second paragraph of the expression of a view raised strongly by the Chilean delegation at a previous meeting. The words "and its relation to foreign capital investments" ("y su vinculacion con las inversiones de capitales extranjeros") should be inserted after the words "foreign trade" ("el comercio exterior").

Mr. ALVARADO (Bolivia) supported the Cuban amendment. Furthermore, he proposed that the words "or groups of countries" ("o grupo de paises") should be deleted. Unless that were

done ECIA at its third session might criticize the Executive Secretary for having consolidated the information presented to an undue extent.

Mr. VERGARA (Chile) pointed out that certain groups of countries in Latin America possessed common characteristics. So long as it was understood that Latin America could not be regarded as a unit for consolidated study, it might be preferable to retain the concept of groups.

Mr. ALVARADO (Bolivia) thought that it would be inappropriate to leave too much to the discretion of the Executive Secretary. His report would be open to criticism from countries which did not agree that they ought to be included in a certain group and the Executive Secretary might compose groups which the countries would not accept as valid. Some stipulation should therefore be retained.

Mr. de BEERS (United States of America) opposed the Cuban representative's proposal. To specify the relation to foreign investment would be restrictive. Both domestic and foreign investment should therefore be mentioned.

Mr. VERGARA (Chile) stressed the importance of mentioning foreign investment in relation to foreign trade. This relationship is well known. In certain countries the major part of export industries is owned by foreign investors. In order to meet the United States representative's objection, the insertion should read "including its relation to foreign capital investments".

Mr. de BEERS (United States of America) accepted this text.

Mr. PAZ AGUIRRE (Uruguay) thought the word "foreign" restrictive.

/Mr. VERGARA (Chile)

Mr. VERGARA (Chile) said that the emphasis on foreign investment was desirable because it had been argued in the Economic and Social Council that the Economic Commission for Latin America had not paid sufficient attention to that problem.

The amendment to the second paragraph proposed by the Chilean representative was adopted.

Mr. ALVARADO (Bolivia), in reply to the CHAIRMAN, explained, that the deletion of the words "or groups of countries" would not imply that countries could not be considered by groups if the Executive Secretary deems it necessary to do so.

Mr. PENNEADO (Brazil) proposed that the words "and groups" should be substituted for the word "or group" to meet the Bolivian representative's objection.

It was so decided.

The draft resolution on prospects for trade expansion submitted by the working group (E/CN.12/AC.2/W.3), as amended, was adopted.

The CHAIRMAN announced that Committee 2 on foreign trade and finance had completed its work. A small working group, comprising the representatives of Chile, Cuba, France, United Kingdom and United States of America, had been set up to establish the concordance of texts in the three working languages.

Mr. VALDES RODRIGUEZ (Cuba), supported by Mr. FORMICHELLI (Argentina) proposed that the Committee should place on record its gratitude to the Executive Secretary for his assistance in its work.

It was so decided.

The meeting rose at 11.40 a.m.