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ECONOMIC COMMISSION FOR LATIN AMERICA  
Sixth Session  
Bogotá, Colombia

COMMITTEE III (International Trade)

PROVISIONAL SUMMARY RECORD OF THE SIXTH MEETING

Held at Bogotá on Tuesday, 13 September 1955, at  
10:30 a.m.

CONTENTS

Consideration of draft resolutions (Continued)

PRESENT:

<u>Chairman:</u>	Mr. PONCE ENRIQUEZ	Ecuador
<u>Rapporteur:</u>	Mr. BROTONS	Uruguay
<u>Members:</u>	Mr. SCHIOPETTO	Argentina
	Mr. ARCE	Bolivia
	Mr. CAMPOS	Brazil
	Mr. TOBON VILLEGAS	Colombia
	Mr. LOPEZ ISA	Cuba
	Mr. DAZA	Chile
	Mr. SALGADO	Ecuador

NOTE: Corrections to this record should be submitted in one of the three working languages (Spanish, French and English) and addressed to Mr. Alfonso Santa Cruz, Secretary to the Conference, within 48 hours. The corrections should be accompanied by a note or written on headed note paper and should give the symbol of the summary record in question or, better, be made on a mimeographed copy of the record.

/Mr. BREITHUT

Mr. BREITHUT )	United States of
Mr. BURROWS )	America
Mr. HERRENSCHMIDT	France
Mr. APOLLON	Haiti
Mr. BUESO ARIAS	Honduras
Mr. GATICA	Mexico
Mr. GUERRERO	Nicaragua
Mr. NEWTON	Netherlands
Mr. AIZPU	Panama
Mr. BAKULA	Peru
Mr. SCOTT FOX	United Kingdom of Great Britain and Northern Ireland
Mr. GINEBRA HENRIQUEZ	Dominican Republic
Mr. LACARTE MURO	Uruguay
Mr. MULLER	Venezuela

Also present:Observers from Member States:

Mr. ALMASY	Czechoslovakia
Mr. KOT	Poland

Observer from a non-member State:

Mr. ROBERT	Spain
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Representatives of a specialized agency:

Mr. IASO )	International Monetary
Mr. VERA )	Fund

Representative of an inter-governmental organization:

Mr. GLOWER	Inter-American Economic and Social Council
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/Representatives of

Representatives of non-governmental organizations:Category A:

Mr. ESPINOSA

International  
Confederation of  
Free Trade Unions

Miss KAHN

World Federation of  
Trade UnionsSecretariat:

Mr. PREBISCH

Executive Secretary

Mr. SWENSON

Deputy Director

Mr. MALINOWSKI

United Nations  
Department of  
Economic Affairs

Mr. IVOVICH )

Mr. MALLON )

Secretaries of the  
Committee

/ CONSIDERATION

CONSIDERATION OF DRAFT RESOLUTIONS (Continued)

Draft resolution submitted by the delegation of the Dominican Republic  
(Conference Room Paper No. 37)

Mr. TOBON VILLEGAS (Colombia) proposed that the words "report to the Commission", in the operative part of the draft resolution, should be replaced by the words "keep the Commission informed".

Mr. GINEBRA HENRIQUEZ (Dominican Republic) accepted the Colombian amendment.

The revised draft resolution was approved unanimously.

Draft resolution adopted by the working group (Conference Room Paper  
No. 4/Rev.1) (Continued)

Mr. BREITHUT (United States of America) regretted that his delegation was still without instructions from Washington but he would not impose on the Committee by asking for a further postponement of the item under discussion. In the event instructions were received permitting his delegation to support the draft resolution instead of abstaining from the vote, the following changes would probably be helpful.

The conclusion of the third paragraph of the preamble should be changed to read : "peoples, and that this programme may in some cases require tariff protection and the broadening of markets for Latin American production, and" . The emphasis would thus be placed not on common markets but on broader markets.

The final paragraph of the preamble should be deleted because the position of Governments might be determined by a range of considerations and not exclusively by those mentioned in the paragraph, important as they might be.

/ The beginning

The beginning of operative paragraph 1 should be changed to read:

"To set up an Ad Hoc Trade Committee of interested Governments within the Economic Commission for Latin America...". The object of the change was to ensure that the proposed committee would deal with specific items which had been thoroughly prepared in advance by the Secretariat. Not all Governments would necessarily be present when a particular question was under consideration, nor would they be committed by the action taken although they would be prepared to give earnest consideration to proposals.

The conclusion of operative paragraph 2 should be changed to read:

"consider the advisability, inter alia, of the following when applicable to a given situation:". That change followed from the alteration of operative paragraph 1 and was necessary to allow the Secretariat to judge when and whether sufficient material was available for the study of a specific problem.

The conclusion of operative paragraph 2 (b) should be changed to read: "working for the broadening of markets for Latin American goods and services;".

Operative paragraph 6 should be replaced by the following:

"Meetings shall be convened at the request of an ECLA member and with the agreement of the Executive Secretary, who shall distribute documents to all ECLA members 30 days in advance of each session".

Mr. SCOTT FOX (United Kingdom) said that his Government had not taken a firm position on the resolution, but any effort directed toward the expansion of world trade deserved sincere support. His Government favoured an expansion of inter-Latin-American trade but did not think

/ that anything

that anything would be gained if the increase were achieved at the expense of trade with the rest of the world. A world-wide increase of trade was in the interests of all countries, including the countries of Latin America.

One of the ways to bring about that increase was to move away from bilateral clearing accounts. As a step in that direction his Government was planning to make sterling convertible in all countries where the necessary arrangements could be made. He suggested the addition of the following words after operative paragraph 2 (b). of the draft resolution: "while bearing in mind the implications of the world-wide movement towards fuller currency convertibility"

His delegation had some doubts on the usefulness of operative paragraph 2 (d). It would seem that the best way of giving the best service was to leave the provision of shipping services open to free competition. He would therefore wish to add to the paragraph in question the words: "notably by considering port changes and administration, exchange rates applicable to shipping services, and the establishing of lines between points not currently served".

He supported the remarks of the United States representative on the constitution of the proposed committee. The committee should be ad hoc in form and should not be bound to discuss all the points in operative paragraph 2 at any particular meeting. Meetings should not be held too often and should be convened only when there was a serious, concrete problem to consider on which there had been careful preparation by the Secretariat.

/ He agreed

He agreed with the United States delegation that the final paragraph of the preamble should be deleted. As originally drafted, it had included a reference to GATT, but with the deletion of that reference it was no longer appropriate.

He invited the comments of the proponents of the draft resolution and the Secretariat on the effect of rule 10 of the Commission's rules of procedure and resolution 557 (B) of the Economic and Social Council on the application of the draft resolution.

Mr. MULLER (Venezuela) noted that many reservations had been expressed and there was little prospect of unanimous agreement on the wording of the resolution. It appeared that further study was necessary and accordingly he proposed the following amendments :

The beginning of operative paragraph 1 should be amended to read: "To request the Executive Secretary of ECLA to present to the member states within 6 months a draft constitution of an Ad Hoc Trade Committee, for the purpose of ...".

Operative paragraph 6 should be replaced by the following: "The Secretariat shall communicate to Governments the draft prepared within the period indicated in paragraph 1, and shall later submit it at the seventh session of ECLA for their decision".

Throughout the operative part the verbs in the future tense should be changed to the conditional.

Mr. LOPEZ ISA (Cuba) said that the views just expressed coincided with those of his delegation. He would therefore support the Venezuelan amendments.

/ Mr. SCHIOPETTO

Mr. SCHIOPETTO (Argentina) referred to some points that had caused concern in the working group. As he saw it, sessions of the Committee would be attended by member countries interested in the agenda presented for consideration. The value of such a procedure lay in the fact that it promoted contacts on specific questions among interested Governments, stimulated the finding of solutions that might suggest themselves and led to a consideration of matters of general interest arising from the examination of specific problems. In connexion with operative paragraph 6, he considered the requirements for the provision of documentation too rigid, except in the case of the first meeting.

/ Mr. GINEBRA



Mr. GINEBRA HENRIQUEZ (Dominican Republic) said that his délégation was sympathetic to the idea of a Trade Committee but had some doubts concerning the draft resolution. He felt that the best way to ensure the establishment of a Trade Committee with a reasonable chance of success was to follow the procedure indicated in the amendments presented by the representative of Venezuela.

Mr. LACARTE MURO (Uruguay) observed that the draft resolution had been unanimously endorsed by the ten delegations that had participated in the working group and that it had the support of a clear majority of the delegations. He saw no reason for deferring the action contemplated in the draft resolution. The Economic Commission for Europe had not hesitated to create a Trade Committee when the countries of Europe considered that step to be in their interests. The conditions of trade in Latin America were too unsound to permit of a delay of two years while a text was prepared. Any draft that would be laid before the Commission in 1957 would differ little in its essentials from the present draft resolution.

As to the constitutional question concerning the need for prior approval by the Economic and Social Council, the representative of the United Nations Department of Economic Affairs, who was present at the Secretariat table and the Executive Secretary of the Commission should be in a position to say whether the Commission could take the action

/contemplated, at

contemplated, at the present session.

Mr. MALINOWSKI (Department of Economic Affairs) said that in the light of the existing rules and the practice of the Economic and Social Council and of other regional commissions, the Commission was free to establish a Trade Committee, which could begin to function when the Council took action on the Commission's report describing its decision. Such action was normally taken with regard to regional commissions at a summer session of the Council, but in case of urgency, the Commission's report could be considered by the Council, if the Council agreed, at its resumed twentieth session, which would convene towards the end of the tenth session of the General Assembly, or at the Council's twenty first session in the spring of 1956.

Mr. SALGADO (Ecuador) fully agreed with the Uruguayan representative on the urgent need to establish a trade committee.

Intra-Latin American trade was inhibited by excessive bi-lateralism, particularly in the southern part of the region, which was a concrete problem a trade committee could help to solve. Among other factors hampering trade which were listed in the Secretariat report were non-competitive prices, exchange difficulties, lack of transport and administrative difficulties in ports.

He could not escape the, possibly false, impression

/that the functions

that the functions of the proposed committee were being watered down, reducing its possibilities of effective action to a minimum. There were, however, two ways in which a trade committee make a real contribution towards rendering Latin American trade more flexible: by extracting the maximum benefit from the possibilities of bilateral arrangements and by promoting triangular and multilateral trade.

Under the first heading, the proposed committee could lay the basis of agreements for maintaining parity in compensation accounts - a serious problem in Latin America. It could also evolve formulae for unifying, as far as practicable, the criteria for the classification of specific goods and services within existing foreign exchange differentials, while refraining from any attempt at general standardization. Finally, it could promote greater uniformity of procedure in the issue of import and export licences. Such action would have the additional advantage of making the transition of multilateralism much easier.

/In the second

In the second field, the promotion of multilateralism, the proposed committee could perform the valuable service of smoothing out the present sharp disparity between the payments balances of the various countries, some of whom had a permanent credit and others a permanent debit balance.

In a word, the proposed committee could be extremely effective and help to overcome problems which the present lack of contact made it impossible to solve. In view, therefore, of the absence of constitutional difficulties and of the fact that a number of urgent and important tasks were awaiting the committee, he saw no point in postponing its establishment for two years.

His delegation would have further observations to make on the draft resolution once the question of the Venezuelan proposal had been settled.

/Mr. HERRENSCHMIDT

Mr. HERRENSCHMIDT (France) also agreed with the Uruguayan representative. Although France was not directly involved in intra Latin-American trade, it considered that its expansion would, under certain conditions, be conducive to the economic stability of the area. His delegation was, therefore, in favour of proceeding with the adoption and implementation of the working group's draft resolution, after possible amendment on the lines proposed by the United States and United Kingdom delegations.

Mr. DAZA (Chile) said that he supported the attitude taken by the delegations of Uruguay, Ecuador and France. Before the decision to set up a working group, there had seemed to be general agreement on the need to establish a trade Committee. Public opinion in Latin America expected something concrete to emerge from a Committee's discussion and it would not be in the general interest of Latin America to wait another two years before taking action.

Mr. TOBON VILLEGAS (Colombia) was also in favour of the Uruguayan position. There were four salient points which militated against the Venezuelan proposal: There had been agreement, when setting up the working group, on the need for establishing a trade Committee. Adoption of the proposal would mean postponing study of Latin America trade for two years. There were no constitutional obstacles to the establishment of the proposed Committee, and finally, the draft resolution before the crucial point of the whole work of the Committee.

Mr. MULLER (Venezuela) said that to judge from the discussions, opinion on the Committee, was not unanimous. His suggestion that the Secretariat

report be presented in six months and discussed at the Commission's seventh session was purely a tentative one. The report could, for instance, be presented in three-months time and discussed at a special session of the Commission.

Mr. PREBISCH, Executive Secretary, said that he could fully agree with the statement of the representative of the Department of Economic and Social Affairs that there were no constitutional obstacles to the Commission's deciding to establish a trade Committee, subject to the final action by the Economic and Social Council. Similar decisions had already been taken by the Regional Commissions for Europe and for Asia and the Far East.

He must, however, express some doubts regarding the turn taken by the morning's discussion. The draft resolution before the Committee concerned problems of economic policy. He therefore questioned whether the submission of such a project by the Secretariat would be consistent with its practice of abstaining from any action which involved taking sides on controversial policy questions. The Secretariat could not now abandon its position of neutrality, if it was to continue to render the same services to member governments as in the past. Any invitation to the Secretariat to present a report on the subject would oblige it to adopt a position on certain problems or the solutions of problems.

Mr. MULLER (Venezuela) agreed with the Executive Secretary that any request to prepare a report defining matters of policy would be improper. He must point out, however, that the general lines of policy were already outlined in paragraph 2 of the operative part of the draft resolution, which would be retained in the Venezuelan proposal.

/Mr. LACARTE