



UNITED NATIONS  
ECONOMIC  
AND  
SOCIAL COUNCIL



PROVISIONAL

E/CN.12/AC.13/SR.9  
12 June 1951

ENGLISH  
ORIGINAL: FRENCH

ECONOMIC COMMISSION FOR LATIN AMERICA  
Ad Hoc Committee on International Trade  
Fourth session  
Mexico, D.F.

PROVISIONAL SUMMARY RECORD OF THE NINTH MEETING

Held at Mexico City,

on Monday, 11 June 1951, at 1715 hours

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document of the Pan-American Union: Convention on the  
Regulation of Inter-American Automotive Traffic (1943).

NOTE:

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/PRESENT:  
E/CN.12/AC.13/SR.9

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PRESENT:Chairman: Mr. HASPERUE BECERRA

Argentina

Rapporteur: Mr. CORLISS

United States of America

Members: Mr. SCHIOPPETTO  
 Mr. NAVAJAS MOGRO  
 Mr. VALVERDE VEGA  
 Mr. VALDES RODRIGUEZ  
 Mr. RADRIGAN OYANEDEL  
 Mr. BARONA ANDA  
 Mr. GLOWER VALDIVIESO  
 Mr. BROWN  
 Mr. LEPREVOST  
 Mr. PALACIOS  
 Mr. BAYAS  
 Mr. CRUZ  
 Mr. AMADOR  
 Mr. CANTARERO  
 Mr. McCULLOUGH  
 Mr. PEZET  
 Mr. MacVITTIE

Argentina  
 Bolivia  
 Costa Rica  
 Cuba  
 Chile  
 Ecuador  
 El Salvador  
 United States of America  
 France  
 Guatemala  
 Haiti  
 Honduras  
 Mexico  
 Nicaragua  
 Panama  
 Peru  
 United Kingdom of Great  
 Britain and Northern  
 Ireland  
 Dominican Republic  
 Uruguay

Mr. LLUBERES PEÑA  
 Mr. FREYRE

Representatives of specialized agencies:

Mr. CORDOVA Food and Agriculture  
 Organization (FAO)  
 Mr. MONTEALEGRE)  
 Mr. DEL CANTO ) International Monetary Fund

Representatives of non-governmental organizations:Category A:

Mr. STEBELSKI International Chamber of  
 Commerce  
 Miss ALDAPE CANTU World Federation of United  
 Nations Associations

Secretariat:

Mr. SWENSON Representative of the  
 Executive Secretary  
 Mr. KALMANOFF )  
 Mr. LOPEZ ROSADO) Secretariat of the Committee



PROGRESS REPORT ON THE STUDY OF INTRA-REGIONAL TRADE  
(E/CN.12/228, E/CN.12/AC.13/4)

Mr. FREYRE (Uruguay) stressed the importance of the development of intra-regional trade between the countries of Latin America; remembering the experience of the last war, those countries should exert themselves, as of now, to guard against a possible crisis by intensifying their trade in raw materials, foodstuffs and manufactured products. Most certainly, the protectionist policy indispensable to that end did not constitute an absolute economic solution, since it would not permit consumers to benefit from the cheap production of manufactured goods; it was necessary therefore that the countries which found themselves in analogous economic situations should conclude commercial and customs agreements among themselves. He insisted upon the need to co-ordinate - to unify to some measure - the economies of Latin American countries, in order to ensure the best possible distribution of available resources.

Mr. Freyre mentioned several methods of procedure which could lead to the proposed solutions: a) the conclusion of customs agreements in conformity with Article 15 of the Havana Charter and Article 31 of the Bogota Convention; b) studies of the possibilities of trade in specific products, which would be comparable with those requested of the Executive Secretary at the third session of ECLA; c) the drafting of plans for co-ordination with a view to the harmonious development of production in the various countries concerned. ECLA could attain the desired objectives by making

/recommendations



recommendations to governments, by requesting the Executive Secretary that he make a special study, or by calling a meeting of experts from the various countries.

To conciliate the views of the various delegations which had expressed their opinions on this question, Mr. Freyre proposed that a working group be created, to study the possibilities of expanding intra-regional trade in Latin America.

Mr. VALVERDE VEGA (Costa Rica) drew a general picture of the development of Latin American foreign trade since 1937. About 1946, in consequence of the decline of trade with Europe because of the war, inter-American exports as well as imports increased substantially. Throughout the period, the industrially more advanced countries such as Argentina, Brazil, Mexico and Chile became more and more the suppliers of manufactured goods to their neighbours whilst, inversely, the industrially under-developed countries sold to the more advanced countries increasing quantities of raw materials. At the same time, a different type of trade grew up, between neighbouring countries which had reached similar stages of industrial development: for example, between Argentina and Brazil, and between Chile and Argentina; between Nicaragua and Panama, Costa Rica and El Salvador, and so on. This latter kind of trade deserved special study by ECLA, but the Commission should above all examine in detail the possibilities of trade between industrialized and non-industrialized zones, as between, for instance, Mexico and Central America, which latter showed signs of some progress but could be developed to a greater extent.

/The same



The same could be said of trade between some countries of South America, which ECLA proposed to study. Mr. Freyre emphasized the importance of bilateral agreements, like that recently concluded between Argentina and Paraguay, which made possible the expansion of trade between complementary economies.

Mr. VALDES RODRIGUEZ (Cuba) was in favour of setting up the working group proposed by the Uruguayan representative. Cuba was one of the three Latin American countries which had signed the General Agreement on Tariffs and Trade which applied to about two-thirds of world trade; the Cuban delegation was therefore particularly anxious to see an expansion of inter-Latin American trade.

He did not, however, think that the Uruguayan proposal was entirely clear with regard to the maintenance of future elimination of preferential agreements. He also wondered whether the proposed studies would not require an amendment of the instructions given to the Secretariat at the Montevideo session; that point should be for the new working group to decide.

At the CHAIRMAN's request, Mr. KALMANOFF (Secretariat) explained that for the past year the Secretariat had been carrying out studies on intra-regional trade in accordance with the terms of resolution E/CN.12/201, adopted at the Commission's third session. After completing its study of the trade between Brazil and Argentina, the Secretariat would deal with the trade relations of other countries.

/Mr. FREYRE



Mr. FREIRE (Uruguay), in reply to the Cuban representative said that his proposal would place no obligation on the governments concerned. He had indicated three methods which might promote intra-regional trade merely by way of a suggestion. It was his intention, not to erect new tariff barriers, but rather to follow the example of Western Europe, where there was now greater freedom of trade.

Mr. RADRIGAN OYANEDEL (Chile) thought that the Uruguayan proposals should be carefully studied before a decision was taken on them. They raised certain problems, particularly with regard to the reduction of tariffs, which were very difficult to solve for countries which had signed the General Agreement on Tariffs and Trade. He did not think that the Uruguayan representative wished to hamper in any way direct negotiations among the governments concerned.

Mr. SCHIOPPETTO (Argentina) stressed the fact that intra-regional trade had acquired greater importance because the economic relations of Latin America with other parts of the world were endangered. The expansion of that trade must therefore be encouraged; the prospects were tremendous, in view of the varying stages of industrial development of the different countries and the diversity of their agriculture and livestock production.

In pursuance of resolution E/CN.12/201 adopted at Montevideo, the Executive Secretary had undertaken studies on intra-regional trade; he had so far completed a detailed study of the development of trade between Argentina and Brazil, and would later consider

/other Latin



other Latin American countries. Consequently, there was still much work to be done. He wondered whether, in the Executive Secretary's opinion, it would not be necessary to amend the Montevideo resolution in order to facilitate the Secretariat's work and to ensure that the Commission would have complete studies before it within a reasonable time.

He had found the Uruguayan representative's suggestions of great interest. With regard to bilateral agreements concluded between Latin American countries, he felt that although the procedure was open to criticism on grounds of principle, those countries had been obliged to resort to it. Besides, those agreements should tend not to raise tariff barriers but to lower them progressively and to eliminate them altogether when such a course had been made possible by reciprocal concessions leading gradually to complete freedom of trade.

All those aspects of the question should be studied by the Secretariat. He was in favour of the Uruguayan representative's proposal that a working group should be formed.

Mr. AMADOR (Mexico) said that his country too was much interested in the development of Latin American intra-regional trade. The problem was to find means of satisfying the complementary needs of the different countries. Those means could be found through technical studies, such as those the Secretariat had been instructed by resolution E/CN.12/201 to prepare.

Like the Uruguayan representative, he wished to learn whether,

/in the Executive



in the Executive Secretary's opinion, the terms of that resolution should be amended so that studies might be undertaken which would be of great technical as well as practical value.

He pointed out that only the governments of the countries concerned could take a decision with respect to the conclusion of bilateral agreements, as the latter involved the trade policy and the general policy of each country.

It might be very useful to have a working group, but its functions should be clearly defined and limited; the discussion should not bear upon questions of substance which could not be adequately dealt with in what would of necessity be a brief debate.

Mr. SCHIOPPETTO (Argentina) wondered whether the Secretariat would be able quickly enough to carry out the studies mentioned in resolution E/CN.12/201 or whether it would be necessary to amend that resolution.

Mr. SWENSON and Mr. KALMANOFF (Secretariat) hoped that those studies would be ready for the Commission's fifth session. Their completion would, however, depend on the order of priority allocated to them by the Ad Hoc Committee concerned.

Mr. SCHIOPPETTO (Argentina), Mr. VALVERDE VEGA (Costa Rica) and Mr. BARONA ANDA (Ecuador) welcomed those remarks and said that they were in favour of the proposed working group.

Mr. BROWN (United States of America) wished the Uruguayan representative to indicate that group's terms of reference.

Mr. FREYRE (Uruguay) thought that the working group should

be empowered to deal



deal with questions of substance but should confine itself to questions of procedure, and should, in particular, explore the possibility of giving the Executive Secretary precise instructions on studies asked of him, if necessary by amending the Montevideo resolution. Thus, special studies might be made on certain products, on general coordination of intra-regional trade in Latin America, on possible specialization of production, and on the advisability of convening a group of experts.

Mr. AMADOR (Mexico), Mr. VALVERDE VEGA (Costa Rica) and Mr. SCHIOPPETTO (Argentina) were satisfied by that explanation and thought that the Committee should appoint the working group at once.

The CHAIRMAN proposed that the working group should be composed of the representatives of Argentina, Brazil, Costa Rica, Cuba, Chile, Ecuador, Mexico and Uruguay.

It was so decided.

REGULATION OF MERCHANDISE TRAFFIC ON THE INTER-AMERICAN HIGHWAY  
(E/CN.12/237, E/CN.12/238, E/CN.12/AC.14/10)

Mr. AMADOR (Mexico) moved that the question, on which a resolution had been adopted by the Ad Hoc Committee on Coordination and General Questions, should be removed from the Committee's agenda.

Mr. VALDES RODRIGUEZ (Cuba) supported that motion, as he still thought that the question did not fall within the Committee's scope.

The Mexican representative's motion was adopted.

The meeting rose at 1910 hours.



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