



# **ECONOMIC COMMISSION FOR LATIN AMERICA**

## **TWENTIETH ANNUAL REPORT**

(26 April 1968–23 April 1969)

### **VOLUME I**

**ECONOMIC AND SOCIAL COUNCIL  
OFFICIAL RECORDS: FORTY-SEVENTH SESSION**

**UNITED NATIONS**

(m) The analysis of the various aspects of the technological dependence of the developing countries on the developed countries;

2. Requests the developed countries and the countries of the European Economic Community, so far as is possible, to make available to the secretariat full data for use in the studies referred to in paragraph 1 (e) of the present resolution;

3. Suggests that, to assist it in undertaking the above-mentioned activities, the secretariat of the Commission may call upon consultants and, in agreement with Governments, set up working groups and convene meetings of government experts from the Latin American countries interested in the topics or areas under study;

4. Recommends that the secretariat should co-ordinate its work with the specialized agencies and seek their assistance if it deems it necessary.

132nd meeting,  
21 April 1969.

#### 292 (XIII). External financial co-operation

##### The Economic Commission for Latin America,

Considering that under-development is a structural problem of long standing which can only be overcome by proper economic and social planning, and creates responsibilities in the community of nations because it affects peace, justice and international security,

Bearing in mind that development consolidates the political and economic independence of States,

Believing that the nations of the region are responsible for economic and social development and that the achievement of national and regional objectives depends essentially on the efforts of each country, but that those efforts should be complemented by international co-operation, which is an important prerequisite for the mobilization and utilization of domestic resources,

Considering that, in order for that co-operation to be an effective instrument in achieving economic and social development, it should be based on a number of principles defining its nature, orientation and purposes,

Considering that external co-operation can be a positive factor in promoting development, provided that it is adapted to economic and social conditions in the region with due regard for the approach and strategy adopted by each country, thereby ensuring that it will not become an instrument for increasing their external dependence,

Believing that the purpose of external co-operation is perverted when it is given on condition that the recipient country alter its basic economic policies,

Considering that, in the last decade, international co-operation for the development of Latin America fell far short of satisfying the needs of the Latin American countries in volume, and, indeed, deteriorated in terms and procedures,

Bearing in mind the trend towards a tightening of external credit in respect of repayment periods and interest rates,

Considering that economic and social criteria are not always a paramount consideration in decisions relating to external financial co-operation,

Considering that the decisions of international financing agencies may not be compatible with the multilateral nature of those agencies, while at the same time external financial co-operation on a bilateral basis is becoming increasingly difficult in inter-American affairs,

Declares that:

## I

The Latin American countries seek to create the necessary conditions for full economic and social development, with the assistance of international financial co-operation, taking into account the following principles:

1. International economic relations must be based on respect for the principle of sovereign equality of States and the principle of non-intervention in matters within the domestic jurisdiction of any States, and the very existence of legislation which runs counter to those principles jeopardizes their inviolability;

2. Economic co-operation constitutes a commitment and should be substantial in volume, appropriate and continuing, so that it can effectively help to promote economic and social development in the Latin American countries and so that it does not serve exclusively as a means of promoting the interests of the donor countries;

3. Financial co-operation should respect the independence of the recipient countries, and should therefore not be subject to any proviso that might distort its real purpose of furthering development;

4. The duties and obligations assumed by each country to achieve and uphold justice in international relations should constitute the foundation of the co-operation received by Latin America, to stimulate its economic and social development;

5. External financial co-operation should, in addition, be guided by an international spirit of solidarity and not be used to bring pressure to bear on the sovereign will of recipient States.

## II

The Latin American countries believe that it is essential that the external financial co-operation defined in the foregoing principles should fulfil the following basic requirements:

1. External financing should be granted in accordance with national development plans and policies, since it should guarantee an adequate and steady flow of funds and the right of the recipient country to fix its own priorities, thereby improving the effectiveness of external financial co-operation in serious situations that require an over-all strategy;
2. The donor countries and international financing agencies should give consideration, in granting aid, to economic and social criteria which take due account of the manner in which the recipient country envisages its own development;
3. It is essential that external financial co-operation should not be subject to conditions which limit the recipient country's ability to make decisions as regards its basic economic policies;
4. Regulations or criteria tying the granting of loans to the purchase of goods and services from specific supplier countries or particular sources should be eliminated;
5. It is imperative to strengthen genuinely multilateral external financial co-operation, and the international financing agencies, since they are multilateral, should not allow their decisions to be affected by possible bilateral problems among countries;
6. Effective machinery should be set up for liberalizing external credit by, inter alia, reducing interest rates and extending repayment periods, and the initial funds required for such machinery would be provided out of contributions from international financing agencies and the developed countries.

133rd meeting,  
22 April 1969.

295 (XIII). Technical advice for the Latin American Free Trade Association

The Economic Commission for Latin America,

Considering that, in accordance with article 44 of the Treaty of Montevideo <sup>34/</sup> and the provisions of Protocol No. 3 <sup>35/</sup> on the collaboration and technical advice to be extended to the Latin American Free Trade Association (LAFTA) by the Commission, an Office has been established at Montevideo on a permanent basis to deal with the requirements of the Contracting Parties and of the secretariat of LAFTA in relation to the joint work programmes which are periodically agreed upon at the secretariat level.

Persuaded that, if the joint work programmes are to be carried out more effectively, it is necessary to strengthen the Montevideo Office,

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<sup>34/</sup> See Multilateral Economic Co-operation in Latin America (United Nations publication, Sales No.: 62.II.G.3), vol. I, p. 62.

<sup>35/</sup> Ibid., p. 68.