

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



GENERAL
E/CN.12/AC.22/SR.5
17 April 1953
ENGLISH
ORIGINAL: SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA

Fifth Session
Rio de Janeiro, Brazil.

COMMITTEE V (Intra-Regional Trade)

SUMMARY RECORD OF THE FIFTH MEETING

Held at Rio de Janeiro on Friday,
17 April 1953 at 4.30 p.m.

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(E/CN.12/304)

/PRESENT:

PRESENT:

<u>Chairman:</u>	Mr. URBIETA FLEITAS	Paraguay
<u>Rapporteur:</u>	Mr. VILAS BOAS	Brazil
<u>Members:</u>	Mr. MARTINEZ) Argentina
	Mr. CAMPS	
	Mr. BARBOSA DA SILVA	Brazil
	Mr. RADRIGAN	Chile
	Mr. MASPONS	Ecuador
	Mr. CORLISS	United States of America
	Mr. ANGLES	France
	Mr. AMADOR	Mexico
	Mr. BARRETO	Peru
	Mr. PASTORI) Uruguay
	Mr. WEISS	

Also present:Secretariat:

Mr. IVOVICH	Secretary of the Committee
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PROBLEMS OF TRADE POLICY AND PAYMENTS (Debate continued)

Mr. PASTORI (Uruguay) stated that his delegation had no objection to withdrawing the part of his oral proposal which related to the setting up of a special committee to study the position of those Latin-American countries which adhered to the General Agreement on Trade and Tariffs; it wished to keep the recommendation that ECLA should study the matter.

It was so agreed.

Mr. RADRIGAN (Chile) made some observations on the chapter of the document under discussion dealing with problems of trade policy and payments. He described the changes in his country's trade policy from the years preceding the crisis of the thirties to the present day, when Latin-

/American countries

American countries had adopted divergent policies where the General Agreement was concerned. He emphasized the need for avoiding that divergency and for bringing about an increase in intra-regional trade, which justified the request that ECLA should continue its research along those lines.

Mr. BARBOSA DA SILVA (Brazil) agreed that ECLA should be asked to study the influence that the General Agreement might exercise on the formulation of common trade policies among Latin-American countries. He read a specific draft resolution on the question, to which the Peruvian delegation had already indicated its agreement. In his opinion, a survey of the kind would be important to other international organizations and he was sure that the ECLA Secretariat could count on their help in preparing it.

Mr. AMADOR (Mexico) stated that he reserved his delegation's position on the Brazilian proposal until he was able to study it more fully. Generally speaking, he wondered whether a specific study of the question, involving direct recommendations to the countries concerned, might be interpreted as interference in matters which lay within the sole province of GATT, an autonomous organization to which many non-Latin-American countries adhered.

Such a study should be confined to the technical analysis of current problems and of the repercussions resulting from obligations contracted by some countries of Latin America. He thought, however, that its conclusions might be placed at the disposal of the competent authorities of GATT, particularly as the Committee had been informed that that body was studying the possibility of effecting some modifications in its structure.

/Mr. BARRETO (Peru)

Mr. BARRETO (Peru) thought that differences were simply a matter of drafting; as he understood it, the purpose of the resolution was to recommend that ECLA should study the specific problems arising from the application of GATT to Latin-American trade. There could be no question, of course, of making direct recommendations to that body.

Mr. BARBOSA DA SILVA (Brazil) considered that the representative of Peru had made the substance of his proposal perfectly clear. He emphasized the importance for GATT of studying the specific problems of the various regions, particularly that relating to European co-operation. In that way an ECLA study could be of great use to that body in analysing the particular problems of Latin America.

Mr. MARTINEZ (Argentina) said that, in principle, it was generally agreed that the main opportunities for the future depended on industrial development and that it was desirable that ECLA should study the possibility of extending trade in manufactured goods. That goal however would not be easy to reach unless the countries themselves reached agreement on certain reciprocal preferences. The matter was complicated by the obligations contracted with countries adhering to the General Agreement. For that reason, the Secretariat study should be accompanied by a statement from Latin-American countries which, without giving GATT definite directives on desirable modifications, would place on record the need for achieving free agreement on reciprocal preferences.

Mr. BARRETO (Peru) reiterated his delegation's objection to putting forward immediate and specific recommendations, such as the proposal
/concerned, until

concerned, until the necessary studies were completed.

Mr. PASTORI (Uruguay) said that, on the whole, he supported the motion put forward by Brazil. In his opinion it complemented that previously submitted by his own delegation; he proposed that it should be expanded and read a formal draft resolution.

Mr. CAMPS (Argentina) referred to the trade policy adopted by his country. He described the fundamental changes which had occurred since the years preceding the crisis of the thirties, a period characterized by the beginnings of controls and restrictions consequent on deficits in the balance of payments. He pointed out that the policy followed until 1941 -- when the system of exchange permits and import restrictions had been discarded -- nevertheless allowed greater facilities in the case of neighbouring countries in order to increase such trade. Similar preferential treatment had been adopted since 1946, the year in which the country had to restore import licences in order to preserve the monetary reserves accumulated during the war. In 1952 the loss of the harvest had forced Argentina to limit, as much as possible, the import of consumer goods, including some from neighbouring countries. There was, however, no change in the policy towards those countries apart from the temporary restriction placed on the import of such goods. The foregoing facts made Argentina's purpose clear -- it aimed at increased possibilities of payments among the food-importing countries of the area. The recent agreements with Chile might be regarded as a first step in the direction of a common policy such as it was hoped other countries might adopt.

Mr. RADRIGAN (Chile) explained his country's interest in problems of payments since it had non-transferable balances which hampered free development of its trade policy. He referred to the desirability of

/telescoping the

telescoping the activities of the Second Committee with those of Committee I for the sake of reaching an intra-Latin-American agreement on multilateral payments and of studying their relations with the European Payments Union. He stated that he would put forward a specific proposal that the Executive Secretary, in co-operation with the International Monetary Fund, should examine a suggestion of the kind.

Messrs. BARRETO (Peru), RADRIGAN (Chile), CAMPS (Argentina) and VILAS BOAS (Brazil) discussed the need for correlating that aspect of the Committee's work with the activities of Committee I.

It was agreed to entrust that correlation to the Chairman and Secretary.

CONCRETE PROPOSALS RELATING TO SPECIAL OR GENERAL STUDIES CONCERNING FOREIGN TRADE (E/CN.12/304)

Mr. VILAS BOAS (Brazil) submitted four draft resolutions on the future work of ECLA: a study of the possibilities of trade in manufactured goods; a reaffirmation of the Mexico draft resolution on extending such studies to cover other Latin-American countries; a survey of trends in the tourist trade within and without Latin America and its influence on the balance of payments; the motion on trade policy previously submitted.

Mr. WEISS (Uruguay) stated that, within Committee II, his delegation had put forward a motion on the lines of the Brazilian one, but somewhat wider in scope.

Mr. VILAS BOAS (Brazil) said that he intended to request that every aspect of the tourist question which, though small, was of considerable importance for the balance of payments, should be given importance. He left

/any decision

any decision on his proposal to the Chairman.

Mr. RADRIGAN (Chile) proposed that ECIA should be asked to undertake a study of procedure in the case of automatic authorizations or of extended authorizations allowing an expansion and co-ordination of trade in Latin-American products. He said, however, that his delegation would read a proposal for a survey of the carrying problem from two main points of view: the exchange system applicable to freight charges, and the possibility of Southern Latin America convening a conference on freight charges.

It was agreed that a working group should be set up to draft the proposed resolutions and that it should be composed of the representatives of Argentina, Brazil, Chile, Mexico, Peru and Uruguay.

The meeting rose at 7.10 p.m.