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ECONOMIC COMMISSION FOR LATIN AMERICA

Trade Committee

Fourth Session

Santiago, Chile, 9 to 13 November 1964

SUMMARY RECORD OF THE TWENTY-EIGHTH MEETING

Held at ECLA Headquarters, Santiago, Chile,
on Friday, 13 November 1964, at 10 a.m.

CONTENTS:

Consideration of draft resolutions (continued)

PRESENT:

<u>Chairman:</u>	Mr. SEOANE	(Peru) (First Vice-Chairman)
<u>Second Vice-Chairman:</u>	Mr. SECAIRA	(Guatemala) (Second Vice-Chairman)
<u>Rapporteur:</u>	Mr. LOSADA	(Venezuela)
<u>Members:</u>	Mr. GRINSPUN	Argentina
	Mr. BOTELHO	Bolivia
	Mr. DA FONSECA	Brazil
	Mr. SUMMERS	Canada
	Mr. PINTO	Chile
	Mr. MADRIÑAN	Colombia
	Mr. SANCHO	Costa Rica
	Mr. GARCIA INCHAUSTEGUI	Cuba
	Mr. MARTINEZ	Dominican Republic
	Mr. YEROVI	Ecuador
	Mr. CABRERA	El Salvador
	Mr. RICARD	France
	Mr. HENRIQUEZ	Kingdom of the Netherlands
	Mr. GARCIA REYNOSO	Mexico
	Mr. NAVAS	Nicaragua
	Mr. JIMENEZ	Paraguay
	Mr. REY	Peru
	Mr. FORD	Trinidad and Tobago
	Mr. KENNEDY	United Kingdom of Great Britain and Northern Ireland
	Mr. WEINTRAUB	United States of America
	Mr. AGUIRRE	Uruguay

ALSO PRESENT:

Observers from States Members of the United Nations, not members of the Commission, attending in a consultative capacity:

Mr. MERAN	Hungary
Mr. NEGRETTI	Italy
Mr. SILSKI	Poland

/Representative of

Representative of
a specialized agency:

Mr. SCHATAN

Food and Agriculture
Organization of the
United Nations

Representatives of inter-
governmental organizations:

Mr. RENNER

European Coal and Steel
Community

Miss DELHAYE

European Economic Community

Mr. FRAGUIO

Inter-American Committee on
the Alliance for Progress,
Organization of American
States

Mr. GONZALEZ

Inter-American Development
Bank

Mr. OPAZO

Latin American Free-Trade
Association

Representative of a
non-governmental organization

Category B: Mr. YAÑEZ

Centre for Latin American
Monetary Studies (CEMIA)

Secretariat:

Mr. MAYOBRE

Executive Secretary, Economic
Commission for Latin America

Mr. Alfonso SANTA CRUZ

Deputy Executive Secretary,
Economic Commission for
Latin America

Mr. VALDES

Secretary of the Commission

Mr. MENDEZ

Secretary of the Trade
Committee

/CONSIDERATION OF

CONSIDERATION OF DRAFT RESOLUTIONS (continued)

Mr. OPAZO (Latin American Free-Trade Association) explained, on behalf of the Association which he was representing in a consultative capacity, that he had abstained from taking part in the debates on the grounds that the analyses undertaken were the province of the representatives of the participating countries. However, he wished to stress the fact that the resolutions adopted by the Trade Committee on regional integration and as intensification of trade among the developing countries represented a great contribution to the work of ALALC. It was also very important that those resolutions had pointed out the need for the Governments members of ALALC to give greater dynamic force to the work of the Association, as Mr. Prebisch had stated in his address. An effective contribution to that work had been made by ECLA, which had latterly been co-operating with ALALC in the meetings of the Standing Executive Committee study groups to explore the possibilities of integrating the steel, petrochemical and pulp and paper industries, and to study the problems of countries at a relatively less advanced stage of development and with inadequate markets. As further proof of the increasingly homogeneous approach taken to the subject of integration, he referred to the points of similarity between many of the Trade Committee resolutions and the conclusions reached at the first meeting of the special committee of high-level experts on trade policy, held at Montevideo in September. There was particular agreement on the co-ordination of economic policies, the regulation of foreign trade, criteria for tariff reductions, industrial complementarity agreements and financial and trade measures favouring the countries at a relatively less advanced stage of development and with inadequate markets.

He hoped that the recommendations adopted at the present session would be taken up by the Governments of the member countries of ALALC and implemented without delay.

Draft resolution on future action in the field of trade and development submitted by the delegations of Chile, Colombia, Mexico and Uruguay
(Conference room paper N° 9/Rev.1).

/Mr. GARCIA INCHAUSTEGUI

Mr. GARCIA INCHAUSTEGUI (Cuba) thought that the second paragraph of the preamble should be transposed to the beginning of the operative part since it reflected the consensus of opinion among the Latin American countries. He suggested that the words "with satisfaction" be deleted from the first line of operative paragraph 1, since they did not express his Government's views.

The CHAIRMAN proposed that the words "with satisfaction" be replaced by "with keen interest".

Mr. DA FONSECA (Brazil) suggested that in operative paragraph 2 (c) the words "institutional machinery" should be followed by the sentence "as a first step towards the creation of the worldwide agency advocated by the countries at the Conference ...".

The draft resolution, as amended, was adopted by 16 votes to none, with 6 abstentions.

Mr. AGUIRRE (Uruguay) recommended that, in view of the resolution's importance, it should be given pride of place in the final report.

The CHAIRMAN said that he would transmit the suggestion to the drafting group. He then invited the Committee to consider the draft resolution on the financing of trade and development submitted by the delegation of Argentina (Conference room paper No. 14).

Mr. PINTO (Chile) requested that in part A, paragraph 1, the word "constitute" be amended to read "should constitute", and that the words "without detriment to the flexibility of the said plans" be added at the end of the paragraph.

Mr. GARCIA REYNOSO (Mexico) considered that the aims set forth in paragraph 3 would be accomplished more swiftly if the Governments were, through ECLA, to entrust the task to the Trade and Development Board. He therefore proposed that the words "through the medium of the ECLA secretariat, request the Trade and Development Board to urge" be inserted in the first line between "The Latin American Governments" and "the developed countries".

Mr. PINTO (Chile) pointed out that the ICAP should not be specifically mentioned in paragraph 6, since its name might be changed in future and problems would thus arise. Such problems could best be avoided by replacing

/the words

the words "to recognize ICAP's competence" by the words "to take into account the studies carried out by the agencies on which the said Governments are represented".

Mr. GARCIA REYNOSO (Mexico) thought that the provisions of paragraph 8 with respect to short-term compensatory financing could be more rapidly implemented if the Governments were to present their requests to the International Monetary Fund through the Executive Directors, who were their permanent representatives. He suggested that the words "request the International Monetary Fund (IMF), through their representatives in that institution" be replaced by the words "instruct their Executive Directors representing them on the International Monetary Fund to request that institution".

Mr. SANCHO (Costa Rica) asked for clarification of the words "as a matter of urgency to apply" in paragraph 8.

Mr. GRINSFURN (Argentina) explained that it meant "to apply immediately" and suggested that those words be used instead.

Mr. GARCIA REYNOSO (Mexico) proposed that in paragraph 9, line 1, the words "their representatives in" be added after "the Latin American Governments request"; and in paragraph 10, line 1, the words "through the secretariat of ECLA" be added after "the Latin American Governments".

Mr. MADRIÑAN (Colombia) considered that paragraph 12 (d), lines 1 and 2, be amended to read: "That the secretariat of ECLA should urge the Secretary-General of the United Nations Conference on Trade and Development to expedite ...".

The draft resolution, as amended, was adopted by 16 votes to none, with 7 abstentions.

Mr. GARCIA INCHAUSTEGUI (Cuba) explained that he had abstained from voting because the draft resolution entrusted certain tasks to international agencies to which Cuba did not belong, and concerned requests for funds with which Cuba was not in agreement.

Draft resolution on the participation of the workers in Latin America's economic integration process, presented by the delegations of Argentina, Chile, Colombia, Ecuador, Mexico, Peru and Venezuela (Conference room paper N° 15).

/Mr. DA FONSECA

Mr. DA FONSECA (Brazil) proposed that mention should be made in the draft resolution of ALALC and other competent agencies.

Mr. SECAIRA (Guatemala) suggested that the Permanent Secretariat of the General Treaty on Central American Economic Integration (Secretaría Permanente del Tratado de Integración Económica Centroamericana - SIECA) should also be mentioned.

The two amendments were approved and the words "in co-operation with ALALC, SIECA and other competent agencies" were added after "Economic Commission for Latin America".

The draft resolution, as amended, was adopted by 17 votes to none, with 6 abstentions.

The meeting was suspended at 11.05a.m. and resumed at 11.15 a.m. Draft resolution on trade measures taken by developed countries since the United Nations Conference on Trade and Development presented by the delegations of Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Peru, Uruguay and Venezuela (Conference room paper N° 11/Rev.1).

Mr. GINSPUN (Argentina) endorsed the concepts expressed in the draft resolution and suggested that, in paragraph 1, line 3, the word "philosophy" be replaced by "principles", and that, in line 5, the phrase "particularly with respect to part II of recommendation A.II.1, paragraph 2, concerning the standstill" should be added after the words "corresponding resolutions". His grounds for proposing the above amendment were the recollection of the developing countries' hard struggle at Geneva to prevent any possible setbacks in their trade situation.

Mr. MADRIÑAN (Colombia) proposed that in paragraph 1, line 1, the word "unilateral" be inserted before "decisions".

Mr. WINTRAUB (United States of America) referring to paragraph 1 (a) of the draft resolution, said that the coffee agreement, to which it presumably alluded, had been ratified by the United States Senate and the President of the United States was to re-submit to Congress the necessary enabling legislation. Even without such legislation, the United States had taken the appropriate administrative measures to ensure

/effective application

effective application of the Agreement in so far as the United States was concerned. The draft resolution failed to give due importance to those facts. With regard to paragraph 1 (c), the United States had not imposed quantitative restrictions on meat imports; hence that part of the resolution must no doubt refer to other unspecified restrictions applied by other countries.

Mr. AGUIRRE (Uruguay) drew attention to the fact that, although specific quotas were not yet in force in the United States, they were provided for by that country's legislation; he therefore deemed the resolution to be appropriate.

Mr. MADRIÑAN (Colombia) explained that the resolution referred to decisions taken by some of the developed countries and not to the intentions of their Governments. The application of the coffee agreement called for some measures which were to have been adopted by the United States, but had been rejected by Congress. As a result, coffee prices had been even more unstable than before the possibility of such measures had been announced. The draft resolution under discussion might, perhaps, help the United States Government to bring home to Congress the urgency and fairness of the claims concerned.

Mr. AGUIRRE (Uruguay), referring to paragraph 2 of the draft resolution, recommended that an effort should be made to transmit the whole document to the Seventy-seven developing countries.

The draft resolution, with the amendments suggested by the representatives of Argentina and Colombia, was adopted by 18 votes to none, with 5 abstentions.

Mr. SUMMERS (Canada) requested that in the final version consideration be given to Canada's position, by stressing the fact that some of the resolutions had stemmed from the concern of the countries affected and not of the whole Committee.

Mr. BOTELHO (Bolivia) said that the recent dramatic events in his own country had prevented him from attending the first few meetings of the Trade Committee. He stressed that Bolivia would continue to give wholehearted support to the efforts aimed at Latin America's development,

/and that

and that it endorsed most of the resolutions adopted by the Committee. However, it opposed Cuba's proposal regarding the expansion of trade between the Latin American countries and the socialist countries, because it had been proved that in the recent disturbances in Bolivia the Czechoslovak Mission to La Paz had intervened in that country's internal affairs, and Radio Moscow had broadcast to the rural workers in Aymara, inciting them to prevent the establishment of a democratic Government.

The meeting rose at 11.50 a.m.

