



ANNEX C

Note: This document was prepared for the Committee of Ministers of Economy on Economic Co-operation in Central America, as document E/CN.12/AC.17/24

REPORT OF THE FIRST SESSION OF THE COMMITTEE
OF THE MINISTERS OF ECONOMY ON ECONOMIC
CO-OPERATION IN CENTRAL AMERICA

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INTRODUCTION

This Report covers the proceedings of the First Session of the Committee of the Ministers of Economy on Economic Co-operation in Central America, held at Tegucigalpa D.C. Honduras, from August 23 to 28 inclusive, 1952.

The Report is divided into two main sections:

Part I contains a summary of the background of the aforesaid Committee and of the documents submitted to it by the Executive Secretary of the Economic Commission for Latin America.

Part II comprises the summary of the proceedings of the Committee of the Ministers of Economy on Economic Co-operation in Central America, including a brief reference to the discussions which took place and the text of the resolutions approved, arising from the agenda of the meeting.

The present Report, redacted by the Rapporteur of this First Session, Dr. Jorge Sol Castellanos, Minister of Economy of El Salvador, was unanimously approved at the Closing Session, held on August 28, 1952.

The sixteen (16) resolutions adopted by the Committee are attached hereto in the form of an annex, together with the Rules which the Committee established for itself, in accordance with the powers granted to it in article 53 of the Rules of the Economic Commission for Latin America.

/ PART I -

PART I - SHORT SUMMARY OF THE BACKGROUND OF THE
COMMITTEE AND OF THE DOCUMENTS PRESENTED
BY THE EXECUTIVE SECRETARY

1. Background

During the Fourth Session of the Economic Commission for Latin America, held in Mexico in May and June 1951, a resolution was adopted concerning "the Economic Development of Central America" [resolution 9 (IV), document E/2021], the draft of which had been jointly presented to the meeting by the Delegations of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. The resolution was based on a similar proposal approved during the Third Session of the Commission on 20 June 1950, in which it was recommended that the Latin American Governments, in formulating programmes and adopting measures for economic development, should "take into account the possibility of expanding demand through reciprocal trade in order to achieve a better integration of their economies and higher levels of productivity and real income". (See document E/1762.)

Keeping in mind the principles of that resolution, the above-mentioned delegations expressed "the interest of their governments in the development of agricultural and industrial production and of transport systems in their respective countries, so as to promote the integration of their economies and the expansion of markets by the exchange of their products, the co-ordination of their development programmes and the establishment of enterprises in which all or some of these countries have an interest", and indicated their desire that "the Executive Secretary co-operate with the governments concerned in the study and development of those plans".

The Mexico resolution, after stating the principles referred to in document E/2021 and recognizing that "the aspirations of the Central American countries will make a positive contribution to the economic development of Latin America and are compatible with the objectives of the Commission", reads as follows:

/ "(a) TAKES

- "(a) TAKES NOTE with satisfaction of the declared objectives of the Central American Governments with reference to the integration of their national economies;
- (b) REQUESTS the Executive Secretary to study the means or plans for the progressive attainment of those objectives; and
- (c) INVITES the governments of the Isthmus of Central America, whenever they deem it appropriate, to form a committee on economic co-operation, composed of Ministers of Economic Affairs or persons appointed by them, to act as a co-ordinating body for activities relating to the above-mentioned questions, and as a consultative organ of the Executive Secretary of ECLA, both to direct the studies mentioned above and to examine the conclusions reached therein. "

In view of the fore-going, the Executive Secretariat began its work on this report during the latter months of 1951. In March, 1952, having collected the preliminary data required for a study of Central America's economy, the Executive Secretary accompanied by members of the Commission's Office in Mexico, travelled through the countries of the Central American Isthmus with a view to making personal contact with the economic and financial authorities and representatives of private enterprise and labour sectors in that area and to discussing in detail problems of economic integration and development. At a later date, closer association with the governments was reached and, by mutual agreement, the provisional agenda was established for the first meeting of the Committee on Economic Co-operation, to be held, at the invitation of the Government of Honduras, in the city of Tegucigalpa on August 23rd, 1952.

2. Documents presented by the Executive Secretary

The Secretariat of the Economic Commission for Latin America submitted the following documents for the consideration of the Committee on Economic Co-operation:

- a) A Preliminary Report on Economic Integration and Reciprocity in Central America (Document E/CN.12/AC.17/3).^{1/} This report contains a general study of the favourable factors for a policy of integration in Central America, going on to analyse the principles and scope of such a

^{1/} See Annex A.

policy and the essential requisites for its fulfilment. The possibility of limited and gradual integration is then examined in relation to the present phase of Central American economy, taking into account the reciprocity of advantages as between the different countries. Subsequently, certain basic requirements for the adoption and success of an economic policy founded on such principles are studied, including trade and customs policies, measures designed to ensure technical progress, the development of transport systems, electric power and financial co-operation, from the standpoint of a community of aims and means. Certain industries were also surveyed with a view both to the possibility and advisability of formulating projects compatible with a plan of economic integration, but subject to prior analyses, the objects of which should be determined in each individual case.

b) A Note on Economic, Integration and Technological Co-operation (Document E/CN.12/AC.17/4)^{1/} in which the need to promote industrial and agricultural research is considered, together with matters concerning the training of exports and labour in these activities. The conclusion is reached that this need is an essential condition for economic integration and development and certain concrete measures are suggested whereby these objectives may be attained, based on a study of the services at present available in Central America.

c) A Note regarding the Standardization of Customs Tariff Nomenclature. (Document E/CN.12/AC.17/5). In this document, a study is made of the need for a co-ordination of Central American Customs policies, which is deemed an indispensable complement to a policy of integration. Mention is made of the work being done in the statistical field in Central America, with a view to the standardization of nomenclature in foreign trade statistics. Reference is also made to the assistance which the Economic Commission for Latin America might render in these activities.

^{1/} See Annex B.

d) A Note on Transport in Central America, (Document E/CN.12/AC.17/6) describing the work done by the Economic Commission for Latin America in connexion with the request made by the governments of the Central American republics and Panama to the Technical Assistance Administration of United Nations, to carry out a survey of transport facilities on the Isthmus, to be completed by a Seminar to discuss this subject. The note contains information regarding the plan of study which will be carried out by the joint TAA/ECLA group, including likewise a progress report on the work already accomplished and that to be completed within the next few months.

PART II - SUMMARY OF THE PROCEEDINGS OF THE COMMITTEE
ON ECONOMIC CO-OPERATION

1. Inaugural Session

The inaugural session of the Committee was held in the Great Hall of the Central University of Honduras on August 23rd, 1952. His Excellency, the Minister for Foreign Affairs of Honduras, Dr. Edgardo Valenzuela, welcomed the Delegations on behalf of the Government of his country, promising the whole-hearted support of Honduras in the task of economic integration and co-operation as between the republics of Central America. At the same time, he stressed the importance of the work of United Nations. Dr. Jorge Sol Castellanos, Minister of Economy of El Salvador was the next speaker. On behalf of the Delegations, he expressed their appreciation of the hospitality extended by Honduras and the invaluable co-operation offered by United Nations. The Assistant-Director of the Technical Assistance Administration of United Nations, on behalf of the Secretary-General, thanked the Government of Honduras for collaborating in the preparation of this Conference, and drew attention to the goodwill shown by TAA in co-operating in the fulfilment of the aims of economic integration of the Member Governments of this Committee. Lastly, the Executive Secretary of the Economic Commission for Latin America referred to the invaluable assistance lent by the Government of Honduras in organising the First Session of the Committee, and explained the significance and scope of the work presented by the Secretariat. He gave a careful description of the method followed and reminded those present that executive officers of the Secretariat had visited the different countries of the Isthmus, entering into contact with the authorities and with private economic enterprise as well as with labour associations, with a view to obtaining direct knowledge of regional problems in order to provide better orientation for the reports to be presented to the Committee.

The Pro-tem Chairman, Dr. Marco Antonio Batres, Minister of Finance, Public Credit and Commerce of Honduras then closed the session.

2. Membership and Attendance

The meeting of the Committee on Economic Co-operation was attended by delegations from all the Member Governments, namely, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. During the First Session, the Chairman advised the Committee of a telegram received from the Government of Panama, appointing the Minister Plenipotentiary of that country in Honduras, Major Abel Quintero Anguizola, Observer to the proceedings of the Committee.

The following is the list of delegations and their members:

a) Delegations of member countries of the Committee.

<u>Costa Rica</u>	Representative	Alfredo Hernández, Minister of Economy and Finance
	Alternates	Rodrigo Soley, Attorney to the Ministry of Finance
		Alfredo Povedano, Chief of the Commercial Department of the Ministry of Finance.
		Alvaro Castro, Director of the Department of Economic Research of the Central Bank
<u>El Salvador</u>	Representative	Jorge Sol Castellanos, Minister of Economy
	Alternates	Enrique Porras, Minister of Finance
		Manuel Chavarría, Director of the Institute of Economic Research
		Alfredo Martínez Moreno, Chief of the Department of International Organisations, Ministry of Foreign Affairs
		Walter Keller, Advisor to the Dirección General de Estadística
		Guillermo Chacón, Assistant-Chief of the Department of International Organisations, Ministry of Foreign Affairs
<u>Guatemala</u>	Representative	Roberto Fanjul García, Minister of Economy and Labour. (In view of his having to leave, the Minister was substituted during the third meeting by Ramón Cadena Hernández, Assistant Secretary of Economy and Labour).

/Alternates

	Alternates	Manuel Noriega Morales, President of the Bank of Guatemala
		José Luis Mendoza, Chief of the Bureau of Treaties, Ministry of Foreign Affairs
		Efraín Castillo Urrutia, Advisor to the Ministry of Economy
		Emilio Zea González, Deputy
		Franz Walter, Technical Councillor of Customs Office
<u>Honduras</u>	Representative	Marco A. Batres, Minister of Finance, Public Credit and Commerce
	Alternates	Roberto Ramirez, President of the Central Bank of Honduras
		Tomás Cáliz Moncada, Vice-President of the Banco Central
		Guillermo López Rdezno, President of the National Development Bank
		Gabriel A. Mejía, Director of the Income Tax Office
		Paul Vinelli, Technical Advisor
		Manuel Tesco, Technical Advisor
		Mogens V. Hermann, Technical Advisor
		Jorge St. Siegens, Technical Advisor
<u>Nicaragua</u>	Representative	Enrique Delgado, Minister of Economy
	Alternate	Luis Augusto Cantarero, Banks Superintendent
	b) Observer	
<u>Panama</u>		Abel Quintero Anguizola, Panamanian Minister Plenipotentiary to Honduras

3. Organization of the Work of the Committee

During the first meeting, the following officers were elected: Chairman, Dr. Marco A. Batres, Representative of Honduras; Rapporteur, Dr. Jorge Sol Castellanos, Representative of El Salvador. During this meeting, it was resolved to adopt provisionally the Rules of Procedure of the Economic Commission for Latin America until such a time as specific Rules should be adopted for the Committee. A Sub-Committee was appointed for the purpose of drafting these Rules, and was constituted by delegates

from the five countries. The Committee met in plenary sessions and in the course of the discussions, special committees were set up.

4. Agenda of First Session

During the first meeting; the Draft Agenda drawn up by the Executive Secretariat was adopted, as follows:

1. Inaugural Addresses.
2. Approval of the Rules of Procedure.
3. Election of Officers.
4. Discussion and Approval of the Agenda.
5. Report by the Executive Secretary of the Commission with regard to the Studies on the Integration of the Central American Economies and Projects of Economic Reciprocity, prepared in accordance with the terms of resolution 9 (IV) of 16 June 1951. 1/

Executive Secretary's Preliminary Report on Economic Integration and Reciprocity in Central America (Document E/CN.12/AC.17/3).

6. Economic Integration and Technological Co-operation.
Note from the Executive Secretary (Document E/CN.12/AC.17/4)
7. Standardisation of Customs Tariff Nomenclature.
Note from the Executive Secretary (Document E/CN.12/AC.17/5)
8. Transport in Central America.
Note by the Executive Secretary with reference to the Study on "Transport in Central America" being jointly prepared by ECLA/TAA (Document E/CN.12/AC.17/6).
9. Discussion and approval of the Report.
10. Date and place of the next session

5. Proceedings and Resolutions

a) General principles for a policy of economic integration and reciprocity in Central America

The first meeting began with the discussion of the Preliminary Report presented by the Executive Secretary on Economic Integration and Reciprocity in Central America. It was agreed to divide discussion of this report into two parts: (1) the general questions dealt with in the third chapter, "The scope and requisites of a policy of Economic Integration and reciprocity", and (2) the specific projects suggested

1/ Document E/2021

in the fourth chapter, which refers to "Certain initial possibilities in industry". The delegations recognized the outstanding importance of economic integration in connexion with the development of the Central American countries and expressed their agreement with the terms in which the Executive Secretary had presented the concept of integration which served as a basis for the constitution of this Committee. They likewise considered that integration should be adopted gradually and in a limited manner, on the basis of mutual co-operation. Special attention was drawn to the principle of reciprocity in accordance with which the different productive activities in any programme of integration should be developed in such a way that the trade resulting from the participation of the several countries should be effected on the basis of reciprocal advantages. It was pointed out that a dual advantage would accrue to these countries if the policy of integration provided at the same time for the introduction of new productive activities and the obtaining of advantages from increased inter-Central American trade.

In the course of the proceedings, various delegations stressed different general aspects of considerable importance to the policy of integration and reciprocity. In the first place, attention was drawn to the fact that a policy of integration would make it also desirable to achieve compatibility as between the different national programmes of development. Reference was also made to the need of studying basic problems such as transport and electric power, without the development of which new industrial activities for the Central American market as a whole cannot be established. In this connexion, the progress made thus far by certain countries was fully recognized, but it was felt that these problems must be considered in the aggregate and not as isolated matters.

Other Delegations pointed out that it would be desirable for the Executive Secretary in future reports, to give greater emphasis than had been done in the case of the present document to agricultural and cattle-raising problems, and their connexion with industrial development. One of the delegations cited examples of complementary development in agricultural production which it would be well to include in a policy of integration. It was pointed out that the development of agriculture with a view to incrementing domestic consumption of the Central America countries as well as for export purposes might provide a very valuable element for a

policy of integration as well as for the development of a reciprocal flow of trade.

Though the Executive Secretariat's report had not given sufficient emphasis to this point, some delegations mentioned the possibility of organising certain activities with a view not only to supplying the Central American markets but also those located outside this area. This would place many industries on a more solid basis, at the same time strengthening the position of the balance of payments, and offering greater support to programmes of development.

The Delegations were in agreement as regards the general requisites for a policy of integration as set forth in the aforesaid report, recognizing the need to formulate a t r a d e policy for Central America which would prove of assistance in the gradual and limited adoption of a policy of integration.

Resolution number 1 was adopted with regard to the General Principles of Central American Economic Integration.

- b) Formulation of concrete projects in connexion with integration.
- i) Productive activities directed toward integration.

In discussing the suggestions made by the Executive Secretary with regard to specific productive activities to be included in a project of integration, it was agreed to adopt a system of priorities, taking into account the advisability of selecting both new and existing industries suitable to a policy of integration. It was sharply stressed that at the present stage of development of the economy of Central America, it would not be wise to adopt too ambitious a plan and that it would be preferable to provide for a limited number of concrete projects which can be carried out within a reasonable period of time. For a start, it was attempted to select a group of inter-related industries, either consuming one another's products or turning out by-products the consumption of which is important. With due regard for the principle of complementation, it was pointed out that the initial list should contain certain industries of less importance but which are nevertheless desirable from the standpoint of adequate geographic distribution for purposes of reciprocity.

/In accordance

In accordance with the afore-mentioned list of priorities, the industries and activities indicated by the Executive Secretary were divided into two main groups namely: (i) those for which it would be advisable to formulate concrete projects at once, and (ii) those others for which the formulation of concrete proposals might be postponed for the time being.

These principles and the selected productive activities are referred to in resolution 2.

ii) Electric Power. Given the importance of the development of electric power resources in Central America as an essential basis for all programmes of economic development in view of the possibilities of inter-connecting the various electric systems, both in the national and international sectors, and taking into account the fact that investigations designed to provide a means of increasing power availabilities have not advanced with any degree of uniformity in the different countries, it was agreed to request the Secretariat of the Commission, in co-operation with the Technical Assistance Administration, to carry out a full survey of this problem. This question is dealt with in Resolution number 3, on Electric Power.

iii) Transport. The Executive Secretary submitted a note to the Committee regarding the study on Transport in the Central American Isthmus, previously requested by the governments of these countries. This study is being carried out by a group of experts who will shortly visit the different republics in the area. Special attention was drawn to the proposal for submitting the report prepared by these experts to discussion by a group of government authorities and technicians of the countries concerned in the problem of transport on the Isthmus.

Resolution number 4 was adopted with reference to the "Study of Transport in Central America".

iv) Financing of Economic Development. Discussion of the problem of financing Central American Economic Development and, more specifically, of concrete proposals of integration met with demonstrations of marked interest by all the delegations. In the opinion of several representatives,

/an inter-Central

an inter-Central American financing agency might be the most suitable means of handling problems of this kind. However, in recommending that the Executive Secretary examine this matter, it was felt that it would be advisable not to advance any opinion regarding any specific solution in order to allow the problem to be considered from its widest possible standpoint.

Resolution number 5 was adopted in relation to the Financing of Economic Development and Integration in Central America.

c) Co-operation in the Field of Technology and Training. The Committee showed great interest in the considerations and practical suggestions set forth in the note presented by the Executive Secretary on Technological Co-operation. In the course of a lengthy debate, each of the delegations stated their individual opinions with regard to this problem. Based on resolution 13 (IV) of the Commission, relative to research and training in Latin America, and also a resolution adopted July 10, 1952 by the Economic and Social Council of the United Nations, envisaging the establishment of centres of productivity in the countries or regions to be developed, it was resolved to recommend that these Governments should request the Technical Assistance Administration and the Economic Commission for Latin America together to propose the basis for an Institute of Industrial Technological Research. It was likewise agreed to establish the main objectives of such an institute, namely methodical and co-ordinated research of the natural resources of this region, the study of existing industries and of the working methods and systems in practice with a view to increasing productivity, the adaptation of the technological methods of more highly-developed countries to local conditions, the rendering of technical services to governments and public and private enterprise, the training of Central American technicians and of labour, insofar as is possible, and, broadly speaking, the development of technique and the study thereof from every standpoint.

/The Committee

The Committee carefully considered the economic consequences of research in agricultural and cattle-raising sectors and of the technical training at present being carried out throughout Central America, and likewise their remarkable significance in connexion with the work being done in the field of economic development and integration. Since Ministries of Agriculture or other similar bodies are generally entrusted with these activities, the Committee believed that it would be advisable to recommend that Governments attribute due importance to the relationship between research and training in crop and livestock production on the one hand and economic development and integration on the other, to obtain greater co-ordination throughout Central America as a whole. The Committee also requested that the Executive Secretary of the Economic Commission for Latin America, together with the Food and Agriculture Organization, and in consultation with other appropriate national and international agencies, appraise these activities from the economic standpoint and in the light of their relation to economic development and integration.

During the course of the discussion it was pointed out that the purely technical aspects of these activities do not fall within the field of action of Ministers of Economy but that their economic repercussions are nevertheless of considerable importance to the programmes established by the Committee.

Lastly, the Committee felt that it was both necessary and desirable for the Central American countries to reach an agreement as to the training of industrial experts, directors and managers of enterprise, and of skilled labour, since there are several undeniable advantages to be derived from the co-operation of the different countries in this field, as was pointed out in the Executive Secretary's note. In order to initiate action in this sector, and at the same time with a view to benefiting from the experience of international agencies specializing in these matters, it was agreed to recommend that Governments should request United Nations, UNESCO and ILO, together with ECLA's Executive Secretary, in accordance with the means made available by the extended programme of technical

/assistance, to

assistance, to present concrete propositions as to the most adequate manner of promoting the training of experts and skilled labour in Central America. They should likewise request these organizations to prepare a report and submit recommendations as to the most efficient manner of establishing technical training for directors and managers of industrial and business enterprises throughout Central America.

The views of the committee in connexion with technology and training are condensed in Resolution number 6, referring to the Institute of Industrial Technological Research. Resolution number 7 deals with Technical Training in the Field of Industry and Management, whilst number 8 concerns Research and Training in Crop and Livestock Production and their Relationship with Economic Development.

d) Customs Tariff Nomenclature. The Committee recognized that the absence of uniformity in the preparation and presentation of foreign trade statistics constitutes a serious hindrance for comparative purposes. In order to correct this deficiency, all these countries have begun to convert their foreign trade classifications in accordance with the Standardized International Trade Classification prepared by United Nations and recommended by the Economic and Social Council. It was deemed advisable to recommend that Governments should co-ordinate their efforts in this work of conversion in order to adopt uniform criteria and, in this connexion, requested the assistance of the Economic Commission for Latin America, the Statistical Office of the United Nations, and the Inter-American Institute of Statistics.

Moreover, it was agreed that the standardization of Customs Tariff Nomenclature is an essential condition for the gradual and limited integration approved by the Committee and especially for co-ordinated action in matters related to commercial policy and the execution of concrete plans for establishing industries which are of interest to several Central American countries. The Committee therefore agreed that a sub-committee should be set up as soon as possible to draw up a project of standardized tariff nomenclature for the Central American countries and that the co-operation of the Executive Secretary of the Economic Commission for Latin America should be requested in this connexion.

/With regard

With regard to the foregoing matter, Resolution number 9, was approved, relevant to the Standardization of International Trade Classifications and Statistical Nomenclature.

e) Technical Assistance. It was generally agreed that the preliminary studies were sufficiently advanced to enable concrete proposals to be made. In coming to this decision, due account was taken of the fact that though a fair proportion of the resources of the Mexican Office of ECLA were engaged in assisting the Committee, from the technical standpoint, it would be necessary to count on the collaboration of other experts in the different subjects encompassed by these projects.

At the request of several delegations, the Assistant-Director of the Technical Assistance Administration explained the manner in which United Nations might co-operate by sending experts, at the request of interested governments. At the same time, he voiced the willingness of the Administration to consider these requests in view of the fundamental importance ascribed to the policy of integration as a means of hastening the economic development of Central America.

The experts thus appointed would work together with the economists of the Economic Commission for Latin America, thus enabling the Commission's Secretariat and the Technical Assistance Administration to present concrete projects for the consideration of the Committee.

Various countries mentioned the advisability of reviewing current procedure with regard to technical assistance in order to reduce its costs for the Central American republics, especially in relation to projects of integration, and also to simplify the administrative procedure.

Resolution number 10 was adopted, with reference to Financing and Administration of Central American Projects of Technical Assistance.

f) Functions of the Committee. In view of the permanent nature of the Committee on Economic Co-operation and the fact that resolution 9 (IV) adopted during the Fourth Session, does not clearly specify its general attributions, the Committee itself resolved to strengthen its own position and increase its efficiency by a more precise statement regarding its functions.

/The permanent

The permanent rules of the Committee were therefore adopted in accordance with the draft proposed by the Sub-Committee composed of members of each of the Central American countries.

At the suggestion of various delegations, and in order to facilitate the work of the Executive Secretariat placed at the disposal of this Committee, as well as to co-ordinate the internal activities of the several government organizations dealing with matters relative to the integration of the Central American economies, it was agreed to recommend that these governments should designate a representative with the aforesaid qualifications, preferably a Minister whenever possible, to attend the meeting of the Committee.

In this connexion, special attention was drawn to the desirability of having the Ministers attend these meetings personally at least once a year, unless prevented by unavoidable circumstances. At other meetings, they might be substituted by alternates, when the items on the agenda do not make their presence essential.

Resolution 11, relative to the Attributions of the Committee of Ministers of Economy on Economic Co-operation in Central America, and number 12, dealing with Internal Co-ordination and Liaison, were adopted in connexion with the above matters.

g) Invitation to the Republic of Panama. The Committee was pleased to note the presence of a representative of the Government of Panama as an Observer. One of the delegations present moved that the Executive Secretary be requested to invite the Government of that country to become a member of the Committee, should it so desire, the proposal being adopted with acclamation (resolution 13, Invitation Extended to the Republic of Panama to join the Committee).

h) Place and Date of the Next Meeting. The Governments of Costa Rica and Nicaragua both expressed the wish that the forthcoming sessions of the Committee be held in their respective capitals. The Committee decided to accept these invitations with thanks, though not indicating

/any order

any order of preference thereby, the Committee resolved that its second Session should be held in San José and the third in Managua.

The date of the second session was set for February 1953. The Executive Secretary pointed out that during that month ECLA would be engaged in preparing the documents for its next meeting in Rio de Janeiro. However, though the Secretariat would assist the Committee to the best of its ability, he felt that it was his duty to advise the Ministers that the burden of the Commission's work was such that it might not be able to fulfil its obligations to the Committee as efficiently as might be desired. In principle, it was therefore agreed that the first quarter of 1953 should be set as the date for the next meeting, notwithstanding which the Chairman of the Committee, in agreement with the Executive Secretary and the members of the Committee, would be empowered to alter the date and place of the aforesaid meeting, should unforeseeable circumstances make such a change necessary. (Resolution 14, relative to the Place and Date of the Next Session.)

i) Officers of the Committee. Pursuant to the Rules adopted, an election by acclamation was held for the office of Chairman of the Committee, as a result of which Dr. Marco Antonio Batres, Minister of Finance, Public Credit and Commerce of Honduras will occupy this office for the period of one year.

j) Expressions of appreciation. The Committee thanked the Chairman warmly for the able manner in which he presided over the discussions and for the generous hospitality shown on every occasion to the various delegations by the Government of Honduras. The Committee likewise voiced its appreciation of the efficient co-operation rendered by the Executive Secretary. Both the Chairman and the Executive Secretary acknowledged these votes of thanks, the latter on behalf of his fellow-workers in the Commission, adding that all had worked with the greatest enthusiasm on the study of the problems of integration, in the certainty that the collaboration of United Nations would prove invaluable to the Central American countries.

/(Resolution 15,

(Resolution 15, Vote of thanks to the Officers of the Committee, the Secretariat and the Representatives of United Nations, and resolution number 16, Vote of thanks to the Government and Authorities of Honduras).

Attached to this Report are the texts of the resolutions adopted by the Committee. Six sets of these resolutions were certified by the Heads of the Delegations for purposes of authenticity, and then distributed to each of the Delegations and to the Executive Secretary of the Economic Commission for Latin America.

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ANNEXES

A. Resolutions adopted

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/GENERAL PRINCIPLES

GENERAL PRINCIPLES OF ECONOMIC INTEGRATION
IN CENTRAL AMERICA

1 (AC.17) Resolution approved August 27, 1952
(E/CN.12/AC.17/8)

THE COMMITTEE OF THE MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA,

CONSIDERING that the Executive Secretary of the Economic Commission for Latin America, fulfilling the instructions given during the Fourth Session of the Commission, held in Mexico City, presented a report on Economic Integration and Reciprocity in Central America;

CONSIDERING that in the aforesaid report the Executive Secretary makes several suggestions for carrying out a gradual and limited integration of the countries of the Isthmus; and

CONSIDERING that although it is the common aspiration of the peoples and Governments of the Isthmus of Central America to achieve a total integration of their economies as soon as possible, it would be advisable, given present day conditions, to concentrate their efforts in a gradual economic integration limited to specific sectors of crop and livestock production and industry;

RESOLVES

TO NOTE with satisfaction the report presented by the Executive Secretary of the Economic Commission for Latin America on economic integration and reciprocity in Central America and to congratulate the Secretariat of the aforesaid Commission on the accuracy with which it has analysed the economic problems common to the Central American countries and proposed concrete measures for their solution; and

RECOMMENDS to the participating Governments:

- a) That in formulating their economic policies they should take into account the need for integrating the economies of their respective countries and so develop programmes directed to achieving this objective, based on the common aspirations and the principles of mutual co-operation and reciprocity; and

/b) That in

- b) That in order to carry out this policy of integration gradually and progressively it is necessary to study and adopt projects of economic development calling for joint action, and to carry these out in accordance with the practical possibilities available.

/PRODUCTIVE

PRODUCTIVE ACTIVITIES DIRECTED TOWARD
ECONOMIC INTEGRATION

2 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/9)

THE COMMITTEE OF THE MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA;

CONSIDERING that this Committee has resolved to adopt the principles
of limited and gradual economic integration, based on mutual co-operation
and reciprocity, as a practical guide which, for the present, would assist
in promoting the complementary development of the economy of Central
America;

CONSIDERING that the Secretariat of the Economic Commission for Latin
America has submitted to the consideration of the Committee a number of
studies which may serve as a basis for the preparation of concrete projects
in an important sector of productive activities;

CONSIDERING that in selecting initial projects it is necessary to keep
in mind the advisability of stimulating agricultural development with a
view to increasing both consumption and the volume of trade and providing
an adequate supply of raw materials for Central American industries, and
that these projects should not only envisage the establishment of new
industrial activities but also the improvement and rationalization of
those already in existence; and

CONSIDERING that in order to regulate the preparation of the concrete
projects and the utilization of such technical assistance as may be lent
by the United Nations and its Specialized Agencies, it would be desirable
to indicate those groups of activities which are of immediate interest and
which best comply with the objectives in view;

RESOLVES

1. To note the suggestions contained in Chapter IV of the Report
on Economic Integration and Reciprocity in Central America presented by
the Executive Secretary of the Commission and to request that concrete
projects be formulated, envisaging the establishment of new industries and
the improvement and rationalization of those already in existence, taking
into account the need for:

/a) linking

- a) linking the development of crop and livestock producing activities with industrial development;
- b) promoting an increase in the volume of inter-Central American trade and closer economic complementary activities; and
- c) seeking the widest application of the principle of reciprocity, keeping in mind the location of all productive activities.

2. To recommend that the Governments of the Central American Republics request the United Nations, the Food and Agriculture Organization and other Specialized Agencies to send experts to work in conjunction with those of the Economic Commission for Latin America in order to formulate the concrete projects referred to in the foregoing section relative to the activities mentioned in the report, granting the highest priority to the following group:

- a) cotton and cotton yarn and textiles;
- b) oilseeds, oils, fats and related industries;
- c) cattle-raising, dairy products, preparation of meat and hides, footwear, leather goods and other by-products;
- d) fishing and related industries;
- e) forest resources, lumber, woodpulp and paper industries;
- f) rubber tires and tubes and other rubber goods; and
- g) wooden and wax matches.

In drawing up these projects, special attention should be given to the possible tax implications involved by their execution, and an attempt should be made to suggest the best means of preventing any adverse results.

3. To recommend that the Secretariat of the Economic Commission for Latin America make periodic reports to the Committee on the progress of the work referred to above and its relationship with the integration of the Central American economies, requesting, at the same time, that with a view to the better fulfilment of the principles adopted by the Committee, the Commission should suggest the extensions or changes it deems advisable to make in the initial list of activities included in this resolution.

ELECTRIC POWER

3 (AC.17) Resolution approved 27 August 1952
(E/CN.12/AC.17/10)THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that one of the fundamental requisites for industrial and agricultural development and for economic integration in Central America is an adequate supply of electric power;

CONSIDERING that the installations currently available in Central America are inadequate to meet present demand and cannot therefore contribute to the economic development of the area;

CONSIDERING that as yet no aggregate study has been made of the electric power industry of Central America and that, on the whole, in the present plants it has proved impossible to adopt the modern techniques of inter-connexion and load compensation required to obtain the maximum benefit from the resources used in the generation of electricity;

RESOLVES

- 1) To recommend that the respective governments request from the Technical Assistance Administration of the United Nations the services of the necessary experts who, together with the Executive Secretariat of the Economic Commission for Latin America and in consultation with the Governments, would carry out a complete study of the electrical industry of Central America.
- 2) That in carrying out this study, due account be taken of existing electrification plans; that an indication be given of the methods and systems to be adopted in order to stimulate the development of electric power and to improve actual conditions in the generation, distribution and consumption of electricity. It is likewise necessary to ascertain the possibilities of inter-connexion of the power networks of each country on a national and international scale, so that efficient use can be made of electric installations and the utilization of the hydroelectric resources of the area.

TRANSPORT STUDY IN CENTRAL AMERICA

4 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/11)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that the Executive Secretary of the Economic Commission for Latin America reported to the Committee (Document E/CN.12/AC.17/6) on the progress made by the Central American Republics and Panama in their request to the Technical Assistance Administration of the United Nations for an integral study of Transport in Central America, to be carried out jointly by that Administration and by the Executive Secretariat of the Commission;

CONSIDERING that the report to be prepared by these experts should be presented to the Governments concerned for study, and that it would be advisable to discuss the conclusions of the document in a Seminar attended by representatives and technicians of the different interested countries;

RESOLVES

1) To note with satisfaction the report submitted by the Executive Secretary of the Economic Commission for Latin America on the background and preparatory work for this study and the proposal to hold a seminar to discuss this subject;

2) To offer its auspices to the Seminar referred to above in view of the importance of these problems in relation to the policy of integration and reciprocity adopted by the Central American countries and to recommend that the Executive Secretary, after consultation with the participating governments, set the place and date of this meeting.

/FINANCING OF

FINANCING OF ECONOMIC DEVELOPMENT AND INTEGRATION
IN CENTRAL AMERICA

5 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/12)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that in order to carry out the policies of development and gradual and limited integration of Central American economy, it is essential to have greater financial resources than are at present available and also to ensure the co-operation of the Republics of the Isthmus in the joint or co-ordinated financing of the different projects;

CONSIDERING that the possibilities of increasing savings and domestic investments in Central America and the means of utilizing foreign financial resources supplied by private capital and by international financial organizations for purposes of development and integration have not yet been adequately studied;

RESOLVES

To request the Executive Secretary, in co-operation with the competent international financial organizations, to study the most adequate methods of financing plans of development and integration in Central America.

/INSTITUTE OF

INSTITUTE OF INDUSTRIAL TECHNOLOGICAL RESEARCH

6 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/13)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that increased productivity is an essential factor for economic development and that the low level thereof throughout Central America is largely due to the lack of technological progress in industry;

CONSIDERING that in order to introduce modern technique into Central American experiments and studies must be furthered, taking into account local conditions;

CONSIDERING that the Economic and Social Council recommended in a resolution adopted July 10, 1952 during its XIV Session, that centres of productivity be established in the countries or regions undergoing a process of development;

CONSIDERING that the Executive Secretary of the Economic Commission for Latin America submitted a report to the Committee on Technological Co-operation (Document E/CN.12/AC.17/4);

RESOLVES

1) To take note of the report on Technological Co-operation presented by the Executive Secretary of the Economic Commission for Latin America (Document E/CN.12/AC.17/4) and to express its agreement with the opinions stated therein directed toward the standardization of scientific research, technological training and the adequate application of knowledge and experience in the utilization of natural and human resources in order to make use of the numerous possibilities of creating wealth for the benefit of the Central American countries.

2) To recommend that the Central American Governments, supported by the resolution adopted on July 10 1952, by the Economic and Social Council, request the Technical Assistance Administration of United Nations, together with the Executive Secretary of the Economic Commission for Latin America,

/to propose

to propose the basis for an institute of industrial technology and the means of establishing such an institute in co-operation with the Central American Republics.

The following objectives might be established for the institute:

- i) To carry out methodical and co-ordinated research on the utilization of the natural resources found in Central America, with a view to developing industry, mining, electric power and other forms of production.
- ii) To carry out studies of the Central American industries and to propose the most suitable techniques for perfecting methods of production, utilization of waste products, the establishment of quality controls and other similar measures, with a view to raising the level of productivity.
- iii) To answer consultations made by private enterprise and in conjunction with the latter, with labour unions and with Government offices, foster campaigns for the improvement of working methods.
- iv) To study and propose the most adequate technological methods for improved industrial development of the region, taking into account the small capital availabilities and the need to make the best use thereof. With regard to this latter point, it is necessary to examine the possibilities of providing remunerative employment for the excess population and under-employed labour.
- v) To act as an advisory organ for the Central American Governments in technical matters connected with industrial projects, in the selection of experts and in other similar matters.
- vi) To train Central American researchers and technicians in the various activities to be promoted by the Institute and to train skilled labour for such activities.
- vii) To sponsor by all possible publicity methods the knowledge of technique and to stimulate concern for industrial technological research.

/TECHNICAL TRAINING

TECHNICAL TRAINING IN THE FIELD OF INDUSTRY
AND MANAGEMENT

7 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/14)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that the training of industrial experts and skilled labour is one of the most pressing requisites for those industries already located in Central America or those to be established there shortly, especially in view of the plans of economic integration which the countries in this area propose to carry out;

CONSIDERING that the training of commercial and industrial leaders and managers is likewise essential to good organization and industrial development in this region;

RESOLVES

To recommend that the governments of the Central American countries request United Nations and its specialized agencies, in collaboration with the Executive Secretary of the Economic Commission for Latin America and in accordance with the means provided by the extended programme of technical assistance, to prepare:

- a) concrete proposals for the most suitable method of promoting the training of experts and skilled labour in Central America, taking into account prevailing conditions and the objectives of economic development and integration pursued by the republics in this area; and
- b) a report recommending the most adequate programme of technical training for industrial and commercial leaders and managers in Central America.

/RESEARCH AND

RESEARCH AND TRAINING IN CROP AND LIVESTOCK PRODUCTION
AND THEIR RELATIONSHIP WITH ECONOMIC DEVELOPMENT

8 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/15)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that at the present time, research work in the field of crop and livestock production is being carried out which, from the standpoint of its economic consequences, is of special importance to the objectives of development and integration pursued by this Committee;

RESOLVES

1. To recommend that the Central American Governments, through their Ministries of Agriculture or other appropriate organs, give special attention to the relationship between research and training in crop and livestock production on the one hand, and economic development on the other, with a view to increase co-ordination throughout Central America as a whole.
2. To recommend that the Executive Secretary of the Economic Commission for Latin America, in co-operation with the Food and Agriculture Organization, and in consultation with the competent national and international agencies, carry out an appraisal of the activities referred to immediately above, under 1, in connexion with the requisites, possibilities and objectives of economic development and especially with the policy of integration.

/STANDARDIZATION

STANDARDIZATION OF INTERNATIONAL TRADE CLASSIFICATIONS
AND STATISTICAL NOMENCLATURE

9 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/16)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that the compilation of comparable foreign trade statistics and the adoption of standardized international trade nomenclature are essential requirements for carrying out a gradual and limited policy of economic integration in the countries of Central America, as approved by this Committee;

RESOLVES

1. To recommend that the Governments of the Central American republics co-ordinate their efforts in the conversion of their international trade statistics to the Standardized International Trade Classification (SITC), collaborating with the Economic Commission for Latin America, the Statistical Office of the United Nations and the Inter American Institute of Statistics in this task;
2. To constitute a sub-committee for the purpose of preparing a project of standardized international trade classifications for the countries of Central America and to request the co-operation of the Executive Secretary of the Economic Commission for Latin America in carrying out this work; and
3. To designate the city of Tegucigalpa as the headquarters of the aforesaid sub-committee and to invite the Governments and the Executive Secretary of the Economic Commission for Latin America to send delegates at their earliest possible convenience.

/FINANCING AND

FINANCING AND ADMINISTRATION OF CENTRAL AMERICAN
PROJECTS OF TECHNICAL ASSISTANCE

10 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/17)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that this Committee recommended that the participating Governments request of United Nations and its Specialized Agencies the technical assistance required for the study of the problems common to the Central American republics and for the formulation of projects directed to the integration of their economies;

CONSIDERING that notwithstanding the fact that the Central American countries have signed technical assistance agreements with United Nations and with the Specialized Agencies, these agreements do not provide for aspects arising from inter-Central American integration and co-operation as presented in the projects of assistance considered by this Committee;

RESOLVES

To recommend that the organizations forming the Technical Assistance Administration Board of United Nations take the necessary steps to grant special treatment for the technical assistance requests made by the Governments of Central America, in accordance with the regional nature of the projects; and that in establishing the aforesaid agreements, they take into account the limited contributing capacity of the Central American countries and the desirability of establishing simple administrative methods to facilitate co-operation between United Nations and the Governments of Central American republics.

/ATTRIBUTIONS OF

ATTRIBUTIONS OF THE COMMITTEE OF MINISTERS OF
ECONOMY ON ECONOMIC CO-OPERATION IN CENTRAL AMERICA

11 (AC.17) Resolution approved August 27 1952.
(E/CN.12/AC.17/18)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that Resolution 9 (IV) of the Economic Commission for Latin America, adopted in June 1951, indicates the general method of procedure for the Committee and that in holding its First Session it would be opportune for this Committee to state these attributions specifically in order to guide its work in the future;

RESOLVES

That the Committee of Ministers of Economy on Economic Co-operation in Central America is a permanent organization of the Economic Commission for Latin America, on the governmental level;

The following shall be the functions of the Committee:

a) To propose to the participating governments such concrete measures as are directed to the gradual and limited integration of the economies of the Central American countries and the necessary co-ordination for their domestic programmes of economic development;

b) To determine the measures for research and study in connexion with the objectives outlined immediately above;

c) To direct and guide the utilization of technical assistance in matters pertaining to the integration of the Central American economies; to co-ordinate requests made by these Governments for technical assistance in such matters; to superintend the progress and execution of the work done by the experts; and to take note of the reports and studies submitted by the latter.

d) To constitute sub-committees to deal with subjects related to the economic integration of Central America and to sponsor meetings of experts.

/The Committee

The Committee should ordinarily meet once a year, the Ministers attending in person; should they be prevented therefrom by unavoidable circumstances, they may be represented by an Alternate. The Committee may hold additional meetings, attended by the Ministers or their duly-appointed substitutes when the continuity of the work of the Committee so demands.

The Committee may invite observers or representatives of Specialized Agencies of United Nations, or of other bodies to attend its meetings, in an advisory capacity.

The Committee shall determine the places in which its meetings are to be held, observing, insofar as is possible, a suitable order of rotation for the Central American countries, though permitting them to coincide with the periodic sessions of the Economic Commission for Latin America, when this appears desirable.

/INTERNAL CO-ORDINATION.

INTERNATIONAL CO-ORDINATION AND LIAISON

12 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/19)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that in order to carry out the plans of integration of the economies of the Central American countries it is essential to ensure the continuity of the work of the Committee and take the necessary measures to enable the respective governments to co-ordinate the internal activities of the different departments concerned with matters related to the integration of the Central American economies,

RESOLVES

To recommend to the participating Governments,

- a) That they appoint a Liaison Officer to co-ordinate the activities of the different departments concerned with matters related to the integration of the Central American economies, and
- b) that the aforesaid Officer likewise fulfil liaison duties between his Government and the Executive Secretariat of the Economic Commission for Latin America and, insofar as is possible, represent the Minister of Economy at the meetings which the latter is unable to attend personally.

/INVITATION EXTENDED

INVITATION EXTENDED TO THE REPUBLIC OF PANAMA
TO JOIN THE COMMITTEE

13 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/20)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

CONSIDERING that the terms of Resolution 9 (IV) of the Economic Commission for Latin America unquestionably allow for the participation of the Republic of Panama in the Committee of Ministers of Economy on Economic Co-operation in Central America;

CONSIDERING that in view of the geographic position of the Republic of Panama and the resemblance between its economic problems and those of the rest of Central America, the incorporation of the aforesaid sister republic in the movement of integration and reciprocity would assist in solving these problems and in extending the scope of the policy fostered by the Committee,

RESOLVES

1. To express its pleasure in having the Republic of Panama share the principles and purposes upheld by the Committee and participate in the activities and Sessions of the aforesaid Committee, as a member thereof.

2. To empower the Executive Secretary of the Economic Commission for Latin America, in concurrence with the Chairman of the Committee of Ministers of Economy on Economic Co-operation in Central America, to invite the Government of the Republic of Panama to send its representatives to forthcoming meetings and activities of the above Committee and its subsidiary bodies.

/PLACE AND

PLACE AND DATE OF THE NEXT SESSION

- 14 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/21)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

RESOLVES

1. To take note of the generous offers made by the Governments of Costa Rica and Nicaragua regarding the holdings of the forthcoming sessions of the Committee in the cities of San José and Managua, successively and accept these invitations with pleasure; and

2. To empower the Chairman of the Committee, in the event of any circumstance arising which would prevent the sessions being held in the order and places arranged, to fix the date and place of the next one after consultation with the other Member Governments of the Committee and in agreement with the Executive Secretary of the Economic Commission for Latin America.

/VOTE OF

VOTE OF THANKS TO THE OFFICERS OF THE COMMITTEE, THE
SECRETARIAT AND THE REPRESENTATIVES OF THE UNITED NATIONS

15 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/22)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA

RESOLVES

To express its warmest thanks:

a) To the Chairman of the Committee, Dr. Marco a. Batres,
Minister of Finance, Public Credit and Commerce of Honduras for the
efficiency with which he conducted the proceedings of the Committee,
thus contributing to the successful conclusion of the meeting;

b) To the Executive Secretary of the Economic Commission for
Latin America and other members of the Secretariat for the preparation
of the Conference and of the technical reports which provided the
Committee with a sound basis for its discussions:

c) To the Assistant-Director of the Technical Assistance
Administration of United Nations and the Executive Secretary of the
Technical Assistance Administration Board of United Nations for having
attended the meeting and imparted explanatory comments of great value
in clarifying the discussion of certain important topics.

/VOTE OF

E/CN.12/296/Annex C

(E/CN.12/AC.17/24)

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VOTE OF THANKS TO THE GOVERNMENT AND
AUTHORITIES OF HONDURAS

16 (AC.17) Resolution approved August 27 1952
(E/CN.12/AC.17/23)

THE COMMITTEE OF MINISTERS OF ECONOMY ON ECONOMIC CO-OPERATION
IN CENTRAL AMERICA,

RESOLVES

To express its sincerest thanks to the Government and Authorities of Honduras for the generous hospitality shown to all the Delegations and to the Secretariat of the Economic Commission for Latin America, as well as for the efficient measures taken to ensure the smooth running of the meetings.

//B. Rules of

B. Rules of the Committee

RULES OF THE COMMITTEE OF MINISTERS OF ECONOMY ON
ECONOMIC CO-OPERATION IN CENTRAL AMERICA

Approved August 27, 1952
(Doc. E/CN.12/AC.17/7)

CHAPTER I - ORGANIZATION

Rule 1

The Committee of Ministers of Economy on Economic Co-operation in Central America is a permanent organization of the Economic Commission for Latin America, on the governmental level;

Rule 2

The Ministers of Economy of the Central American Republics are *ex officio* members of the Committee.

In the event of any of the Ministers being unable to attend a meeting, he may be represented by an accredited delegate.

Rule 3

The Ministers of Economy may be accompanied by the advisers and experts deemed necessary.

Such advisers and experts may represent their respective Ministers of Economy, and shall have the right to speak and to vote at any meeting of the Committee or of its subsidiary bodies.

Rule 4

The Governments of the Central American Republics shall grant the Minister of Economy or their alternates and their advisers and experts the usual credentials required for international meetings.

Rule 5

The Committee shall elect its Chairman for a period of one year. The remaining Ministers of Economy shall act as Vice-Chairmen and in the absence of the Chairman shall preside, the succession alternating in Spanish alphabetical order of the names of their respective countries.

Rule 6

If the Chairman ceases to be a member of the Committee, the Vice-Chairman whose turn it is to preside shall replace the Chairman until the next meeting of the Committee, when a new election shall be held.

Rule 7

At each meeting of the Committee, a Rapporteur shall be elected, who may be one of the Ministers or the advisers or experts.

Rule 8

The Chairman, or Vice-Chairman, shall participate in the meetings of the Committee as such and not as the representative of the government by whom he was accredited. In this case, an alternate delegate shall be admitted to represent that Government.

Rule 9

The Executive Secretary of the Economic Commission for Latin America shall be responsible for the Secretariat of the Committee.

CHAPTER II - FUNCTIONS

Rule 10

The following are the functions of the Committee:

- 1) To propose to the participating governments such concrete measures as are directed toward the gradual and limited integration of the economies of the Central American countries and the necessary co-ordination of their domestic programmes of economic development;
- 2) To determine the carrying out of research and study in connexion with the objectives outlined immediately above;
- 3) a) To direct and guide the utilization of technical assistance in matters pertaining to the integration of the Central American economies and to co-ordinate the requests made by these Governments for technical assistance in such matters; b) to superintend the progress and execution of the work done by the experts and c) to take note of the reports and studies submitted by the latter.

/4) To constitute

4) To constitute sub-committees for dealing with subjects related to the economic integration of Central America and to sponsor meetings of experts.

CHAPTER III - SESSIONS

Rule 11

The ordinary Sessions of the Committee shall be held once a year and the Ministers shall attend personally. In the event of any one of them being unable to attend personally, he shall be substituted by an alternate delegate.

At these meetings, the Committee, with the concurrence of the Executive Secretary of the Economic Commission for Latin America shall determine the approximate date and place of the next meeting.

Rule 12

In addition to the meetings referred to in the preceding Rule, the Committee may hold other meetings, attended by the Ministers or their alternates, when this seems desirable from the standpoint of the continuity of the Committee's work.

In such cases, the Chairman of the Committee, on his own initiative or at the request of any one of the members, shall issue the necessary notice of convocation, after consultation with the remaining members and in agreement with the Executive Secretary of the Economic Commission for Latin America.

Rule 13

The simple majority of the members of the Committee shall constitute a quorum for any meeting but the voting of any principal motion may only take place provided the representatives of all the member countries are present. Each country shall have one vote. Decisions on principal motions must be unanimous; formal motions may be approved by a simple majority of the votes counted. In the event of doubt arising as to whether a motion is principal or formal, the voting must be unanimous. Abstentions from voting shall not affect such unanimity.

Rule 14

The conduct of the discussions and the voting, for general purposes, shall follow the usual procedure adopted at international meetings. In the event of doubt, the Rules of the Economic Commission for Latin America shall be applicable.

Rule 15

At the close of each Session the records of the conduct of the business of the Committee shall be submitted by it to the Economic Commission for Latin America; this report should contain a summary of the proceedings and the full text of the resolutions approved.

CHAPTER IV - THE SECRETARIAT

Rule 16

The Executive Secretary shall act in that capacity at all meetings of the Committee and of its subsidiary bodies. He may appoint another member of the staff to take his place at any meeting.

Rule 17

The Executive Secretary or his representative may at any meeting make either oral or written statements concerning any question under consideration.

Rule 18

The Executive Secretary shall be responsible for the organization and preparation of the meetings. At the start of each meeting, he shall present a report on the work completed in the recess between the meetings. During that interval, the Executive Secretary, insofar as is possible, shall keep the participating Governments posted as to the progress of the work in hand.

Rule 19

The Executive Secretary shall, at least thirty days before the opening date of each meeting, distribute to the member Governments, copies of the provisional agenda, together with the reports and documents to be discussed during the meeting convened.

/CHAPTER V -

CHAPTER V - GENERAL RULES

Rule 20

In the event of any matter arising which has not been foreseen by the present Rules, the pertinent Rules of the Economic Commission for Latin America shall be applied, provided they are deemed suitable for the purposes of the Committee.

Rule 21

The Committee may at any time amend the present Rules of Procedure.

