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on Monday, 8 May 1967, at 4.10 p.m.

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Latin American integration

Chairman and Rapporteur: Mr. G. MARTINEZ (Argentina)

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working languages of the Commission (English, French or Spanish),  
preferably on a mimeographed copy of the record, to the Conference  
Officer, Miss Juana Eyzaguirre.

THE ECONOMICALLY RELATIVELY LESS DEVELOPED COUNTRIES AND LATIN AMERICAN INTEGRATION

Mr. MACARIO (Secretariat) introduced a preliminary report (E/CN.12/774 and Add.1-2) on the special problems of the economically relatively less developed countries in the process of Latin American integration. The secretariat intended to expand and improve the document in the light of the observations made by delegations and submitted directly by Governments. Before preparing the final version, the secretariat would discuss its content at a meeting with the regional organizations concerned with Latin American integration, such as ALALC, SIECA, IDB, and ICAP. The government representatives of the relatively less developed countries invited by the secretariat in pursuance of resolution 251 (XI) would thus have before them more material and more specific proposals on integration policy.

Mr. PARRA VELASCO (Ecuador) thought that it would be very useful for the relatively less developed countries of Latin America if ECLA were to include pragmatic examples in document E/CN.12/774, which would strengthen the position of those countries in the integration process. For that purpose it should make a more thorough analysis of the financial and technical assistance problems and suggest methods of granting preferential treatment to those countries. Moreover, it should discuss the machinery for establishing a fund for promoting integration with the financial institutions concerned, laying special stress on the development of the less advanced countries. In that connexion a more comprehensive and practical study of regional industries and of those which might be sited in the relatively less developed countries was particularly important. The results of ECLA's studies of the position of the less developed countries might be evaluated at a meeting of their representatives, possibly at Quito.

The individual internal efforts of the Latin American countries would have to be supplemented by joint multilateral action by all those countries at the second Conference on Trade and Development; they should strive to induce the developed nations to provide easier access to their markets for diversified products from the developing countries and to pay remunerative and stable prices for them.

/ECLA could

ECLA could help in that effort by studying price problems and giving closer attention to trade with the centrally-planned economies, prospects for exports of manufactures and semi-manufactures from the relatively less developed countries of the region and shipping problems.

His country was concerned about the growing discrepancy between the prices of Latin American primary commodities, particularly tropical products, and those of the manufactures which the developing countries had to import, and he therefore considered it essential to try to establish an equitable system of compensation in order to eliminate or reduce that disparity. That principle had been recognized at the Chapultepec Conference and discussed at the Havana Conference, which had recommended that international agreements should be concluded on the gradual reduction of the unjustifiable discrepancy between those prices, and had been reaffirmed in the Bogotá Economic Agreement of 1948, subject to a formal reservation by the United States, and in the Charter of Quito. In view of all those decisions the time seemed to be ripe for putting those principles into practice, and to that end the ECLA secretariat could carry out detailed practical studies with a view to determining what action should be taken.

MR. SANCHEZ (Costa Rica) said that Central America had embarked on a project which was daily gathering momentum and which it would be advisable to extend to the entire continent. His country was happy to note that the Declaration of the Presidents of America made provision for setting up a committee which would act as a co-ordinating organ for LAFTA and the Central American Common Market. He believed that ECLA had an important part to play in such co-ordination.

He expressed his approval of the secretariat document but pointed out that it contained no specific suggestions. His delegation would submit some suggestions at the meeting of the relatively less developed countries.

Mr. GARCIA REYNOSO (Mexico) stressed that ECLA could play a useful part in furthering execution of the agreement approved at the Meeting of American Chiefs of State by drawing up recommendations on action to help the relatively less developed countries with inadequate markets during

/the integration

the integration process and by preparing proposals for providing technical and financial assistance to those countries as a matter of priority. The ECLA secretariat could make an equally important contribution in the matter of sub-regional agreements, which should be of a provisional nature (three, four or five years) but not separate from the overall integration movement, so that integration was not slowed down.

Mr. SETTE (Brazil) had some doubts about the role that the representative of Mexico thought that ECLA should play in the integration process with regard to compliance with the principles governing technical and financial co-operation with countries that were relatively less developed and those whose markets were inadequate. Brazil considered that the important role of ECLA was to advise the Latin American Governments and the organizations working for integration, but that the actual responsibility for the process went beyond mere technical considerations and was therefore incumbent on Governments themselves. He considered that sub-regional agreements could not be left out of the integration process nor, on the other hand, could they be permitted to hold it back. It would be for the integration agencies to lay down norms concerning the periods during which such agreements should remain in effect.

Mr. GARCIA REYNOSO (Mexico) explained that ECLA's role, as he understood it, was to carry out studies, suggest formulas, and make recommendations in order to achieve the balanced growth of Latin America, paying particular attention to the problems of countries that were relatively less developed and those whose markets were inadequate. ECLA could indicate ways of making sub-regional agreements consistent with the aims of Latin American integration; it was for the authorities of ALALC to formulate the norms governing the periods during which such agreements should remain in effect, although ECLA, in its capacity of adviser to ALALC, could make a valuable contribution when such norms might have a bearing on the trend towards integration.

/Mr. LLUCH

Mr. LLUCH (Chile) noted that some delegations were showing misgivings about the possibility that sub-regional agreements might tend to impede the overall integration movement. While such fears might be justifiable in principle, they were not justified in Latin America, where all the countries were intent on acting together. All paths would therefore lead to the same goal, and the sub-regional agreements, from acting as a brake, would help to speed up development.

Latin America was facing serious problems in its foreign trade and financing and part of the solution lay in the solidarity that would enable it to speak and negotiate with one voice. In this connection, he warned that the greatest problem might be excessive caution. The region was faced with emergencies, that left no time for hesitation but made it urgently necessary to forge ahead with goodwill.

Present prospects were promising and Chile was prepared to move ahead towards integration by various routes. Integration was the only reasonable goal but it was possible to arrive at it by different paths.

Mr. RECONCO MURILLO (Honduras) referred to page 57 of document E/CN.12/774, in which mention was made of the preferential treatment granted to Honduras in the Central American Common Market and pointed out that that treatment was not yet in effect. In that respect he considered it advisable that ECLA should study the institutional and other mechanisms that were hindering the execution of such agreements in both the Central American Common Market and ALALC. That would in turn help the integration process to be carried out smoothly without leaving relatively less developed enclaves. He considered that the study should be completed before the next meeting of the relatively less developed countries, adding that that meeting was of great interest to his delegation.

Mr. MENDEZ (Colombia) agreed with the Mexican representative that subregional agreements should be directed towards the general integration process and therefore considered it essential that subregional integration measures should be co-ordinated with regional integration. Subregional agreements could contribute in a very practical way to the general integration process by enabling the relatively less developed countries to

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