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UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

**ECONOMIC COMMISSION FOR LATIN AMERICA**

**REPORT OF THE CENTRAL AMERICAN  
ECONOMIC CO-OPERATION COMMITTEE**

25 FEBRUARY 1957 TO 10 JUNE 1958

MEXICO

# INDEX

|   | <i>Page</i> |
|---|-------------|
| FOREWORD. Scope of the report. . . . .  | 1           |
| <b>PART I. ACCOUNT OF ACTIVITIES BETWEEN THE FOURTH AND FIFTH SESSIONS.</b> . . . . . | <b>1</b>    |
| A. Introduction . . . . .   | 1           |
| B. General state of the Central American integration programme. . . . .               | 1           |
| C. Establishment of the Central American common market . . . . .                      | 2           |
| 1. Free Trade . . . . .   | 2           |
| 2. Equalization of import duties . . . . .  | 2           |
| 3. Customs nomenclature . . . . .   | 2           |
| 4. Customs regulation . . . . .   | 2           |
| 5. Fiscal implications of tariff equalization and free trade . . . . .                | 2           |
| 6. Central American commercial policy. . . . .  | 2           |
| D. Industrial development . . . . .   | 2           |
| 1. Régime for Central American Integration Industries . . . . .                       | 2           |
| 2. Equalization of fiscal incentives . . . . .  | 3           |
| 3. Central American Industrial Initiatives Commission . . . . .                       | 3           |
| 4. Pulp and paper industry . . . . .  | 3           |
| 5. Insecticides industry . . . . .  | 3           |
| E. Development of the economic infra-structure . . . . .                              | 3           |
| 1. Road transport . . . . .   | 3           |
| 2. Maritime transport . . . . .   | 3           |
| 3. Electric power . . . . .   | 3           |
| F. Agricultural, livestock and fisheries development . . . . .                        | 3           |
| 1. Grain supplies . . . . .   | 4           |
| 2. Livestock and livestock products . . . . .   | 4           |
| 3. Cotton . . . . .   | 4           |
| 3. Fishing industry . . . . .   | 4           |
| G. Research and training . . . . .  | 4           |
| 1. Industrial research and technology . . . . .                                       | 4           |
| 2. ILO Programmes . . . . .   | 4           |
| 3. Public administration . . . . .  | 4           |
| H. Housing, building and urban planning . . . . .                                     | 4           |
| I. Social aspects of development . . . . .  | 5           |
| J. Other activities . . . . .   | 5           |
| 1. Statistics . . . . .   | 5           |
| 2. Weights and measures. . . . .  | 5           |
| 3. Central American Postal Union . . . . .  | 5           |

*(Continued on inside of back cover)*

## NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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| E/CN.12/492<br>E/CN.12/CCE/151      |
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## ECONOMIC COMMISSION FOR LATIN AMERICA

*Report of the Central American Economic Co-operation Committee*

(25 February 1957 to 10 June 1958)

## Foreword

## SCOPE OF THE REPORT

This report, submitted by the Central American Economic Co-operation Committee to the Economic Commission for Latin America, covers activities between the fourth session, held in Guatemala City in February 1957, and the end of the fifth session, held in Tegucigalpa, Honduras from 3 to 10 June, 1958. The report is divided into four parts: Part I reviews the activities of the Committee and the secretariat between the two sessions; Part II summarizes the technical assistance provided to the Committee under the United Nations Expanded Programme; Part III gives an account of the proceedings and conclusions of the fifth session; and

Part IV contains the resolutions adopted at the fifth session.

The annexes to the present report contain the texts of the Multilateral Treaty on Free Trade and Central American Economic Integration, the Agreement on the Régime for Central American Integration Industries, the Central American Agreement on Road Traffic, and the Central American Agreement on Standard Road Signs and Signals, all of which received the approval of the Committee and were signed by the Governments at the closing plenary meeting of the fifth session on 10 June 1958.

## Part I

## ACCOUNT OF ACTIVITIES BETWEEN THE FOURTH AND FIFTH SESSIONS

## A. INTRODUCTION

Between the fourth and fifth sessions, the activities of the economic integration programme continued to expand, as foreseen in the previous report, and in fact the pace of work exceeded that of the preceding period. During the period under review the following meetings were held: two consultative meetings of the representatives of the Central American Ministers of Economic Affairs on the draft Multilateral Treaty of Free Trade and Central American Economic Integration one meeting of the Central American Trade Sub-Committee; two meetings of the Statistical Co-ordination Sub-Committee; and meetings on electric power, housing, the textile industry and road transport. A training course was given on foreign trade index numbers. The Central American Research Institute for Industry was established on a firm footing and the Advanced School of Public Administration for Central America continued its regular activities.

B. GENERAL STATE OF THE CENTRAL AMERICAN  
INTEGRATION PROGRAMME

An important part of the activities carried out between February 1957 and May 1958 was devoted to the examination and discussion of the draft Multilateral Free

Trade Treaty and the draft Agreement on the Régime for Central American Integration Industries. These activities took different forms. In the first place, the Governments, pursuant to resolutions 37 and 38 (CCE), made careful studies of both drafts and subsequently presented them for consideration of the main private enterprise sectors and public opinion in general. In addition, two consultative meetings of the representatives of the Ministers of Economic Affairs were held with a view to reaching agreement on amendments to the text of the Multilateral Treaty, and to its annex A which contains the schedule of commodities subject to free trade. These meetings made it possible to submit to the Governments, before the fifth session of the Committee, a final text and an enlarged schedule of commodities with respect to the original one. The secretariat co-operated in this work and, in addition, prepared new studies at the request of the Committee, including various papers on the methodology of tariff equalization, which were subsequently examined at the fourth session of the Trade Sub-Committee, and a study of the fiscal implications of tariff equalization and free trade. Thus, firm steps were taken towards signing these legal instruments, which the Central American Governments have considered necessary for establishing a Central American common market.

The general report submitted by the secretariat (E/CN.12/CCE/113), stresses the significance of the foregoing aspects of the programme within the general framework of measures aiming at integration, and in addition, reviews the achievements in each of the Committee's specific fields of activity. Outstanding among the industrial projects, are those relating to the manufacture of pulp and paper, whose studies are very advanced, and the examination by a working group of the prospects for the textile industry. The meeting on road transport achieved progress in the consideration of traffic problems, and proposed, after a prior study, a multilateral agreement on road traffic prepared by a TAA expert. The meeting on electric power resulted in recommendations for more permanent co-operation in this field. Similar recommendations were made at the meeting on housing and building industries. Work continued on important aspects of agricultural integration. Activities and achievements in the field of statistical co-ordination were also considerable, as evidenced by the publication of the *Central American Statistical Compendium* and the preparation of a large number of documents by the national statistical offices.

The interrelationships between the Central American economies may be of growing significance for the future projections of economic development in each country, as well as for their respective development programmes. In this connexion it is worth noting that the secretariat is co-operating with the Governments of Costa Rica, El Salvador, Honduras and Panama in studies of this character; and it is hoped that, at some later date, it will be possible to make a study of economic development projections for Central America as a whole.

The following paragraphs describe briefly the activities in each field of the Committee's work during the past year.

### C. ESTABLISHMENT OF THE CENTRAL AMERICAN COMMON MARKET

#### 1. *Free trade*

During the period under review the Central American Governments promoted discussion within each country of the draft Multilateral Treaty on Free Trade and Central American Economic Integration, and, thereafter, two consultative meetings were held on this draft in compliance with resolution 37 (CCE). At these meetings various amendments and additions were proposed to the text and to the schedule of free trade commodities constituting annex A to the Treaty (E/CN.12/CCE/112 and 112/Add. 1, Add. 2, and Add. 3).

#### 2. *Equalization of import duties*

At its fourth session, held at San Salvador, El Salvador, in September 1957, the Central American Trade Sub-Committee approved a method of computing import duties for purposes of comparison. It also discussed the most effective procedures for equalizing import charges and agreed that equalization should be made through a common tariff. The results of the session are presented in the report of the Sub-Committee (E/CN.12/CCE/SC.1/31/Rev.1).

#### 3. *Customs nomenclature*

In connexion with the Standard Central American Customs Nomenclature (NAUCA) consultations took place through the secretariat on certain classification problems, with a view to establishing common criteria in each case.

At its fourth session the Trade Sub-Committee recommended the unification of the tariff items corresponding to each sub-group, in the different countries, for the commodities covered by the Multilateral Free Trade Treaty.

#### 4. *Customs regulation*

The expert appointed by TAA to prepare a new draft standard customs code for Central America, completed his work. The revised draft (TAA/LAT/14) was submitted to the Governments.

#### 5. *Fiscal implications of tariff equalization and free trade.*

In compliance with resolution 50 (CCE) and because of its general interest for the programme, the secretariat prepared a study on the fiscal repercussions that might result in each Central American country from the equalization of import duties and free trade (E/CN.12/CCE/110).

#### 6. *Central American commercial policy*

Subsequent to the fourth session of the Committee, a TAA expert, in consultation with the secretariat, undertook a study of the forms and procedures that might be adopted for equalizing customs tariffs between the Central American countries. This study, entitled *Methods of Applying and Problems of the Equalization of Customs Tariffs in Central America* (TAA/LAT/13), was submitted to the fourth session of the Trade Sub-Committee and served as a basis for the latter's recommendations in this field. The same expert later prepared a second paper, entitled *Equalization of Customs Duties and Common Commercial Policy in Central America* (TAA/LAT/21), analysing the consequences of tariff equalization for Central American commercial policy.

### D. INDUSTRIAL DEVELOPMENT

#### 1. *Régime for Central American Integration Industries*

At its fourth session the Committee recommended in resolution 38 (CCE), that the Central American Governments "give careful study and consideration, with a view to its early signature, to the draft agreement on Central American integration industries... which was prepared by the Committee on the basis of an earlier draft prepared by a group of experts appointed under resolution 26 (CCE)". The Committee also recommended that the Governments endeavour to ensure "that public opinion in their respective countries is informed concerning the implications of the draft agreement and, in particular, that the views of private enterprise are invited".

Since that session the Governments have consulted various private enterprise sectors and the matter has been under continuous study.

## 2. Equalization of fiscal incentives

During the period covered by this Report, various Central American countries gave active consideration to legislative measures for promoting industry through fiscal incentives. The legislative bodies of Nicaragua and Honduras approved laws on this subject. In Costa Rica and Guatemala, draft laws have been formulated. The secretariat had the opportunity to see these drafts and express its opinion on some.

## 3. Central American Industrial Initiatives Commission

In January 1958, a meeting of a Working Group on the textile industry of the Central American Industrial Initiatives Commission, was held in Managua pursuant to resolution 40 (CCE). At the meeting note was taken of a report, prepared by a TAA expert, on the current state and developmental prospects of the textile industry in Central America (TAA/LAT/8). The principal recommendations made at the meeting relate to specialization and expansion of the industry, training of personnel, and the formation of national textile industries associations and a Central American federation of these associations. (See the report of the meeting, Doc, E/CN.12/CCE/109.)

## 4. Pulp and paper industry

Preliminary studies on the establishment of a Central American pulp and paper plant to utilize the timber resources of the Olancho zone in Honduras were concluded, and new studies on the organizational aspects and possibilities of financing the industry were initiated. At the same time, the final technical project is being prepared. The FAO mission of experts, which began its task in 1954, continued working on technical and economic aspects of the industry.

In accordance with the Committee's request, a TAA expert is making preliminary explorations of the possibilities of financing the project.

## 5. Insecticides industry

In compliance with resolution 40 (CCE), the TAA has appointed an expert to study, in co-operation with the ICAITI, the possibility of establishing an insecticides industry capable of supplying the Central American market.

## E. DEVELOPMENT OF THE ECONOMIC INFRA-STRUCTURE

### 1. Road transport

The second meeting of Traffic Authorities of Central America and Panama was held in San Salvador in October 1957. The meeting considered two principal subjects: regulation of road traffic, and preparation of a manual of road specifications and road building contracts. The results of the discussions and the corresponding

recommendations are contained in the report of the meeting (E/CN.12/CCE/105).

In connexion with road traffic, it is of interest to mention especially the draft Central American Agreement on Road Traffic, whose signature by the Governments was recommended at the meeting.

As regards road specifications, the meeting examined and discussed the preliminary version of a manual on the subject, prepared by a TAA expert. The first two parts of the manual (TAA/LAT/19 and Add. 1) were approved and the remaining parts were left for subsequent consultations and meetings.

The Central American Agreement on Standard Road Signs and Signals, whose adoption was recommended in resolution 42 (CCE), has been prepared for signature on the basis of a draft submitted by the secretariat to the Committee (E/CN.12/CCE/111 and 111/Add.1).

### 2. Maritime transport

The mission of experts of TAA and ILO, appointed to prepare a draft standard maritime code, as well as port regulations for Central America, continued its work during 1957 and 1958.

### 3. Electric power

In November 1957, a meeting of Central American electric power officials was held in San José, Costa Rica, for the purpose of discussing a report prepared by a TAA expert on the state of the electric energy industry in Central America (TAA/LAT/9), and of dealing with market problems, economic exploitation, rates and other subjects of equal importance for electric power development.

The meeting established bases whereby, through future periodic meetings of electric power officials, and within the framework of the Central American economic integration programme, electric power construction projects would be formulated and carried out taking into account the general economic development programmes of the five countries and the aspects that are of special interest for the integration programme. In order to give permanence to these activities, it was suggested that the Committee create a Central American Electrification Subcommittee and a Documentation and Information Centre, which should receive assistance from an expert appointed by the United Nations Technical Assistance Administration (E/CN.12/CCE/107).

## F. AGRICULTURAL, LIVESTOCK AND FISHERIES DEVELOPMENT

In compliance with resolutions 48 and 49 (CCE) and other previous resolutions of the Committee, the secretariat and the FAO experts assigned to the programme continued working on studies covering grain supplies, cotton production and trade, the market for livestock and livestock production, and fisheries development.

In accordance with resolution 1 (CCE), an FAO expert continued giving forestry training courses in co-operation with the Inter-American Institute for Agricultural Sciences in Turrialba.

### 1. *Grain supplies*

The secretariat prepared a report on grain supplies (E/CN.12/CCE/119), showing that *per capita* supplies of corn, beans and rice did not increase in Central America during recent years. A considerable effort would be necessary to satisfy, without recourse to imports from outside of Central America, the demand for these products that is foreseen for the next ten years. The possibilities of increasing production were analysed and the conclusion was reached that, with the exception of El Salvador, and assuming that adequate development projects were carried out, Central America could become self-sufficient in these grains and could also cover the potential deficits of El Salvador. At the first meeting of the Organizations for Production Development and Price Stabilization in Central America and Panama, held in Guatemala City in April 1958, special attention was given to this problem on the basis of the aforesaid report.

### 2. *Livestock and livestock products*

In 1953-54 an FAO mission had made a preliminary study of the livestock industry in Central America and, upon request of the Committee, an expert in this field continued studying various aspects of the market for livestock and meat and dairy products. The report prepared by this expert analyses the problems of national and regional supplies of these products and formulates recommendations on desirable measures in this field. The report was given preliminary consideration at the above-mentioned first meeting of Organizations for Production Development and Price Stabilization.

### 3. *Cotton*

The FAO has prepared a report on cotton production which discusses problems related to the improvement of the cotton fibre quality, and examines the Central American cotton economy from the standpoint of international market prospects. The FAO mission continued assisting the Governments and the national cotton associations throughout the year.

### 4. *Fishing industry*

An FAO expert prepared a preliminary report on development problems of this industry.

Other studies related to agricultural and livestock development were undertaken during the past year (E/CN.12/CCE/118).

## G. RESEARCH AND TRAINING

### 1. *Industrial research and technology*

The Central American Research Institute for Industry (ICAITI), established in 1956, consolidated its organizational structure and installed the basic equipment necessary for its functioning. During 1957 and in the first months of 1958 there was a considerable increase in the Institute's research activities and technical advisory services to Governments, autonomous institutions and Cen-

tral American private enterprise. The report of the Director of ICAITI was submitted to the Committee as an annex to document E/CN.12/CCE/128.

### 2. *ILO Programmes*

During 1957, the ILO assigned two productivity experts for work in ICAITI programmes. In January 1958 the ILO activities were separated from those of the ICAITI, and at present the work of the ILO experts is carried out mainly through seminars, courses and demonstrations.

The meeting of the Textile Industry Working Group, held in Managua at the beginning of 1958, recommended that the Economic Co-operation Committee request the services of ILO experts in vocational training for this industry. The ILO has already taken steps in compliance with this request, and has reported to the Committee on its activities during 1957 and early 1958.

### 3. *Public administration*

In 1958 the Advanced School of Public Administration for Central America entered its fifth year of activities, having provided teaching and training facilities to more than 250 officials of Central American Governments and autonomous institutions since its inception. In 1957 the School had the co-operation of UNESCO in conducting a course on school administration and inspection, which was repeated in 1958. The general and applied courses in public administration have continued normally (see the report of the Director, annex to Doc. E/CN.12/CCE/129).

## H. HOUSING, BUILDING AND URBAN PLANNING

A meeting on problems of housing, building, industries and construction materials in Central America and Panama, was held in San José, Costa Rica from 10 to 16 November 1957. The meeting was conducted in co-operation with the Pan-American Union, the Inter-American Housing Centre, the Housing, Building and Planning Branch of the United Nations Bureau of Social Affairs, TAA and the ECLA secretariat. The main problems in this field were discussed and recommendations were made with a view to furthering and promoting house-building activities as well as the construction industries.

The report of the meeting (E/CN.12/CCE/108) contains a series of recommendations covering an important work programme for 1958-59, in which the international organizations that helped to organize the meeting can co-operate with the housing and town planning agencies of the Central American Isthmus.

To give permanence to these activities the meeting proposed that the Committee establish a Sub-Committee within the economic integration programme. In addition to receiving assistance from the ECLA secretariat, as in the case of other subsidiary organs of the Committee, the new Sub-Committee could also obtain technical assistance from the Pan-American Union, Inter-American Housing and Planning Centre, the Housing Branch of the United Nations, the ICAITI and other institutions. The secreta-

riat has consulted with these organizations with a view to reaching agreement on the forms of co-operation required for the housing programmes that the Committees may wish to undertake through the proposed Sub-Committee (see Doc. E/CN.12/CCE/130).

#### I. SOCIAL ASPECTS OF DEVELOPMENT

Since its third session in 1956, the Committee has been interested in examining certain problems of Central American development which have both social and economic aspects. The first study of this kind to be undertaken concerns demographic problems, since these are of special importance for economic integration in the Isthmus. In accordance with resolution 27 (CCE), TAA appointed a demographic expert to investigate population trends in Central America and Panama and their implications for economic development and regional integration. This report is almost completed, and is expected to be submitted to the member Governments of the Committee within three to four months.

Preliminary consideration has also been given to studies of other social aspects of development, in co-operation with various interested agencies.

#### J. OTHER ACTIVITIES

##### 1. Statistics

The Statistical Co-ordination Sub-Committee held its third session in March 1957 (E/CN.12/CCE/104). On that occasion, certain important projects were completed, especially the *Central American Statistical Compendium* prepared by the Statistical Office of Guatemala with the assistance of an expert of the United Nations Statistical Office. During the past year the *Compendium* was published (E/CN.12/487), presenting for the first time comparable statistics for the whole of Central America.

At the request of the Economic Co-operation Committee, a course on foreign trade index members was conducted for Central American officials at the Mexico office of ECLA in September 1957. The Technical Assistance Administration and the Inter-American Statistical Institute co-operated in giving this course.

At its fourth session, held in Managua, Nicaragua, in May 1958, the Sub-Committee reviewed and evaluated the progress made in the tasks assigned to it since its establishment, and adopted a work programme for 1958-59 (see the relevant report, Doc. E/CN.12/CCE/126). The Sub-Committee's session was preceded by a meeting of a Working Group on agricultural and livestock statistics, also held in Managua.

##### 2. *Weights and measures*

The study on weights and measures, undertaken by a TAA expert (Doc. TAA/LAT/20) in compliance with resolution 7 (CCE) of the Committee, was concluded. The study, which also has origins in resolutions of the Second Meeting of Central Banks, examines and analyses the various systems of weights and measures now used in Central America and formulates recommendations with a view to the effective application of the decimal metric system in the five Central American countries.

##### 3. *Central American Postal Union*

At its fourth session, the Economic Co-operation Committee considered the state of postal services in Central America, and recommended, with a view to effecting improvements and reducing costs, that a study be made of the form of organizing a limited Central American Postal Union, with the technical assistance of the United Nations. It was not possible to undertake this project within the technical assistance programme for 1958.

## Part II

### TECHNICAL ASSISTANCE FOR THE INTEGRATION PROGRAMME

#### A. ACTIVITIES DURING 1957-58

Since the fourth session of the Committee, services of experts of the Expanded Technical Assistance Programme of the United Nations continued to be provided for various economic integration projects in the Central American Isthmus. New requests submitted by the Governments were complied with, and work continued on projects originating in earlier requests.

The technical assistance services provided for the integration programme as a whole are logically inter related and should, therefore, be considered in terms of an over-all regional project rather than as a series of isolated requests. Because of financial limitations of the United Nations regional technical assistance programmes, which cannot exceed 10 per cent of the total funds allotted each year, it was not possible to comply with all requests relating to the economic integration programme. It

was therefore necessary, in consultation with the President of the Committee, to assign priorities to specific parts of the over-all requests presented to each of the organizations co-operating in the programme; and in certain cases substitutions had to be made. Certain requests for the 1958 programme had to be left in category II, with little possibility of realization. Assistance granted in 1957, and initiated or planned for 1958 covered the following sectors: industrial and technological research, public administration, road and maritime transport, commercial policy and tariff equalization, customs regulation, electric power, the textile and insecticide industries, weights and measures, demography, housing, building industries and construction materials, statistics, fiscal legislation, agriculture, cotton, livestock and dairy products, pulp and paper, fishing, forestry training, and productivity and vocational training. In respect to postal services, the glass container

industry, electric power and textile industries, as well as fellowships for Central American officials to study economic integration techniques in Europe, certain requests could not be complied with and others had to be postponed until 1959. In the case of fellowships an attempt was made in 1958 to grant them under the national programmes of the various Central American countries.

The report submitted to the Committee by the Regional Representative of the Technical Assistance Board (E/CN.12/CCE/114), outlines the main achievements between the fourth and fifth sessions of the Committee, and briefly describes the most important technical assistance projects of the United Nations and its specialized agencies undertaken in Central America within the national programmes of each country.

The total cost of the programme approved for 1958 by the Technical Assistance Committee of the United Nations Economic and Social Council, on the basis requests submitted by the Economic Co-operation Committee, was approximately 310 000 dollars, as compared with 308 000 in 1957. According to preliminary esti-

mates, 330 000 dollars will be available in 1959. It should be noted, however, that beginning in 1958, because of the new service conditions of experts, these total sums represent a smaller number of export-months than they would have represented in preceding periods.

#### B. REGIONAL OFFICE OF THE TECHNICAL ASSISTANCE BOARD

In January 1958, the Technical Assistance Board decided to separate activities related to the Central American Isthmus from its regional office for Mexico, Central America and Panama, established in Mexico City since 1953. In agreement with the Government of El Salvador the Board established its regional office in San Salvador, to handle activities relating to Central America, and appointed a regional representative to that office. In this way, closer attention can be given to technical assistance programmes of the United Nations and the specialized agencies in the Central American republics, while still maintaining close and continuous co-operation with the ECLA secretariat in activities related to the economic integration programme.

### Part III

#### FIFTH SESSION OF THE COMMITTEE

##### A. MEMBERSHIP, ATTENDANCE AND ORGANISATION OF WORK

The session was attended by delegations from Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, and by an observer from Panama. Representatives were also present from various agencies of the United Nations, the Organization of American States, the Organization of Central American States and other Central American international agencies.

The delegations were composed as follows:

##### (a) Delegations of the member countries

###### Costa Rica

Chairman of the Delegation: *Alfredo Hernández Vellido*, Minister of Economic Affairs and Finance.

Members: *Wilburg Jiménez Castro*, Vice-Minister of Economic Affairs and Finance; *Porfirio Morera Batres*, Director-General of Economic Affairs; *Enrique Soto Borbón*, Chief of Designs and Projects, Department of Roads, Ministry of Public Works; *Francisco Malavasi Vargas*, Deputy Director in charge of the Planning Office, Costa Rican Electricity Institute; *Rodrigo Carazo Odio*, Manager, National Housing and Urban Planning Institute; *Carlos Luis Solares Ruiz*, Chief, Department of Economic Research, National Production Council; *Bernal Jiménez Monge*, Member, Board of Directors, Central Bank; *Rodrigo Madrigal Nieto*, President, Chamber of Industries; *Rodolfo Hernández Gómez*, Chamber of Industries.

###### El Salvador

Chairman of the Delegation: *Alfonso Rochac*, Minister of Economic Affairs.

Members: *Antonio Serrano L.*, Under-Secretary of Economic Affairs; *Rafael Meza Ayau Jr.*, Ambassador to the Organization of Central American States; *Félix de J. Osegueda*, Ambassador of El Salvador in Honduras; *Francisco de Sola*, Industrialist; *Jaime Quesada*, President, Foreign Trade Commission; *Ulises Flores*, Technical Adviser, Ministry of Economic Affairs; *Atilio García Prieto*, President, Salvadorean Production Development Institute; *Benjamín Wilfrido Navarrete*, Director, Salvadorean Production Development Institute; *Enrique Cuéllar*, Deputy Director General of Roads; *Victor M. Cuéllar Ortiz*, Technical Adviser, Ministry of Economic Affairs; *Miguel Alvarado Zamora*, Assistant Chief, Public Security Department.

###### Guatemala

Chairman of the Delegation: *Carlos Gracias Arriola*, Under-Secretary of Economic Affairs.

Members: *José Luis Mendoza*, Director of International Agencies; *Anastasio Cruz Ramos*, Economic Adviser to the Production Development Institute and to the Ministry of Economic Affairs; *Carlos Enrique Ponciano*, Adviser to the Ministry of Economic Affairs; *Lázaro Chacón Pazos*, Ministry of Agriculture; *José Angel García*, Adviser in charge of Studies and Analysis, General Statistical Office; *Alfredo Pinillos Roldán*, Counsellor, Ministry of Economic Affairs; *Rafael Pérez Riera*, Ministry of Communications and Public Works; *Héctor Rami-*



ro Ruano Barrera, Customs Adviser, Ministry of Finance and Public Credit; *Rafael David*, President, Chamber of Industries; *Armando Vides Tobar*, in charge of Road Studies, Ministry of Communications; *José Ernesto Mejicanos Ferrigno*, Engineer in charge of the Materials Section, Ministry of Communications and Public Works; *Salvador Schaps*, representative of private industry.

#### Honduras

Chairman of the Delegation: *Fernando Villar*, Minister of Economic Affairs and Finance.

Members: *Jorge Bueso Arias*, Secretary, National Economic Council; *René Cruz*, Under-Secretary of Economic Affairs and Finance; *Roberto Ramírez*, President, Central Bank of Honduras; *Carlos H. Matute*, Adviser to the Ministry of Economic Affairs and Finance; *Roberto Arellano Bonilla*, Adviser to the Ministry of Economic Affairs and Finance; *Francisco Safont-Tria*, Adviser to the Ministry of Economic Affairs and Finance; *Guillermo Bueso*, Chief, Economic Research Department of the Central Bank; *Roque J. Rivera*, President, Chamber of Commerce and Industries; *Mauricio Castañeda Beuchot*, Industrialist; *Práxedes Martínez Silva*, Director-General of Economic Affairs and Trade; *Abraham Ramos Bennaton*, Adviser, Ministry of Economic Affairs and Finance; *Juan Angel Moncada*, Member, Chamber of Commerce and Industries; *Salvador Pizzati*, Chief, Forestry Department; *Ricardo Rodas*, Chief, Industrial Development Division; *Lempira E. Bonilla*, Economic Counsellor, Honduran Embassy in Washington; *Rubén Mondragón Carrasco*, Official of the National Economic Council; *Trinidad Fiallos*, Director General of Statistics; *Miguel Facussé*, Industrialist; *Luis Bográn Fortín*, Director General, National Electric Energy Enterprise; *Arturo Quesada*, Director of the Housing Institute; *Guillermo López Rodezno*, President, National Development Bank; *Miguel Lardizábal Galindo*, Under-Secretary of National Resources; *Rafael Calleja Jr.*, Vice-President, National Development Bank; *J. Mario Ponce C.*, Director, Development Department, National Development Bank, *Antonio Valle*, Chief, Technical Division, National Development Bank; *Virgilio Carías*, National Economic Council; *Benjamín Membreño*, Manager, Cotton Co-operative; *Yolanda M. Barahona*, Technical Section, National Development Bank, *Fernando García C.*, Director General of Roads; *Mario A. Rendón C.*, Commercial Attaché, Honduras Embassy in El Salvador; *Julio Arévalo Fuentes*, General Directorate of Roads; *Mussef Cassis A.*, General Directorate of Roads; *Edmond Thiebaud Salinas*, General Directorate of Roads; *Agenor Girón M.*, Ministry of Public Works, *Medardo Zúñiga Rosa*, Ministry of Public Works.

#### Nicaragua

Chairman of the Delegation: *Enrique Delgado*, Minister of Economic Affairs.

Members: *José María Castillo*, Executive Secretary, National Economic Council; *Gustavo A. Guerrero*,

Director General of Revenue; *Jorge Icaza*, Representative of the Chamber of Commerce; *José María Zúñiga Otero*, Engineer, Highway Department, Ministry of Public Works; *Eduardo Montiel Argüello*, Vice-President, Development Institute; *Fernando González*, Chief, Agricultural Section, Development Institute, *Sofonías Cisneros Leiva*, Superintendent of Construction, Development and Public Works.

#### (b) Panama

Representative: *Diógenes de la Rosa*, Executive Director, National Economic Council.

#### (c) Specialized Agencies of the United Nations

*Livio Costa*, International Labour Organisation (ILO); *Angelo De Tuddo*, United Nations Food and Agriculture Organization (FAO); *Daniel Navea Acevedo*, United Nations Educational, Scientific and Cultural Organization (UNESCO); *Jorge Sol Castellanos*, Executive Director, International Monetary Fund (IMF); *Jorge del Canto*, Chief, Western Hemisphere Department, International Monetary Fund (IMF); *Paul J. Brand*, Adviser, International Monetary Fund (IMF); *Jorge Alberto Montealegre*, Alternate Executive Director, International Bank for Reconstruction and Development (IBRD); *Orvis Schmidt*, Director, Western Hemisphere Department, International Bank for Reconstruction and Development (IBRD); *Newton Parker*, Representative of the International Bank for Reconstruction and Development in Honduras.

#### (d) Other international agencies

*Harold Randall*, President, Inter-American Economic and Social Council (IA-ECOSOC); *Oscar Ayala*, Economist, Department of Economic and Social Affairs, Pan-American Union; *José Trinidad Fiallos*, Inter-American Statistical Institute; *J. Guillermo Trabanino*, Secretary General, Organization of Central American States (ODECA); *Mario Díaz Bustamante*, Director, Cultural Affairs Department, ODECA; *Albino Román y Vega*, Director, Legal Affairs Department ODECA; *Mario García Arocha*, Acting Director, Advanced School of Public Administration for Central America (ESAPAC); *Otto J. Stern*, Director, Central American Research Institute for Industry (ICAITI); *Manuel Noriega Morales*, Director of Economic Research ICAITI; *Eduardo Dacosta Gómez*, American Coffee Federation (FEDECAME).

The session was attended also by the Assistant Director-General of the Technical Assistance Administration of the United Nations and the Assistant Chief of the Latin American Office, as well as by the Regional Representative for Central America of the Technical Assistance Board.

The Secretariat was represented by the Director and the Deputy Director of the Mexico Office of the Economic Commission for Latin America, the Secretary of the Central American Economic Co-operation Committee and other officials.

Mr. *Fernando Villar*, Chairman of the Delegation of Honduras, was elected President, and Mr. *Enrique Del-*

*gado*, Chairman of the Delegation of Nicaragua, was elected Rapporteur.

At the first plenary meeting three working groups were established: the first, composed of the delegation chairmen, dealt with agenda items relating to the Multilateral Treaty on Free Trade and Central American Economic Integration, and the draft Agreement on the Régime for Central American Integration Industries; the second working group considered matters relating to agriculture and livestock development; the third group handled matters relating to industrial development, electrification, transport, statistics, weights and measures, and housing. The remaining agenda items were discussed at the plenary meetings, in which the reports submitted by the three working groups were also considered.

## B. AGENDA

The first plenary meeting considered the draft agenda presented by the secretariat. Upon the motion of the Delegation of Costa Rica two items were added to the agenda; namely, participation of Central American universities in professional training and productivity projects, and the possibility of preparing a study on the Central American agrarian structure. The agenda, as finally adopted, was as follows:

### 1. Current state of the Central American economic integration programme.

#### Documents:

- (a) Report of the secretariat (E/CN.12/CCE/113)
- (b) Report of the Regional Representative of the United Nations Technical Assistance Board (E/CN.12/CCE/114).

### 2. Foreign trade.

#### Documents:

- (a) Draft Multilateral Treaty on Free Trade and Central American Economic Integration (E/CN.12/431, Annex I); Amendments to the draft Multilateral Treaty on Free Trade and Central American Economic Integration (E/CN.12/CCE/112, and E/CN.12/CCE/112 Add. 1); Modifications to the list contained in Annex A to the draft Central American Multilateral Free Trade and Economic Integration Treaty (E/CN.12/CCE/112 Add. 2 and 112 Add. 3);
- (b) Report of the Fourth Session of the Central American Trade Sub-Committee (E/CN.12/CCE/106). Secretariat note (E/CN.12/CCE/125);
- (c) Fiscal repercussions of the equalization of import taxes and free trade in Central America (E/CN.12/CCE/110);
- (d) Equalization of customs duties and common commercial policy in Central America (TAA/LAT/21);
- (e) Central American standard customs code (TAA/LAT/14).

### 3. Industrial development.

#### I. Draft Agreement on the Régime for Central American Integration Industries (E/CN.12/431, Annex II).

#### II. Textile industry

##### Documents:

- (a) Secretariat note (E/CN.12/CCE/115);
- (b) Report of the Working Group on the Textile Industry (E/CN.12/CCE/109).

#### III. Pulp and paper industry.

##### Documents:

- (a) Secretariat note (E/CN.12/CCE/116);
- (b) Report of the FAO mission for the study of the pulp paper plant in Honduras; activities undertaken in 1957;
- (c) Forest management plan for the northwestern region of Olancho, Honduras, (FAO Mission);
- (d) Preliminary report on the problems of roads and transport for the exploitation of forestry resources and the operation of the proposed pulp and paper plant in Honduras (FAO Mission).

### 4. Electric power.

#### Documents:

- (a) Secretariat note (E/CN.12/CCE/117);
- (b) Report of the Meeting of Central American Electric Power Officials (E/CN.12/CCE/107).

### 5. Agricultural, livestock and fisheries development.

#### Documents:

- (a) Secretariat note (E/CN.12/CCE/118);
- (b) The supply of grains in Central America and Panama (E/CN.12/CCE/119);
- (c) Report on the agricultural, technical and economic aspects of cotton production in Central America (FAO Mission);
- (d) The market of livestock and livestock products in Central America. Report of the FAO expert;
- (e) State of the work on fisheries problems in Central America. Report of the FAO expert;
- (f) Contribution of forestry teaching and training in Turrialba to the study of forestry problems in Central America, Report of the FAO expert;
- (g) Secretariat note on the First Conference of Organizations for Production Development and Price Stabilization in Central America and Panama (E/CN.12/CCE/127); Decisions and Resolutions of the Conference (E/CN.12/CCE/127 Add. 1).

6. Inland and maritime transport.

Documents:

- (a) The transport situation in Central America. Secretariat note (E/CN.12/CCE/120);
- (b) Report of the Second Session of Traffic Authorities in Central America and Panama (E/CN.12/CCE/105).
- (c) Draft Central American Agreement on Road Traffic (E/CN.12/CCE/105, Annex A).
- (d) Standard system of road signs and signals. Secretariat note (E/CN.12/CCE/111). Draft Central American Agreement on Standard Road Signs and Signals (E/CN.12/CCE/111 Add. 1 and E/CN.12/CCE/431, Annex III).
- (e) Manual of technical specifications for road construction in Central America. I. Recommendations on road planning (TAA/LAT/19). II. Contracting for road construction (TAA/LAT/19 Add. 1).

7. Statistical co-ordination.

Documents:

- (a) Secretariat note (E/CN.12/CCE/121);
- (b) Reports of the Third Session of the Central American Statistical Co-ordination Sub-Committee (E/CN.12/CCE/104);
- (c) Report of the Fourth Session of the Central American Statistical Co-ordination Sub-Committee (E/CN.12/CCE/126).

8. Weights and measures.

Documents:

- (a) Secretariat note (E/CN.12/CCE/122);
- (b) Study of weights and measures in the Central American countries. Report of a TAA expert (TAA/LAT/20).

9. Problems of housing and planning, building industries and construction materials.

Documents:

- (a) Secretariat note (E/CN.12/CCE/123);
- (b) Report of the meeting on housing, building industries and construction materials problems in Central America and Panama (E/CN.12/CCE/108);
- (c) Secretariat note on the proposal to create a Housing, Building and Town-planning Sub-Committee (E/CN.12/CCE/130).

10. Productivity and vocational and professional training.

Documents:

- (a) Report of the International Labour Organisation on the activities of the productivity mission in 1957;
- (b) Report of the International Labour Organisation on the activities of the productivity mission in 1958;

(c) Proposal of the International Labour Organisation on a programme for productivity and vocational training;

(d) Participation of the Central American universities in the advanced professional training and the productivity projects (Proposal of the delegation of Costa Rica).

11. Social aspects of development.

Documents:

- (a) General report of the Secretariat (E/CN.12/CCE/113, Section II-G).
- (b) Agrarian structure of Central America (Proposal of the delegation of Costa Rica).

12. Central American Research Institute for Industry.

Documents:

Report of the Director of the Central American Research Institute for Industry (E/CN.12/CCE/128);

13. Advanced School of Public Administration for Central America.

Documents:

Report of the Director of the Advanced School of Public Administration for Central America (E/CN.12/CCE/129).

14. Place and date of the Sixth Session.

15. Consideration and adoption of the Report of the Committee.

C. ACCOUNT OF PROCEEDINGS

1. *General state of the Central American Economic Integration Programme*

The fifth session of the Central American Economic Co-operation Committee in large part crystallizes the thinking and efforts of its members during the seven years that have elapsed since the economic integration programme was established. From the embryo contained in resolution 9 (IV), adopted by the Economic Commission for Latin America at its fourth session in 1951, upon the initiative of the Central American delegations, a programme was born which, thereafter, has faithfully reflected the basic ideas of its authors, thanks to the continuous activity of the Committee, the firm and steady support of the Central American Governments, and the assistance of the United Nations Secretariat and other international agencies. The programme has now grown to the point where many of its parts are firmly established and others are reaching substantive form. Although Central American economic integration is still an objective to be achieved gradually, requiring a definite policy of the Central American Governments and careful attention to the many aspects involved, the fifth session of the Committee reached agreements, which without doubt

will make this objective easier to achieve. The signing of the Multilateral Treaty on Free Trade and Central American Economic Integration and of the Agreement on the Régime for Central American Integration Industries, as recommended by the Committee after a lengthy study of the problems involved, examination of the preliminary drafts, and consultation of public opinion, represents the corner stone of the programme. These two instruments together establish the Central American common market, as well as conditions for the development of important industries, on the basis of common interest, reciprocity and equity. In this manner the Central American republics have given successful and practical expression, through the Committee, to an important part of their traditional ideals and aspirations, in accordance with the principles of international co-operation and improved living standards set forth in the United Nations Charter.

Having reached its present stage, the programme may be expected to achieve increasingly closer co-operation among the Central American Governments in all aspects of economic development. In an atmosphere of mutual understanding, subsequent negotiations and agreements can be anticipated that will enable the treaties to be effectively applied and past activities to be consolidated.

The Committee wishes to acknowledge the valuable services continuously received from the ECLA secretariat, and to thank the Technical Assistance Board of the United Nations for its considerable contribution to the programme, through the provision of experts and other technical assistance services.

The following account of proceedings which took place from 3 to 10 June 1958, permits an appraisal of the special importance attached to the discussions of the Multilateral Free Trade Treaty and the Agreement on the Régime for Central American Integration Industries at the session, and of the broad framework within which the Committee has conceived its activities.

## 2. Establishment of the Central American Common Market

(a) *Multilateral Treaty on Free Trade and Central American Economic Integration.* The working group, composed of the Ministers of Economic Affairs and their advisers, considered the draft Multilateral Treaty that had resulted from consultation meetings in Mexico City and Tegucigalpa, where certain modifications had been made to the text and list of commodities (E/CN.12/CCE/112, Add. 1, Add. 2 and Add. 3). The discussions brought out complete agreement on the text as presented, with only one amendment being made to Article XXV. The membership on the arbitral tribunal provided for in this Article was increased from three to five, and the number of concurring votes required for an award was raised from two to three.

The text of the draft Treaty approved at the two consultation meetings does not differ fundamentally from that approved at the fourth session of the Committee. The most important change makes for a more flexible application of the gradual tariff reductions, prescribed in Article XVII, by permitting a free trade zone between three or four countries combined with a preferential system for the others.

Certain changes and additions were also made to the

list of the commodities as shown in the report of the working group (Doc. CCE/V/DT/3).

It was further agreed that when reservations are made to commodities included in the list, the country making such reservations shall not grant free trade treatment for the commodities affected to the other signatory countries. These countries, in turn, shall have right to deny free trade treatment for the same commodities originating from the country which has made the reservations. The existence of export and import controls was also understood to have reciprocal application.

It was made clear that, in this case, reciprocity should be construed as the right of any country to impose controls on trade in specific goods with the country which has reserved the right to impose controls over the same goods. This right can be exercised even if the other country did not utilize the controls which it had reserved. In every case, the commodity traded under import or export quotas would not be subject to the payment of any duty.

The draft Multilateral Treaty on Free Trade and Central American Economic Integration was the object of resolution 56 (CCE), in which it was recommended that this instrument be signed on the occasion of the fifth session of the Economic Co-operation Committee. The text of the Treaty, signed on 10 June during the closing meeting, is appended as Annex I to the present report.

(b) *Régime for Central American Integration Industries.* The discussion of the draft Agreement on the Régime for Central American Integration Industries revealed that, despite general agreement for an early signing of this instrument, different opinions existed in regard to the interpretation of many clauses. Concern was expressed that an excessive number of regulations might make it difficult to apply the Agreement to concrete cases.

Taking into account the general desire to simplify the draft under discussion, so as to leave specific provisions applicable to particular cases for additional protocols, a new simplified draft was prepared which merely sets forth the general principles that are to guide Central American industrial integration.

The reduced and simplified draft Agreement on the Régime for Central American Integration Industries was considered in detail by the working group of the Ministers of Economic Affairs, and general agreement was reached on certain basic principles which were incorporated in the new draft.

In the first place, it was recognized that Central American integration requires full reciprocity and equity in the distribution of industrial plants among the five countries. It was understood that the decisive criterion for classifying an industry as an integration industry would be the requirement that the plants in that industry have access to the Central American market. It was also agreed that in each particular case an additional protocol to the Agreement would be signed, stipulating the capacity of the plants, quality norms, the composition of participating capital, the Central American common tariffs applicable to the products of integration plants, and any other provisions pertinent to the fulfilment of the Agreement.

In addition it was agreed to create a Central American Industrial Integration Commission, whose functions will be to determine the industries to be covered by the Régime and to apply the provisions of the Agreement.

It was decided to grant the privilege of unrestricted free trade to the products of plants forming part of Central American integration industries. Similar products of plants not covered by the Agreement shall enjoy progressive tariff reductions of ten per cent per annum from the date fixed in the corresponding additional protocol. With respect to tax incentives, it was agreed that the enterprises owning plants covered by the Agreement shall enjoy the benefits prescribed by the national development laws.

A transitional article was also incorporated in the text of the Agreement, providing that the contracting States shall not assign a second plant covered by the Régime to any one country until all of the five Central American countries have each been assigned one plant in accordance with the specified additional protocols.

It was decided that the Agreement shall remain in force for twenty years, so that it can constitute an effective stimulus for the industrial development of Central America.

It was understood that the Central American Industrial Integration Commission would have to define precisely, in each specific case, and subject to an additional protocol, what constitutes a plant and what constitutes an industry. As a guiding principle to the Commission, however, and outside the text of the Agreement, it was established that for the purposes of this Agreement, an industrial plant be defined as a complex of interrelated or complementary installations necessary for manufacturing one or various similar products that are obtained as a final result of the same productive process or various interrelated processes. For the same purposes an industry is to be defined as one or more plants manufacturing the same product or a group of products.

The draft Agreement on the Régime for Central American Integration Industries, prepared by the working group of the Ministers of Economic Affairs, was the object of resolution 57 (CCE), in which it was recommended that this instrument be signed on the occasion of the fifth session of the Economic Co-operation Committee. The text of the Agreement, signed on 10 June, during the closing meeting, is contained in Annex 2 to this report.

(c) *Activities of the Central American Trade Sub-Committee.* The Committee considered and approved the report of the fourth session of the trade Sub-Committee (E/CN.12/CCE/106). It requested the Sub-Committee to proceed with the work that would subsequently be taken over by the Central American Trade Commission, and urged the Governments to designate representatives so that the Commission can be constituted in due course.

The equalization of import taxes of the Central American countries was especially recommended, priority being given to the articles included in the list of the Multilateral Free Trade Treaty, to the products and raw materials of the integration industries, and to similar products or substitutes. For this purpose, the Committee

also recommended the introduction of uniform customs tariff items in accordance with the NAUCA sub-divisions, priority also being given to the sub-groups included in the list of articles of the Multilateral Treaty. Similarly it was recommended that a uniform basis for applying customs duties be adopted, in accordance with the rules endorsed by the Trade Sub-Committee.

The delegations noted with satisfaction the secretariat study on fiscal repercussions of tariff equalization and free trade (E/CN.12/CCE/110) and recommended that the Trade Sub-Committee pay due attention to this study and to the reports prepared by a TAA expert on tariff equalization and commercial policy (TAA/LAT/13 and 21).

In regard to the above matters resolution 58 (CCE) "Application of the Multilateral Free Trade Treaty and the Activities of the Central American Trade Sub-Committee", was adopted.

### 3. *Industrial development*

(a) *Textile industry.* The discussion of this topic was based upon the report of the Managua meeting of the Working Group on the Textile Industry of the Central American Industrial Initiatives Commission (E/CN.12/CCE/109). The Committee approved the report and its recommendations, pointing out those aspects that merited special attention. Because of the interest of the textile sectors in establishing national associations and a Central American federation of textile industries, the delegations supported this proposal and offered the Committee's co-operation in those tasks that might be related to the economic integration programme, particularly as regards specialization of the industry by countries or plants. The latter was one of the principal recommendations of the report of a TAA expert, which served as a basic document at the Managua meeting.

Another important recommendation on the development of the textile industry relates to tariff equalization as a necessary prerequisite for free or preferential trade of textile products and their raw materials between the Central American countries.

Special importance was attributed to establishing quality standards in all Central American countries so as to guarantee the interests of consumers and avoid ruinous competition between the national industries.

It was again recommended that the Governments give preference in their purchases of textile products to those made in Central America and that, in co-operation with the textile and cotton associations, they endeavour to set up a laboratory for the analysis of cotton fibre for the whole Isthmus. To this end, it would be advisable to request the co-operation of ICAITI.

The textile manufacturers represented in the group took this occasion to reaffirm their interest in establishing a Central American plant for sizing and finishing products. It was considered advisable to request ICAITI to prepare cost estimates of a study of this project so that the federation of textile associations would have a

basis for making a final decision on undertaking and financing such a study.

Finally, it was recommended that a request be made for technical assistance to undertake the above-mentioned tasks and that the secretariat prepare a study of the structure of textile production and consumption in Central America.

Resolution 60 (CCE), "Textile industry", was adopted on the foregoing subjects.

(b) *Pulp and paper industry.* The Committee was informed of the results of studies made by the FAO Mission in the Olancho zone of Honduras, in an exposition by the FAO representative on the documents presented to the session on this subject. The forestry survey shows that the resources of this zone are adequate for establishing a plant with sufficient capacity to supply the Central American market and also to export part of its output. Initial results of industrial experiments with timber materials from the Olancho zone show that they are adequate for manufacturing certain types of paper, and other experiments are being continued. Preliminary studies have been made on the roads required for connecting the plant with the regional market and with a port for export. A preliminary forest management plan has also been prepared.

The Committee considered and approved the work programme for 1958 proposed by the FAO experts, and expressed the opinion that these activities would almost conclude the preliminary phase of technical and economic studies, thus making it possible to enter into the final planning and realization aspects of the project. The Committee noted that in March 1958, an expert of Technical Assistance Administration of the United Nations had begun exploring ways and means of financing the plant. The organizational structure required to initiate the project will also be studied during 1958 and part of 1959.

Appreciation was expressed to the Government of Honduras for the support given to such an important project of integration programme, and the development institutes, central banks and other autonomous agencies were urged to co-operate with this project. It was considered that for future stages of the project's realization it would be advisable to have participation of ICAITI, and moreover that the time had arrived to encourage private enterprise to consider its possible participation in financing and establishing the plant. It was further recommended that the Central American Trade Sub-Committee study the existing tariffs on imports of pulp and paper into the five countries, and formulate recommendations for their equalization.

The Committee adopted resolution 75 (CCE) "Pulp and paper industry" on the above subjects.

(c) *Electric energy.* The Committee considered the report of the meeting of Central American Electric Power Officials, taking also into account the report on electric energy development in Central America, prepared, by an expert of the United Nations Technical Assistance Administration.

The working group noted that various electrification programmes are in progress in Central American countries, but that adequate co-ordination does not exist at present between such plans and the economic integra-

tion programme. The latter programme will bring about an increased demand for energy, which must be estimated and provided for sufficiently in advance so that it can be satisfied.

Furthermore, electric energy development has certain common aspects which could be handled in a more efficient and comprehensive manner through an over-all approach to the problem. This is the case of the main potential hydroelectric power resources, whose future utilization would probably be easier and more economic through co-ordinated action oriented towards markets located in two or more countries. For these reasons the Committee decided to create a Central American Electrification Sub-Committee to study, and formulate solutions for such problems. The Sub-Committee will be composed of representatives of official organizations and private enterprises in this field, and will meet once a year.

It was also recommended that the Governments endeavour to incorporate into their respective national legislations the basic norms for the electric power industry formulated by the meeting of the Central American Electric Power Officials. Moreover, it was decided that technical assistance of the United Nations be requested to aid in organizing the Sub-Committee and in carrying out its activities, and to provide fellowships for the training and specialization of electric power technicians. In making this latter decision, special consideration was given to the shortage of technicians required for electrification programmes in the Central American countries.

Resolution 59 (CCE) "Electric power", was adopted on the above subject.

(d) *Technical standards.* The Committee considered a proposal of the delegation of El Salvador that quality standards for industrial products be established in all Central America, initially on a national basis, and subsequently, in so far as possible, on a Central American basis.

It was felt that the existence of such standards would safeguard the interests of consumers and would facilitate trade and production activities, and it was agreed to recommend that countries not yet having national standards bureaux should establish such agencies. The Committee also considered that in certain cases it would be necessary to establish Central American standards with uniform specifications, and decided to recommend them for the products of the textile and construction materials industries, taking into account recommendations made by the Working Group on the Textile Industries and the Meeting on Housing Problems. It was also proposed that a co-ordinating mechanism be created so as to achieve, as soon as possible, complete uniformity of standards in the Central American countries. The ICAITI was requested to assist in this field, in so far as its functions and work programme permit.

The Committee noted that an Inter-American Meeting of Technical Standards Experts was held in September 1957, under the auspices of the Inter-American Economic and Social Council, and expressed the view that it would be advisable that the Central American Governments consider the recommendations of this meeting, and the technical co-operation possibilities offered by that organization.

Resolution 71 (CCE) "Technical Standards" was adopted on this subject.

#### 4. *Housing, building and planning*

This subject was considered on the basis of the report of the meeting held in San José, Costa Rica, in November 1957. The Committee approved this report and its recommendations.

In order to comply with these recommendations and to give continuity to Central American activities in the field of housing, building and town-planning, it was considered advisable to establish, within the integration programme, a Housing, Building and Planning Sub-Committee. It was agreed to create such a body. The Sub-Committee will be composed of senior officials responsible for policy formulation of the housing and town-planning agencies in the Central American republics. It will seek the participation of representatives of private enterprise in its meetings, so that all sectors may jointly endeavour to find solutions for problems arising within this field. The Sub-Committee will have wide functions so as to ensure an integrated approach to such problems. The secretariat was asked to call a first meeting of the Sub-Committee as soon as possible, in order to adopt a work programme for 1958-59, based upon the recommendations of the San José meeting.

The Committee fully acknowledged the co-operation of the Pan-American Union, the Inter-American Housing and Planning Centre and the Housing, Building and Planning Branch of the United Nations Bureau of Social Affairs in preparing and conducting the San José meeting. Considering it desirable that the Sub-Committee utilize the valuable guidance of these organizations, it was agreed that the Governments request their assistance with a view to formulating, in consultation with the ECLA secretariat, work programmes which, within the competence of each agency, would result in the maximum benefit for the Central American housing and planning programmes. The Committee also expressed its thanks for assistance granted by the TAA providing experts for the meeting, and requested the continuation of such technical assistance in future activities. With regard to some of these activities, it was also decided to request the co-operation of ICAITI and, when needed, the assistance of other technical agencies.

The Committee also recommended the convening of a meeting of the Central American Industrial Commission, in the form of a special working group, to consider problems of co-ordination and development of the construction materials industries.

The Central American Trade Sub-Committee was requested to study the possibility of including the products of the construction materials industry in the Multilateral Free Trade Treaty and in bilateral treaties.

It was recommended that the Central American Governments establish standards for the production of construction materials and elements and for building designs.

Finally, the secretariat was asked to prepare a report on agreements reached in 1953 among Central American

banks concerning reciprocal investment of part of their reserves, with a view to indicating practical formula for utilizing such a mechanism in financing the construction materials industries.

In general the delegations strongly supported the integrated approach to problems of housing, construction and planning taken at the San José meeting, and wished success for future activities of the Sub-Committee.

The Committee approved resolution 61 (CCE), "Housing, Building and Planning".

#### 5. *Agricultural livestock and fisheries development*

The Committee examined, through a working group, the reports of FAO, and the secretariat on grain supplies, markets for livestock and livestock products, technical and economic problems of cotton, the fishing industry, and forestry teaching and training. The results of the discussions, contained in the report of the group (Doc. CCE/DT/11), are summarized below.

Special attention was devoted to problems arising from the chronic scarcity of corn, rice and beans in almost all countries of the Isthmus, to national policy measures which might be taken to solve such problems and to the growth of the inter-Central American trade in corn and beans foreseen for the coming years. It was recommended that the secretariat and FAO study problems relating to the possible establishment of a standard classification system and the regulation of inter-Central American trade in grains. The results of these studies will be submitted to a meeting of experts to be convened by the secretariat at an appropriate time. The Committee also recommended that the Governments convene periodic meetings of Central American officials in order to examine grain stocks, crop prospects and national requirements, with a view to facilitating trade within the region.

The FAO report on markets for Central American livestock and livestock products stressed the basic necessity of organizing the production of meat and dairy products into an efficient industry bringing high returns. In this connexion it was considered highly useful to adopt a standard classification system for meat and livestock, not only for foreign trade purposes but also to stimulate production of high quality livestock. The discussion on foreign trade covered two main points: inter-Central American trade in livestock to cover probable deficits in El Salvador and possibly also in Guatemala; and present exports from Costa Rica and Nicaragua to countries outside of Central America. On these points it was agreed that it would be essential, in future work, to assign high priority to the introduction of a standard classification system for meat and livestock, the co-ordination of export policies of Costa Rica and Nicaragua, and the organization of inter-Central American trade in these products.

In relation to the problems of Central American cotton production and export, the working group examined a FAO report, which stressed the limited growth possibilities in world markets during coming years, the necessity of directing national policies towards higher yields and improved fibre qualities, and the desirability of co-

ordinating export policies so that Central America might have greater bargaining power in international markets. The working group approved these recommendations, and also requested that, in consultation with the interested bodies, the FAO and the secretariat study and suggest practical measures for co-ordinating the cotton trading policies of the Central American countries that produce the fibre.

A basic obstacle to developing the fishing industry is the acute shortage of specialized personnel in all Central American countries. In this respect it would be advisable to make better use of the services of international experts, by assigning national officials for work and training with these experts, and requesting fellowships in the technical assistance programmes of each country. In order to promote the study of the problems of evaluating Central American fisheries resources, development of essential port facilities, distribution and consumption of the products, and regulation of fishing activities, it was agreed to request the services of experts, who would examine the economic and administrative problems, of the industry, begin evaluating the fisheries resources and co-ordinate research being done under national programmes.

In view of the general interest in the forestry teaching and training courses conducted in Turrialba since 1955, with the co-operation of an expert of the economic integration programme, it was suggested that FAO consider the possibility of continuing these courses, but as part of a broader programme covering the whole of Latin America. It was also recommended that Governments utilize as much as possible the training opportunities offered by this project.

Finally, the working group examined the resolutions brought to the attention of the Committee by the First Conference of Organizations for Production Development and Price Stabilization in Central America and Panama. The delegations pointed out the usefulness of the association which these organizations had decided to establish at the Conference. Once the association begins functioning it would be necessary for the secretariat and FAO to provide co-operation on agricultural and livestock problems related to the integration programme.

The delegations expressed interest in having the Central American Trade Sub-Committee study various aspects of inter-Central American trade in oils and fats, and tariff equalization for these products.

On the above-mentioned subjects the Committee adopted resolutions 62 (CCE), "Agriculture, livestock and fisheries development", and 63 (CCE) "Association of Organizations for Production Development and Price Stabilization in Central America".

## 6. Transport

The report of the second meeting of Traffic Authorities of Central America and Panama (E/CN.12/CCE/105) was considered first in meetings of a working group. Note was taken of the progress achieved in road traffic regulation and of studies initiated to establish

standard specifications for road construction in the Isthmus.

One of the recommendations of the meeting of Traffic Authorities, was designed to give permanence to the various co-operation and co-ordination activities related to road transport. In the light of this recommendation and others made during the July 1953 Transport Seminar held in San José, Costa Rica, the delegations recommended the establishment of a Transport Sub-Committee, that would be charged with all transportation aspects, and function in accordance with the integration programme objectives. The importance of this subject for the programme and for the creation of the Central American common market was recognized. Accordingly a resolution was adopted creating the Sub-Committee.

The above-mentioned meeting of Traffic Authorities had prepared, on the basis of a preliminary draft of a TAA expert, a draft Central American Agreement on Road Traffic, which had been examined for several months by the Central American Governments. In view of this the delegations agreed to recommend that this instrument be signed in Tegucigalpa on the occasion of the fifth session of the Committee. The text of the Agreement, signed on 10 June, during the closing meeting, is presented as Annex 3 to this report.

The Committee had already approved, at its fourth session, a Manual of Standard Road Signs and Signals for Central America and recommended that a regional agreement on this subject be signed. At the present session of the Committee, the delegations recommended submitting said agreement for signature in Tegucigalpa, which took place on 10 June, during the closing meeting. The text of the Agreement is contained in Annex 4 of the present report.

Note was taken of the need to continue studying international road transport services with the aid of a TAA expert. The delegations also expressed interest in the work on technical specifications for road construction, being undertaken with the assistance of another TAA expert, and recommended its continuation during the present year.

The following resolutions were adopted on the above subjects: 64 (CCE) "Transport Sub-Committee"; 65 (CCE) "Central American Agreement on Road Traffic"; 66 (CCE), "Manual of Road Specifications"; 67 (CCE) "International Road Transport Services"; and 68 (CCE) "Central American Agreement on Standard Road Signs and Signals".

## 7. Statistical co-ordination

The Committee examined and approved the reports of the third and fourth sessions of the Central American Statistical Co-ordination Sub-Committee (E/CN.12/CCE/104 and 126), and recommended that national and international agencies carefully study and consider these reports, with a view to putting them into practice.

In addition, the Committee decided to express thanks to the Statistical Office and the Technical Assistance Administration of the United Nations, the Inter-American Statistical Institute and the ECLA secretariat for



various projects jointly undertaken during 1957-58. The Committee noted with approval the publication of the *Central American Statistical Compendium* and warmly congratulated the General Statistical Office of Guatemala for excellent preparatory work on the project.

The Committee noted with satisfaction the establishment of the Second Central American Course in Statistical Training in Costa Rica, under the auspices of the Government of that country, the University of Costa Rica and the Inter-American Statistical Institute.

The need for technical assistance in the statistical field was re-examined and it was decided to request assistance in solving export valuation problems, and in standardizing classification concepts for commodities exempt from customs duties. The Committee also agreed to request continued FAO assistance in the field of agricultural, livestock and forestry statistics. In addition, FAO and the IASI were requested to study jointly, in consultation with the secretariat, the possibilities of establishing a co-ordinated system of crop forecasting for the most important Central American products; the tabulations and other measures required for designing sample surveys and the general organizational and methodological improvements needed for the provision of continuous agricultural and livestock statistics; the systems of collecting producer's prices now used in Central American countries, and measures which might be taken to improve their regional comparability.

The Committee approved the Sub-Committee's work programme for 1958-59, and adopted resolution 69 (CCE) "Statistical Co-ordination".

#### 8. *Weights and measures*

The study on Central American weights and measures, prepared by an expert of the Technical Assistance Administration (TAA/LAT/20), served as a basis for discussions on this point.

The Committee gave special attention to proposals formulated in the report and recommended the revision of the national legislations on weights and measures, with a view to their standardization and modernization. The Committee also recommended the creation, in each country, of national metrology departments, charged with the technical and administrative tasks necessary to effectively introduce the decimal metric system. It would be useful for this purpose to utilize experts and fellowships under the United Nations Technical Assistance programme, without excluding other possible sources of assistance. In addition, the Committee agreed to request the co-operation of ICAITI in these tasks, and to establish in this Institute, the Central American standard weights and measures equipment already available in Guatemala City.

These decisions appear in resolution 70 (CCE), "Weights and Measures".

#### 9. *Research and training*

(a) *Central American Research Institute for Industry (ICAITI)*. The Director of the ICAITI reported to the Committee on the Institute's activities between February 1957 and the date of the session. The Com-

mittee noted the definite progress achieved since 1957, and the firmly established prestige of the Institute in Central America resulting from its increasing research services for private industry and for national development organizations and other institutions. It was also noted that the services of the Institute are in line with the objectives of the integration programme and will play a basic role when various specific integration projects are carried out, as may be expected in the near future. The ICAITI was assigned advisory and consultative functions in the Agreement on the Régime for Central American Integration Industries and was also requested to advise on activities in other fields.

The Committee gave a vote of confidence and appreciation to the director and staff of the ICAITI for their excellent work.

(b) *Coffee research*. The Committee examined the desirability of scientific research to be undertaken by the ICAITI on uses of coffee for purposes other than drinking, if possible in co-operation with institutions in Colombia and Brazil, where similar studies are being carried out.

In resolution 75 (CCE) the Committee declared its interest in research on the aforesaid subject, as well as on the possible uses of coffee waste. It was recommended that the Central American Research Institute for Industry undertake the necessary studies and submit to the Ministers of Economic Affairs a work programme and budget estimates, so as to determine the cost and the means of financing the studies.

(c) *Advanced School of Public Administration for Central American (ESAPAC)*. The Acting Director of ESAPAC reviewed the School's teaching, research and advisory activities. In its first stage the School gave priority to teaching, having conducted several general and specialized training course, which had been attended by a total of 251 persons up to the end of the present year. The institution has entered a second stage, in which emphasis will be given to the other two aspects of its programme. In addition, the possibility of organizing seminars of shorter duration than previous courses is under consideration. Special attention will be given to library activities and to the preparation of bibliographies. The Publications Department has translated 30 books on public administration and has published 33 text-books prepared by the School's teaching staff. Other contributions in this field have been the students' term papers and research projects. It is intended to prepare a Central American teaching staff drawing upon, for that purpose, the body of students that has already gone through ESAPAC.

During the discussions on this topic, various aspects of the school's work programme were considered, special emphasis being given to the scope of the courses and programmes and the selection of candidates.

The activities of ESAPAC received the Committee's support and a vote of confidence was given to the Director and staff of the School for their work.

(d) *Productivity and vocational and professional train-*

ing. Before discussing this subject, the Committee heard a brief review by the ILO representative of the agenda documents which contain information on the activities of the International Labour Organisation in 1957-58, and a proposal for a productivity and industrial personnel training programme. This proposal was formulated pursuant to a recommendation of the Working Group on the Textile Industry requesting technical assistance for such purpose, which was endorsed by the Committee at its present session in resolution 60 (CCE).

The activities of the ILO in 1957 were carried out in co-operation with the ICAITI. Since the beginning of 1958 the ILO has organized university courses, seminars and lectures on problems of productivity and organization of enterprises, as well as demonstrations in industrial plants. It has also prepared various pamphlets and manuals on these subjects, and plans to continue these activities during the remainder of 1958.

The ILO proposal on productivity and training covers two different types of programmes. The first, of a long-term character, and to be set up at a later date, was submitted only for consideration and study by the Governments. The second, to be undertaken immediately, covers on-the-job training of foremen, supervisors, and maintenance personnel, with some of these personnel being trained abroad through fellowships. It is considered essential to combine training and productivity activities because of their close interrelationship. Limitations of funds for the integration programme would suggest that the proposed fellowships be charged to the national technical assistance programmes, priority being given to the textile industry.

In resolution 77 (CCE) adopted on this subject, the Committee takes note of the documentation submitted and requests the technical assistance necessary to carry out the proposed programme.

(e) *Central American Advanced School of Engineering and Industrial Management.* In resolution 31 (CCE) the Committee had recommended in 1956 that the Governments undertake a study, in co-operation with UNESCO, on the advisability of establishing a Central American Advanced School of Engineering and Industrial Management. At the present session, the delegation of Costa Rica drew attention to the growing need for sufficient numbers of qualified engineers who could take charge of national and regional industrial projects, and suggested that the Committee again urge the Governments to undertake, as soon as possible, the study referred to in the above-mentioned resolution. The Costa Rican delegation added that in this matter, as well as in others related to higher education, it would be desirable to seek the participation and co-operation of the Central American universities. In this particular case it would be advisable that the study be undertaken in close co-operation with the Central American Universities Council, and that assistance be requested from UNESCO on this project.

The Committee adopted resolution 72 (CCE) "Central American Advanced School of Engineering and Industrial Management", on this subject.

## 10. *Social aspects of development*

The discussions on this subject brought out the importance of studying the social aspects of economic development, as indicated in numerous resolutions of international organizations. It was noted that ECLA's work programmes have included this subject for more than two years, and that studies have been initiated with the co-operation of members of the United Nations Bureau of Social Affairs in the ECLA offices in Santiago, Chile and Mexico. The Economic Co-operation Committee itself had requested, at its third session in 1956, that the secretariat prepare a study on Central American demographic problems and their relation to economic integration. The study is being prepared by a TAA expert, in consultation with the secretariat, and should soon be completed.

The delegation of Costa Rica proposed that systematic studies of social aspects of Central American economic development be continued. Moreover, considering the progress already achieved, and the offer received from the Latin American Centre for Research in Social Sciences recently established in Brazil, the delegation suggested that, with the aid of this institution and an expert to be requested from the TAA, a study be made of land tenure and agricultural working conditions in Central America. It was also considered desirable to extend the demographic studies, so as to cover problems of labour force adaptability to the requirements of economic development, as well related aspects bearing upon the consumption and saving capacity of the population. For these studies assistance of a TAA expert would be required.

Resolution 73 (CCE) "Social aspects of economic development", was adopted on the above subject.

## 11. *Technical assistance*

The Committee took note of the report of the Regional Representative of the United Nations Technical Assistance Board, reviewing activities carried out within the integration programme from 1957 to the date of the session. It noted with satisfaction the establishment in Central America of the Office of the Regional Representative of the Technical Assistance Board in San Salvador, El Salvador.

Activities related to the regional programme have been growing in recent years. Expenditures estimated for 1959 total 330 000 dollars, as compared with 313 000 in 1958 and 280 000 in 1957. With the expansion of the technical assistance programme, steps have been taken to improve co-ordination of the various projects, and activities have been undertaken in new fields of basic importance for the integration programme.

The report also contains a brief review of the national programmes that are of importance for the regional programme.

Having considered the report, the Committee thanked the Technical Assistance Board for its valuable help, authorized the President of the Committee to transmit to the Technical Assistance Board the resolutions adopted at the current session and the requests for 1959, and

thanked the Government of El Salvador for facilities offered to the Office of the Regional Representative.

Upon motion of the delegation of Guatemala, the Committee expressed its thanks for the valuable work of Mr. Raymond P. Etchats, for the devotion he showed while discharging his duties as Regional Representative of TAB and for the efficiency he had brought to the regional technical assistance programme.

The Committee adopted resolution 74 (CCE) "Technical Assistance".

#### 12. *Participation of Panama in the activities of the Central American economic integration programme*

The Committee heard with great interest the speech of the representative of Panama, who explained that since the fourth session of the Committee, his country has been participating more and more in the Central American economic integration programme.

During this period, Panama was represented at the meeting on Housing and Building Industries, and has participated actively in work related to the adoption of the Agreement on Road Signs and Signals and the draft Agreement on Road Traffic, as well as in the field of Central American statistical co-ordination. Panama has also participated in the first meeting of the Organizations for Productions Development and Price Stabilization in the Central American Isthmus, held recently in Guatemala City, and has agreed to form part of the association of these organizations to be established as a result of a decision taken at that meeting. The representative of Panama also indicated that his country considering the possibility of joining the ICAITI, and that a positive decision on this matter might soon be forthcoming.

The representative added that his Government is interested in the Multilateral Free Trade Treaty and in the Agreement on the Régime for Central American Integration Industries, and that it might be possible that Panama would participate in certain aspects of these treaties at an opportune time. He suggested that, as in the case of the ODECA treaty, these treaties be open to possible accession by this country.

The Committee welcomed the exposition of the representative of Panama, inasmuch as from the beginning of the economic integration programme, there has been an interest in having Panama participate with the other five republics in promoting the joint development of the Central American Isthmus, as expressed in resolution 13 (AC. 17), adopted at the first session in August 1952. The Committee would view with the greatest satisfaction the participation of the Republic of Panama as a member in future activities and meetings.

#### 13. *Presidential messages*

During the conference the President of the session read the following message, sent from Montevideo by the President of Honduras, H.E. Ramón Villeda Morales: "I fervently wish success for the meeting of the countries of the Isthmus which should become integrated economically for the common benefit. As Presi-

dent of Honduras I declare you guests of honour of my fatherland which is the fatherland of all Central Americans. Yours, President Villeda Morales".

The Minister of Economic Affairs of Guatemala, Mr. José Guirola Leal, attended the closing plenary meeting as chairman of his delegation and read a letter brought personally from the President of Guatemala, H.E. Miguel Idígoras Fuentes. The President of Guatemala expressed his deep satisfaction for the work accomplished at the conference, which represents an important step towards the economic integration of Central America. He stressed that the reconstruction of the Central American nationality is a vital problem which must be solved by the peoples of the Isthmus, and declared that, for this reason, the signing of the treaties creating the common market is most encouraging. He expressed thanks to ECLA and to other international organizations for their excellent co-operation in the task of economic integration.

The Committee took note with great satisfaction of the text of the two presidential messages.

#### 14. *Acknowledgement of the work of Mr. Víctor L. Urquidi*

At the end of the fifth session, the Delegation of Costa Rica presented a draft resolution expressing gratitude for the work of Mr. Víctor L. Urquidi, Director of the Mexico Office of the Economic Commission for Latin America. The Committee expressed its deep regret at Mr. Urquidi's leaving the secretariat of the integration programme and warmly thanked him for his most valuable contribution to the programme. It was also agreed to transmit this resolution to the United Nations.

The delegates expressed their unanimous approval of the proposal by rising and applauding enthusiastically.

#### 15. *Place and date of the next session*

The Committee highly appreciated the invitation of the Republic of Costa Rica to hold the sixth session in the capital of that country, during the first half of 1959. To that end, resolution 79 (CCE) was adopted.

#### 16. *Votes of thanks*

The Committee expressed its deep appreciation to the Chairman, Mr. Fernando Villar, Minister of Economic Affairs and Finance of Honduras, for the effective manner in which he directed the work of the Committee, and to the Government of Honduras for the hospitality extended to the delegates and for facilities granted during the fifth session. Warm thanks were also extended to the Rapporteur, Mr. Enrique Delgado, for his efforts.

A vote of thanks was expressed to the Government of Panama for sending an observer to the Session and for the interest shown in the proceedings of the Committee.

The delegations thanked the secretariat for organizing and servicing the conference and for the reports presented, as well as the Honduran officials and secretaries, who contributed efficiently to the conduct of the session.

A vote of thanks was extended to the observers for their attendance and co-operation in the work of the session.

Appreciation was expressed to the representatives of

the international organizations participating in the Technical Assistance Programme for their co-operation in the economic integration programme.

## Part IV

### RESOLUTIONS ADOPTED

#### List of Resolutions

|  | Page |   | Page |
|--|------|---|------|
| Multilateral Treaty on Free Trade and Central American Economic Integration [Res. 56 (CCE)]  | 18   | Manual of Road Specifications [Res. 66 (CCE)]   | 25   |
| Régime for Central American Integration Industries [Res. 57 (CCE)]   | 18   | Road Transport Services [Res. 67 (CCE)]   | 26   |
| Application of the Multilateral Free Trade Treaty and Activities of the Central American Trade Sub-Committee [Res. 58 (CCE)]         | 19   | Central American Agreement on Standard Road Signs and Signals [Res. 68 (CCE)]             | 26   |
| Electrification [Res. 59 (CCE)]  | 19   | Statistical Co-ordination [Res. 69 (CCE)]   | 26   |
| Textile Industry [Res. 60 (CCE)]   | 20   | Weights and Measures [Res. 70 (CCE)]  | 27   |
| Housing, Building and Planning [Res. 61 (CCE)]   | 21   | Standards [Res. 71 (CCE)]   | 27   |
| Agricultural, Livestock and Fisheries Development [Res. 62 (CCE)]  | 23   | Central American Advanced School of Engineering and Industrial Management [Res. 72 (CCE)] | 28   |
| Association of Organizations for the Development of Production and Price Stabilization in Central America and Panama [Res. 63 (CCE)] | 24   | Social Aspects of Development [Res. 73 (CCE)]   | 28   |
| Transport Sub-Committee [Res. 64 (CCE)]  | 24   | Technical Assistance [Res. 74 (CCE)]  | 29   |
| Road Traffic [Res. 65 (CCE)]   | 25   | Pulp and Paper Industry [Res. 75 (CCE)]   | 29   |
|  |      | Coffee Research [Res. 76 (CCE)]   | 30   |
|  |      | Productivity and Vocational Training [Res. 77 (CCE)]                                      | 30   |
|  |      | Expression of Gratitude to the Director of the Mexico Office of ECLA [Res. 78 (CCE)]      | 30   |
|  |      | Date and Place of the Next Session [Res. 79 (CCE)]  | 31   |

#### MULTILATERAL TREATY ON FREE TRADE AND CENTRAL AMERICAN ECONOMIC INTEGRATION

56 CCE) Resolution adopted on 9 June 1958  
(E/CN.12/CCE/131)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That in resolution 37 (CCE), adopted at the fourth session, held at Guatemala City, it was agreed to recommend to the Governments of the Central American republics that they study and consider with a view to its signature the draft Multilateral Treaty on Free Trade and Central American Economic Integration prepared by the *ad hoc* Commission in compliance with resolution 23 (CCE), and

(b) That the consultations referred to in resolution 37 (CCE), concerning the list of products included in Annex A of the draft Treaty, have taken place and agreement has been reached on that list and on certain amendments to the text,

*Declares* that success has been achieved in the fraternal efforts which the Central American Governments have made through the present Committee with a view to formulating an instrument to facilitate free trade and the creation of a customs union between the five republics and ensure the progressive integration of their economies as a means of accelerating the economic de-

velopment and raising the levels of living of the inhabitants of the Isthmus, and

*Decides* to recommend that, the representatives of the Central American States, having been duly authorized thereto by their respective Governments, proceed to sign the Multilateral Treaty on Free Trade and Central American Economic Integration in the City of Tegucigalpa, D. C., Honduras, on the occasion of the present fifth session of the Central American Economic Co-operation Committee.

#### RÉGIME FOR CENTRAL AMERICAN INTEGRATION INDUSTRIES

57 (CCE) Resolution adopted on 9 June 1958  
(E/CN.12/CCE/132)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That resolution 38 (CCE) recommended that the Central American Governments give careful study and consideration, with a view to its signature, to the draft Agreement on the Régime for Central American Integration Industries, prepared by the Committee on the basis of an earlier draft formulated by the group of experts appointed in conformity with resolution 26 (CCE),

(b) That the Governments have held numerous consultations with private enterprise in their respective countries since the Committee's last session concerning the advisability of adopting a Régime for Central American Integration Industries,

(c) That the discussions concerning the draft Agreement at the Committee's fifth session have indicated the desirability of simplifying its text and recommending a draft which would merely establish the general guiding principles for Central American industrial integration, and

(d) That in consequence of the foregoing a draft Agreement on the Régime for Central American Integration Industries has been prepared;

*Declares* that the Agreement on the Régime for Central American Integration Industries is, together with the Multilateral Treaty on Free Trade and Central American Economic Integration, an indispensable instrument for creating conditions for Central American industrial development on the basis of reciprocity and equity and ensuring the expansion of trade between the five countries;

*Decides* to recommend that the representatives of the Central American States, having been duly authorized thereto by their respective Governments, proceed to sign the Agreement on the Régime for Central American Integration Industries contained in the annex to this resolution in the City of Tegucigalpa, D. C., Honduras, or the occasion of the present fifth session of the Central American Economic Co-operation Committee.

#### APPLICATION OF THE MULTILATERAL FREE TRADE TREATY AND ACTIVITIES OF THE CENTRAL AMERICAN TRADE SUB-COMMITTEE

58 (CCE) *Resolution adopted on 9 June 1958*  
(E/CN.12/CCE/133)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That resolution 56 (CCE) recommended the signature of the Multilateral Treaty on Free Trade and Central American Economic Integration,

(b) That preparatory work of the treaty with a view to its application will have to be undertaken during the period before the treaty enters into force, and

(c) That the Trade Sub-Committee dealt at its fourth session with various technical aspects of this preparatory work,

*Decides:*

1. To recommend that until such time as the Central American Trade Commission provided for in article XVIII of the Treaty is established, its functions should be carried out by the Central American Trade Sub-Committee, without prejudice to the latter's existing functions under resolutions 18 (AC.17) and 14, 24 and 37 (CCE);

2. To take note with satisfaction of the work of the Central American Trade Sub-Committee and to approve the report of its fourth session (E/CN.12/CCE/106);

3. To urge the Sub-Committee to proceed with the preparatory work for the application of the Treaty, especially in relation to:

(i) The introduction of uniform customs tariff items in accordance with the sub-groups of NAUCA, giving priority to the sub-groups included in the list of products annexed to the Multilateral Treaty;

(ii) The adoption of uniform bases or the application of customs duties in accordance with the rules recommended by the Sub-Committee in resolution 17 (SC.1);

(iii) The equalization of import taxes in the Central American countries in accordance with the procedures and criteria contained in resolution 17 (SC.1), giving priority to the taxes on products included in the list annexed to the Multilateral Treaty, and on the products to in articles III and V of the Agreement on the Régime for Central American Integration Industries;

(iv) Studies of the most effective way of applying the provisions of article XXVII of the Treaty; and

(v) Any other matters which the Governments may wish to raise with a view to ensuring the early and effective application of the Treaty;

4. To take note with satisfaction of the study on the fiscal implications of the equalizations of import taxes and of free trade (E/CN.12/CCE/110), prepared by the Secretariat, and to recommend to the Central American Trade Sub-Committee that it give due attention to this study, and to any other studies concerning the application of the Treaty that may be undertaken by other Central American and international agencies;

5. To recommend that the Central American Trade Sub-Committee make available to the Central American Trade Commission, when the latter is established in accordance with the Treaty, all the information in its possession together with the results of its preparatory studies concerning the matters to which the Treaty and this resolution relate;

6. To request the Secretariat to co-operate with and assist the Central American Trade Commission both during the initial organization of its work and in its subsequent activities, and to ask the Technical Assistance Administration to provide the services of an expert to advise the Commission and, pending the establishment of the latter, the Central American Trade Sub-Committee;

7. To urge the Governments to appoint their representatives to the Central American Trade Commission in due course.

#### ELECTRIFICATION

59 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/134)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That in accordance with resolution 25 (CCE) a meeting of Central American Electric Power Officials was held at San José, Costa Rica, in November 1957, the conclusions of the meeting being presented in its report (E/CN.12/CCE/107),

(b) That this report shows the necessity of continuing the exchange of experience between the personnel and experts of the five countries, and the need for co-ordinating electric power development programmes with the industrial development projects included in the Central American integration programme and with general plans of economic development, and

(c) That the Meeting recommended with a view to their incorporation in their national legislations of the countries concerned a series of guiding principles relating to the electric power industry which are of great importance from the point of view of the electrification of the Central American countries,

*Decides:*

1. To approve the report of the Meeting of Central American Electric Power Officials and to congratulate the Meeting on the results achieved;

2. To recommend that the Governments endeavour to incorporate in their national legislation the guiding principles for the electric power industry formulated by the Meeting of Central American Electric Power Officials;

3. To thank the Government of Costa Rica, the Costa Rican Electricity Institute and the private enterprise sectors of the electrical industry in that country for the facilities extended to the Meeting; and the Secretariat and the United Nations Technical Assistance Administration for the technical papers and studies on which the Meeting was based, in particular the report on Central American electrification prepared by a TAA expert;

4. To establish a Central American Electrification Sub-Committee composed of representatives of the official organizations and private undertakings active in this field. The Sub-Committee, which shall meet at least once a year and conduct its business in accordance with the Committee's rules of procedure, shall have the following functions:

(a) To establish contacts between the personnel and experts of the five countries to enable them to study electric power problems of common interest and exchange information on their respective experiences;

(b) To initiate the study of the Central American electric power problem on a regional scale with a view to the future joint and co-ordinated exploitation of potential hydroelectric resources which can be utilized only on an international scale or can be better utilized in that way;

(c) To define, in a manual to be prepared to that end, the technical and economic requirements which must be met in preparing electrical development projects with a view to ensuring that such projects are complete and adequate for supporting request for national or international credit for electrical works;

(d) To study and suggest methods if possible of a uniform character, of undertaking research on the market for power and adequately estimating the future demand for electric power as a function of the stages of economic development of the Central American countries;

(e) To recommend standards for undertaking or completing on a uniform basis surveys of the hydro-matic resources of the individual countries;

(f) To adopt standards for the maintenance, within its

field of activities of adequate and uniform electrical statistics, covering basic data on installed generating capacity, transmission and distribution systems, production and consumption of electric power and of fuels, number of electricity consumers, investments, and other data;

(g) To recommend a uniform accounting system for public service enterprises in accordance with a functional classification of both the investments and operation of the enterprises concerned;

(h) To recommend technical standards for the standardization of transmission and distribution voltages and standards for materials, equipment and instruments;

(i) To recommend safety rules for the electric power industry;

(j) To standardize the nomenclature used by the various countries in the electric power industry;

(k) To study the organization, administration and operation of a Documentation and Information Centre for the Central American countries, which would serve: (i) as a source of specialized bibliographic information for the electrical industry; (ii) as a centre for the exchange of publications between countries; (iii) as an agency for the preparation and circulation of summaries of specialized publications to electric power agencies and enterprises in Central America and Panama, and possibly for the organization of specialized circulating libraries;

5. To recommend that the Governments request from the United Nations Technical Assistance Administration under the regional programme for Central America, the necessary experts to advise:

(a) The Governments of Honduras and Guatemala in the preparation of draft legislation on the electrical industry;

(b) The Government of Honduras in the field of the administration and economics of electrical undertakings; and

(c) The Central American Electrification Sub-Committee in the organization of its activities; and to recommend also that the Governments grant fellowships for training engineers and for specialization and training of personnel in various sectors of the electric power industry, and also request fellowships from the United Nations for the same purpose.

TEXTILE INDUSTRY

60 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/135)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That in accordance with resolution 40 (CEE) of the Committee, a Textile Industry Working Group of the Central American Industrial Initiative Commission met at Managua in January 1958 and examined the *Preliminary Report on the Textile Industry in Central America* (TAA/LAT/8) prepared by an expert of the United Nations Technical Assistance Administration, and

(b) That the Working Group's report on its activities (E/CN.12/CCE/109) contains a number of recommenda-

tions designed to promote specialization, development and an improvement of productivity in the Central American textile industry,

*Decides:*

1. To take note of and approve the report of the Textile Industry Working Group and to express its interest in the establishment of associations of textile manufacturers in countries where such associations do not as yet exist and in the proposed Central American Textile Industries Federation, and to offer its co-operation in connexion with activities of interest to the economic integration programme, in particular with regard to specialization in textile production;

2. To recommend to the Central American Governments:

(a) The equalization of import taxes on products and raw materials enjoying preferential tariff treatment under bilateral free trade treaties, on the basis of the studies being undertaken in that connexion by the Central American Trade Sub-Committee;

(b) That in future an effort should be made to equalize the customs valuations of the products concerned at the time when the products are included in preferential arrangements.

(c) That consideration should be given to the possibility of revising, within the framework of their national legislation, agreements, treaties or commercial contracts concluded with countries, groups of countries or enterprises outside the region, in which preferential treatment is provided for certain textile goods which are at present produced in the region or which might, in future, be produced in the region on a favourable relative cost basis with a view to establishing a uniform tariff system for the Central American countries;

(d) The establishment of uniform quality standards in all the Central American countries for textile goods produced in the region and for imported goods with a view to safeguarding the interests of consumers and avoiding competition ruinous to the national textile industries and the establishment of standards committees in countries where such bodies do not as yet exist for the purpose of supervising the enforcement of the quality standards to be established;

3. To reiterate to the Governments the recommendation contained in resolution 41 (CEE), that they give preference in their purchases to textile goods produced in Central America;

4. To recommend to the Governments that they take steps, with the financial assistance of the Central American associations of textile manufacturers and of cotton producers, to secure the early establishment of a Central American laboratory for the analysis of cotton fibre, requesting to that end the co-operation of ICAITI as recommended in resolution 48 (CCE);

5. To recommend that the Governments request the United Nations Technical Assistance Board to appoint experts to:

(a) Study the possibilities of the expansion and specialization of cotton textile production;

(b) To undertake a study, in consultation with the Secretariat and in close co-operation with ICAITI, of the possibilities of establishing a plant for the manu-

facture of short-staple rayon filament on the basis of cotton linter as recommended in resolution 41 (CCE);

(c) To advise the national associations and the Central American Federation of Textile Manufacturers' Associations on the establishment of joint finishing plants and the separation of the phases of production and distribution in the textile industry, and

(d) To establish a training programme for maintenance personnel, supervisors, foremen and skilled workers in the textile industry, with the assistance of the International Labour Organisation,

6. To recommend that the Secretariat undertake a study of the structure of textile production and consumption in Central America in co-operation with the Federation of Central American Textile Manufacturers' Associations.

HOUSING, BUILDING AND PLANNING

61 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/136)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That as an outcome of resolution 51 (CCE), the interest shown by the national agencies responsible for housing and urban planning programme and the advisory activities of various bodies of the United Nations and the Organisation of American States, a Meeting on Housing, Building Industries and Construction Materials Problems in Central America and Panama was held at San José, Costa Rica, from 10 to 16 November 1957,

(b) That the housing problem in the Central American Isthmus necessitates comprehensive solutions covering the social, town-planning, technical, and financial aspects, and that use must be made to the knowledge and achievements of each of the countries of the Isthmus for the benefit of the remainder through the widest possible exchange of information and documentation and of technical, administrative, legislative and financial experience,

(c) That to these ends, in addition to the valuable work being done by Governments, in particular through the housing and town-planning institutes and similar agencies, it is desirable, as is proposed in recommendation XXIII of the above-mentioned Meeting on Housing Problems, to ensure the continuity of the Central American housing programme, to hold periodical meetings similar to that held at San José, Costa Rica, and to promote on a co-ordinated basis the various aspects of the housing programmes, within the framework of the Central American economic integration programme, and with the co-operation of any international, inter-American and Central American agencies that may participate,

*Decides:*

1. To approve the Report on Housing, Building Industry and Construction Materials Problems in Central America and Panama (E/CN.12/CEE/108), and to express its deepest appreciation to the participating national institutions and representatives of private enter-

prise and to the United Nations bodies, agencies to the Organisation of American States and other institutions which co-operated with the Secretariat in the preparatory work for the important results achieved at the Meeting;

2. To endorse the recommendations and suggestions made by the Meeting, and to urge the Governments, housing agencies, private enterprise sectors and international agencies to which the recommendations were directed, to consider them with the greatest interest and attention with a view to putting them into practice;

3. To create, within the framework of the Central American economic integration programme, a Central American Housing, Building and Planning Sub-Committee, composed of the senior officials responsible for the formulation of the policies of the housing and town-planning agencies of the Central American republics;

4. The Sub-Committee shall meet at least once every two years, in different capitals of the Isthmus, or at more frequent intervals if its work so requires, and shall submit the results of its proceedings to the Central American Economic Co-operation Committee;

The Sub-Committee shall endeavour to ensure the participation of representatives of private enterprise in its meetings;

5. The functions of the Housing, Building and Planning Sub-Committee shall be as follows:

(a) To promote national programmes in the field of housing, town-planning, standardization of materials and designs, and the development of the building industry and the construction materials industry;

(b) To co-ordinate, at the Central American level, those aspects of the national programmes which might be carried out jointly or concurrently, and in which the experience of various countries might be utilized;

(c) To promote the exchange of information and documentation on building codes and regulations, and also the exchange of technical, administrative, legislative, and financial experience;

(d) To exert every effort to broaden the Central American market for construction materials, with a view to maximizing the productivity of investments, and to promote studies on the future development of the building industry in Central America, taking into account the needs that will be created by social housing programmes and other building programmes.

(e) To make recommendations to the Central American Economic Co-operation Committee with respect to the foregoing matters, and to propose to the Committee any measures or actions for the fulfilment of the objectives of the Central American housing programme;

(f) To assess the regional assistance and technical co-operation requirements of the Central American housing programme and to submit to the Committee proposals concerning the type and form of assistance to be requested from the international agencies and other sources of assistance;

6. In addition to any studies that may be undertaken by the Secretariat on matters within its competence, the Sub-Committee may call upon the technical assistance of the United Nations Housing, Building and Planning Branch, in accordance with its functions and procedures (with the aid of the Technical Assistance

Administration, if required), the Pan-American Union and the Inter-American Housing and Planning Centre, the Central American Research Institute for Industry, and other international agencies and sources of assistance whose participation in the programmes might be requested by the Committee. The Secretariat and the technical agencies co-operating with it shall submit to the Sub-Committee jointly agreed proposals that they deem relevant to the execution of the Sub-Committee's programmes of work;

7. The Secretariat shall convene the first meeting of the Sub-Committee as soon as possible, in accordance with the rules established in the integration programme, with a view to the establishment of the Sub-Committee and the adoption of the programme of work for 1958-59, which shall indicate the relative priority of the project included. This programme shall be based upon the recommendations and proposals of the Meeting on Housing, Building Industry and Construction Materials Problems held at San José, Costa Rica, in November 1957 and set out in its report (E/CN.12/CCE/108);

8. To recommend to the Central American Governments the establishment of standards for the production of construction material and component and building designs, with a view to achieving the objectives mentioned in recommendation I of the Meeting on Housing Problems;

9. To request the Central American Trade Sub-Committee to examine the tariff and other obstacles to Central American trade in construction materials, with a view to enabling the Committee to formulate recommendations to Governments with respect to the elimination or reduction of these obstacles and the possible inclusion of construction materials in the Multilateral Free Trade Treaty and in bilateral trade treaties;

10. To recommend that the Central American Industrial Initiatives Commission consider at a forthcoming meeting the problems of co-ordinating and developing the construction materials and building parts industries, in accordance with recommendation X of the Meeting on Housing Problems;

11. To request the Secretariat to submit to the Committee at its next session a report on the arrangements made between the central banks of Central America for the reciprocal investment of part of their reserves, and if possible to suggest practical ways of utilizing this procedure for financing the construction material industries, as envisaged in recommendation XXI of the Meeting on Housing Problems;

12. To request the Technical Assistance Administration of the United Nations to furnish experts and fellowships with a view to carrying out activities under the Central American housing programme in accordance with the programme of work to be adopted by the Sub-Committee in this connexion; and to request also the technical assistance of the International Labour Organisation and UNESCO in connexion with aspects of the programme that are within their competence;

13. To recommend to the Governments that they request from the Organisation of American States the co-operation of the Pan-American Union and the Inter-American Housing and Planning Centre in the work of the Central American Housing, Building and Planning



Sub-Committee, in accordance with the provisions contained in paragraphs 3 to 7 above concerning the operations of the Sub-Committee.

#### AGRICULTURAL, LIVESTOCK AND FISHERIES DEVELOPMENT

62 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/137)

*The Central American Economic Co-operation Committee,*

##### *Considering:*

(a) The studies submitted in the following documents: Secretariat note on agricultural, livestock and fisheries development (E/CN.12/CCE/118); Secretariat report on grain supplies in Central America and Panama (E/CN.12/CCE/119); Preliminary report on the market for livestock and livestock products in Central America (FAO, Doc.); Report on agricultural, technical and economic aspects of cotton production in Central America (FAO.CAIS/58/1); State of the studies on fisheries problems in Central America (FAO, Doc.); and Contribution of forestry teaching and training in Turrialba to the study of the forestry problems of Central America (FAO, Doc.); and

(b) That in some of the fields covered by the studies mentioned it is possible and desirable to adopt measures involving joint Central American action, and, in others, to proceed with the investigation of certain complementary aspects before taking decisions of immediate practical application.

##### *Decides:*

A. *To express its thanks* to the Secretariat and FAO for having prepared the valuable studies mentioned.

B. *The supply of grains and their inter-Central American trade*

1. To recommend to the Secretariat and FAO that they continue the study on grain supplies in Central America and Panama by a study of inter-American trade in grains, covering price support programmes and the classification of grains, and analysing in greater detail, if necessary, the optimum conditions for production and consumption in the countries of the Isthmus. The results of the study, particularly with respect to the possible adoption of a standard grain classification system for grains, shall be submitted to a meeting of Central American experts to be convened in due course by the Secretariat;

2. To recommend to the Government that, with the assistance of the Secretariat and FAO, they hold periodical meeting to examine the state of grain stocks, crop prospects and national requirements, with a view to facilitating the working of the inter-American grain market, and to ensuring, as far as possible, Central American self-sufficiency in regard to grains.

C. *Livestock industry*

1. To recommend to the Secretariat and FAO that they give high priority in their immediate studies to problems relating to the establishment of a standard classifica-

tion system for meat and livestock, the co-ordination of national policies with respect to the exportation of meat and livestock outside Central America, and the effective organization of inter-Central American trade in such products;

2. To request the Secretariat and FAO to prepare the basic documents necessary to enable countries to adopt measures of joint action for the effective solution of the problems mentioned in paragraph 1. To recommend for this purpose that the Secretariat, in consultation with the Governments, convene the necessary meetings of Central American experts and officials, endeavouring to ensure the participation of representatives of private livestock interests;

3. To request OIRSA to undertake a study of the measures that might be taken to establish standard regulations for meat and animal health inspection in Central America, with a view to facilitating foreign trade in livestock and livestock products;

D. *Cotton*

1. To call the attention of the Governments to the desirability of placing particular emphasis in cotton policy on more efficient production, based on increased yields and improved fibre quality, and on greater co-operation in marketing activities, with a view to enabling Central American cotton to participate more advantageously in the international market, and in connexion with this last point, to request the Secretariat and FAO, in consultation with the interested agencies, to study and suggest to the countries concerned practical measures that might be taken to this end;

2. To transmit the FAO report to the Ministries of Agriculture, agencies for the development of production, agricultural credit agencies and cotton producers' associations and co-operatives in the five countries, since the Committee believes that the analysis and conclusions contained in the report may contribute greatly to the success of their work;

E. *Development of the fishing industry*

1. To point out that, with a view to promoting the development of the fishing industry in Central America, special attention should be given to problems relating to the evaluation and conservation of fisheries resources, the training of administrative and technical personnel, the construction of port facilities, the distribution and consumption of fisheries products and the standardization of the legal regulations affecting the fishing industry;

2. To suggest to the Governments that with a view to the solution of the problems mentioned in paragraph 1, it is highly desirable to establish appropriately co-ordinated systems of fisheries administration, to make more effective use of the services of international experts and fisheries institutes: national officials being assigned for training with such experts, and to include fellowships for these purposes in national technical assistance programmes;

3. To recommend to the Governments that they request the United Nations Technical Assistance Board to furnish an expert in fisheries economics and administration and a biologist, with a view to the solution of

the above-mentioned problems at the Central American level.

#### F. Forestry training

1. To thank FAO for its report on the "Contribution of forestry teaching and training in Turrialba to the study of forestry problems in Central America"; to suggest that, in view of the general interest in this project, FAO study the possibility of continuing it as part of a broader Latin American programme, and to recommend to the Central American countries that they make the fullest possible use of the training facilities offered by the project.

#### ASSOCIATION OF ORGANIZATIONS FOR THE DEVELOPMENT OF PRODUCTION AND PRICE STABILIZATION IN CENTRAL AMERICA AND PANAMA

63 (CCE) Resolution adopted on 8 June 1958  
(E/CN.12/CCE/138)

*The Central American Economic Co-operation Committee,*

#### *Considering:*

(a) That the First Conference of Organizations for the Development of Production and Price Stabilization in Central America and Panama was held recently at Guatemala City (E/CN.12/CCE/127 and Add. 1),

(b) That it was agreed at this Conference to establish an association of such organizations with the purpose of developing unified criteria for the development of production and stabilization of prices, securing co-operation between the member organizations by various means, promoting the study of the local economies with a view to their regional integration, and creating permanent agencies for achieving these objectives, and

(c) That the Conference decided to transmit to this Committee the resolutions adopted during its proceedings and that certain of the resolutions, as well as some of the objectives of the Association, are closely related to various projects currently being carried out under the auspices of the Committee,

#### *Decides:*

1. To thank the First Conference of Organizations for the Development of Production and Price Stabilization in the Central American Isthmus for transmitting the resolutions it adopted to this Committee;

2. To welcome the establishment of the Association of Organizations for the Development of Production and Price Stabilization in the Central American Isthmus, and express its desire that the Association should begin its activities as soon as possible, since the Committee considers that the Associations' objectives are fully in harmony with the interests of Central American economic integration;

3. To recommend that the Secretariat, FAO and the Association endeavour to ensure the effective co-ordination of their activities in the field of Central American agricultural economic integration, making use of the facilities for co-operation available to them for the better achievement of their objectives.

#### TRANSPORT SUB-COMMITTEE

64 (CCE) Resolution adopted on 8 June 1958  
(E/CN.12/CCE/139)

*The Central American Economic Co-operation Committee,*

#### *Considering:*

(a) That in recommendation XIX approved by the Second Meeting of Traffic Authorities of Central America and Panama, held at San Salvador, El Salvador, in October 1957, it is suggested with a view to the continuation and co-ordination of studies and work related to road transport that further meetings should be held on this subject and that consideration should be given to the possibility of creating a permanent body for this purpose within the Central American economic integration programme, and

(b) That it is, moreover, desirable that such co-ordination of studies and activities should not cover road transport only but should also extend to other means of transport, the more so because there are in the Central American countries no administrative agencies responsible for the co-ordination of the various types of transport and the application of an integrated policy in this field,

#### *Decides:*

1. To establish, within the framework of the Central American economic integration programme, a Transport Sub-Committee concerned with road, railway, maritime, air and urban transport and inland navigation, and composed of officials nominated for that purpose by the Governments.

2. The Sub-Committee shall meet at least once a year in different capitals of the Isthmus, or at more frequent intervals if its work so requires, and shall submit the results of its discussions to the Central American Economic Co-operation Committee.

3. The functions of the Transport Sub-Committee shall be as follows:

(a) To study and consider basic transport problems in the Central American Isthmus from the economic, technical, legislative and administrative points of view, with particular reference to the co-ordination of the various means of transport at the international Central American level;

(b) To promote the formulation of the basic principles of a concerted Central American transport policy, with a view to achieving the co-ordination of investment programmes in this field, regulating competition, rationalizing rates in the region and promoting greater uniformity in the legislative, administrative and operational aspects of the transport industry;

(c) To encourage the adoption of the Central American Governments of a common attitude in their negotiations with third parties concerning transport problems with a view to strengthening their international position and to improving the conditions which exist in certain transport services operated under concessions;

(d) To assess the needs for technical assistance and co-operation in the various branches of transport, with a view to achieving the maximum use of the limited resources available, and to advise the Economic Co-operation Committee on the assignment of priorities to technical assistance requests relating to transport; and

(e) To submit recommendations to the Committee with a view to the achievement of the objectives set out above;

4. To recommend to the Secretariat that it make arrangements for constituting the Sub-Committee at an early date;

5. The Secretariat, in consultation with the Governments, shall submit the agenda to be considered at each session of the Sub-Committee in good time, so that the authorities concerned in each country can make the necessary preparations and make any necessary arrangements for the co-ordination of their activities through the national office responsible for Central American economic integration matters or through the Ministry of Economic Affairs. At any one session the Sub-Committee may consider matters related to different branches of transport and may establish any working groups that it deems advisable for the proper discharge of its functions.

6. In all matters not provided for in this resolution, the Sub-Committee shall be governed by the rules of the Central American Economic Co-operation Committee.

#### ROAD TRAFFIC

65 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/140)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That in order to promote and ensure the effective co-ordination of road transport between the Central American countries it is desirable to adopt uniform traffic legislation and regulations,

(b) That such uniformity is desirable in connexion with the accession of the Central American States to the Geneva Convention on Road Traffic of 1949,

(c) That the measures to facilitate and regulate road traffic are an important element in the Central American integration programme and the promotion of trade between Central America and Panama, and that agreements concerning the temporary importation of motor vehicles and standard road signs and signals have already been adopted, and

(d) That in resolution 43 (CCE) it was decided to complete the studies on the standardization of traffic laws and regulations to and which an expert of the United Nations Technical Assistance Administration prepared, in consultation with the Secretariat, a report entitled *Unification of Road Traffic Regulations in the Central American Isthmus* (TAA/LAT/15) and a draft Central American agreement on the subject,

*Decides:*

1. To approve the report of the second meeting of

Traffic Authorities of Central America and Panama (E/CN.12/CCE/105);

2. To recommend that the Central American Agreement on Road Traffic be opened for signature in the Ministry of Foreign Affairs of Honduras in the City of Tegucigalpa, D. C., on the occasion of the present fifth session of the Central American Economic Co-operation Committee.

3. To recommend to the Governments that pending the completion of the arrangements for the entry into force of the Agreement, the traffic authorities apply the Agreement provisionally in the manner they deem desirable, without prejudice to the enactment of national legislation in the matter based on the Agreement;

4. To recommend to the Governments, that, with respect to the standard driving permit provided for in article 26 of the Agreement, they adopt regulations for the issuance of driving permits in each country based on the recommendations of the Second Meeting of Traffic Authorities;

5. To invite the Government of Panama to accede to the Central American Agreement on Road Traffic, in conformity with article 65 of the Agreement, and to adopt the regulations on driving permits referred to above.

#### MANUAL OF ROAD SPECIFICATIONS

66 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/141)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That the Second Meeting of Traffic Authorities of Central America and Panama, held at San Salvador, El Salvador, in October 1957 approved, subject to editing changes, the first two parts of the draft Manual of Specifications prepared by an expert of the Technical Assistance Administration, entitled "Planning" and "Contracting of works",

(b) That in recommendations XIV and XVII adopted at that Meeting it is recommended, *inter alia* that a final draft of the said Manual be agreed to in due course and adopted as a basis for the uniform development of the road network and related administrative systems and procedures in Central America, and that, to this end the representatives of the highway departments or ministries of public works continue the technical studies that they have jointly undertaken, and

(c) That the agencies concerned in each country have in recent months been studying the three parts of the Manual not yet approved, namely "Base courses and payments", "Bridge construction" and "Various works and constructions", and that it is desirable that Central American engineers should discuss these subjects at an early date with the assistance of the Technical Assistance Administration expert at a meeting convened to that end,

*Decides:*

1. To recommend to the Central American Governments that they apply on an experimental basis, the

first part of the Manual of Specifications relating to "Planning", and the second part relating to "Contracting of works", with a view to gathering experience for consideration at a future meeting of the Transport Sub-Committee to be attended by the representatives of highway departments or ministries of public works, as appropriate;

2. To request the United Nations Technical Assistance Administration to continue to provide during the course of the year the services of the expert who is advising the Governments in this matter, so that the Transport Sub-Committee can at the same meeting consider and, if possible, adopt the remaining parts of the draft Manual.

#### ROAD TRANSPORT SERVICES

67 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/142)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That at the third and fourth sessions of the Central American Economic Co-operation Committee, resolutions 16 and 44 (CCE) were adopted concerning the necessity of promoting the establishment of regular international passenger and freight transport services in the area, and

(b) That at the Second Meeting of Traffic Authorities of Central America and Panama, held at San Salvador, El Salvador, in October 1957 recommendations XIV and XV, were adopted in which it is suggested that the study of problems related to the regulation and control of national and international road transport services be continued, and that, in accordance with resolution 44 (CCE), the subject is to be examined by a group of experts,

*Decides:*

1. To recommend that the Central American Governments request the United Nations Technical Assistance Administration to furnish an expert in road transport to study the economic, legal and administrative aspects of the regulation and control of national and international passenger and freight transport services in the Isthmus, in consultation with an *ad hoc* study group composed of representatives of each country appointed by the Governments concerned and to prepare, in co-operation with this group, a report containing concrete suggestions for the promotion and regulation of the services in question;

2. To request the Transport Sub-Committee to examine the suggestions made by the experts and to submit its recommendations in the matter to the Economic Co-operation Committee.

#### CENTRAL AMERICAN AGREEMENT ON STANDARD ROAD SIGNS AND SIGNALS

68 (CCE) *Resolution adopted on 9 June 1958*  
(E/CN.12/CCE/143)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That in resolution 42 (CCE), adopted at its fourth session, it recommended that the Central American Governments conclude at the earliest possible date a regional agreement, with the participation of the countries members of the Committee and Panama, with a view to the adoption of the uniform system of road signs and signals set out in the Manual of Road Signs and Signals submitted for their consideration, and

(b) That the Governments have expressed their consent to the adoption of the Manual, and that a draft Agreement on the subject has been prepared and has received the approval of this Committee,

*Decides:*

To recommend that the Central American Agreement on Standard Road Signs and Signals be opened for signature in the Ministry of Foreign Affairs of Honduras in the City of Tegucigalpa, D. C. on the occasion of the present fifth session of the Central American Economic Co-operation Committee.

#### STATISTICAL CO-ORDINATION

69 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/144)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That the Central American Statistical Co-ordination Sub-Committee has submitted the reports of its third and fourth sessions containing the resolutions adopted by the Sub-Committee at those sessions, and

(b) That particular attention should be drawn to certain of the recommendations contained in the reports, which are of special importance and should be endorsed by the Committee,

*Decides:*

1. To approve the reports of the third and fourth sessions of the Central American Statistical Co-ordination Sub-Committee (E/CN.12/CCE/104 and 126) and the Sub-Committee's programme of work for 1958-59, and to recommend that the national and international agencies to which the resolutions in the reports are directed give them careful consideration with a view to carrying them into effect;

2. To thank the Statistical Office and the Technical Assistance Administration of the United Nations, the Inter-American Statistical Institute and the ECLA Secretariat for their effective co-operation in the Course on Foreign Trade Indexes given in Mexico City, the results of which have been of great assistance in the work undertaken in this field by the national statistical offices;

3. To express its gratitude to the Technical Assistance Administration and the Statistical Office of the United Nations for their valuable co-operation in the execution of the pilot survey of road transport statistics carried out in conformity with resolution 18 (SC.2);

4. To request the Secretariat to take steps to secure

the co-operation and advice of the United Nations Statistical Office in regard to possible solutions of the problem of the valuation of exports, and of the Inter-American Statistical Institute in regard to the unification of classification concepts in relation to commodities considered exempt from customs duties;

5. To request the Secretariat, in consultation with the members of the Sub-Committee and the Chairman of the Committee to convene a meeting of a Working Group on Industrial Censuses, as soon as the documents being prepared by the advisory bodies and the reports to be prepared by the Governments on their experience in the industrial censuses conducted in their own countries are ready;

6. To request FAO and IASI, in consultation with the Secretariat, to undertake joint studies:

(a) On the possibility of establishing a co-ordinated system of crop forecast for products of major importance in all the countries of the Central American Isthmus,

(b) On the tabulations and other work that must be planned by the countries of the region in connexion with the design of sample surveys and the general improvement of the organization and methods used in compiling continuous agricultural and livestock statistics, and

(c) On the methods of collective producers' prices currently used in the Central American countries and on the measures that might be taken to improve them on the basis of regional comparability,

7. To recommend that the Governments request the United Nations Technical Assistance Board to continue to provide expert services in the field of agricultural, livestock and forestry statistics;

8. To thank the Technical Assistance Administration and the Statistical Office of the United Nations for their effective co-operation in the preparation of the *Central American Statistical Compendium* and warmly to congratulate the General Statistical Office of Guatemala on its excellent work and the success achieved in carrying out the task assigned to it at the second session of the Sub-Committee;

9. To express its satisfaction at the establishment of the Second Central American Statistical Training Course at San Pedro Montes de Oca, Costa Rica, under the auspices of the Government of that country, the University of Costa Rica and the Inter-American Statistical Institute.

#### WEIGHTS AND MEASURES

70 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/145)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That the effective and general application of the decimal metric system in the Central American countries is of fundamental importance to the economic integration programme,

(b) That in conformity with resolution 7 (CCE), the Secretariat has submitted a study on the weights and measures used in the Central American countries

and on the problems of applying a uniform system, prepared by an expert of the United Nations Technical Assistance Administration, and

(c) That it is recommended in resolution VI, adopted by the Inter-American Meeting of Technical Standards Experts, under the auspices of the Inter-American Economic and Social Council, that measures be taken for the application of the decimal metric system,

*Decides:*

1. To take note of the *Study on Weights and Measures in Central America* (TAA/LAT/20), prepared by an expert of the Technical Assistance Administration, and of the important recommendations formulated in that document;

2. To recommend the Governments of the Central American Republics, on the basis of the aforesaid study:

(a) To undertake the revision of the existing laws and regulations on weights and measures in their respective countries, taking as a basis the drafts contained in document TAA/LAT/20, with a view to modernizing them and establishing uniform provisions in the five countries for the application of the decimal metric system,

(b) To organize, after the approval and promulgation of the new laws on weights and measures, national departments of weight and measures in each country with the function of enforcing the new laws, disseminating information, installing standard equipment and undertaking other activities of a technical and administrative character necessary for the general introduction of the decimal metric system in the Central American countries, and

(c) To request experts to assist in establishing national weight and measures services in each country, organizing the principal technical activities of such services and acquiring the necessary national standard weights and measures equipment; and also to request scholarships for training personnel in these fields,

3. To recommend that ICAITI provide assistance in these activities and to the extent that its resources and programmes of work permit, and with the help of the Governments, proceed to install the Central American standards equipment to be used for the verification of national standards of weights and measures.

#### STANDARDS

71 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/146)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That the establishment of standards of quality for industrial products in Central America would help to safeguard the interests of consumers and to facilitate production, distribution and trading activities in the Central American countries,

(b) That although standards bureaux exist in some Central American countries, the application of such standards is inadequate since it still covers only a limited number of products, and

(c) That the Textile Group of the Central American Industrial Initiatives Commission has recommended the establishment of uniform standards for textile products in all the Central American countries, and that similar recommendations were made with respect to construction materials and components at the Meeting on Housing, Building Industries and Construction Materials Problems in Central America and Panama,

*Decides:*

1. To recommend to the Government of the Central American countries which do not as yet have standards bureaux, that they proceed to establish such bureaux, and to request the standards bureaux of the five countries to establish at an early date national standards of quality applicable to a sufficiently large number of industrial products;

2. That in the case of textile products and construction materials and components the standards referred to in paragraph 1 should be based upon uniform specifications in all the countries;

3. That effective arrangements for co-ordination should be established between the national standards bureaux with a view to achieving, as far as possible, complete uniformity of standards of quality in the Central American countries;

4. To request ICAITI, in accordance with its terms of reference and procedures, to provide assistance in these fields.

CENTRAL AMERICAN ADVANCED SCHOOL OF ENGINEERING  
AND INDUSTRIAL MANAGEMENT

72 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/147)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That in resolution 31 (CCE) it was recommended to the Central American Governments that they study, in co-operation with UNESCO, the creation of a Central American Advanced School of Engineering and Industrial Management for training specialized technical personnel, and that this study has not yet been undertaken,

(b) That it is highly important that all activities in the field of education and research at the university level within the Central American economic integration programme should be undertaken by or co-ordinated with the universities of the five countries,

(c) That in view of the economic growth of the various countries and the progress achieved under the integration programme, there is a growing need for an adequate number of qualified engineers capable of assuming responsibility for the execution of industrial projects of national or Central American scope, as was noted in resolution 31 (CCE), and

(d) That the delegation of Costa Rica has submitted a proposal by the University of Costa Rica, the general purpose of which is to achieve greater participation by

the Central American universities in the integration programme and, specifically, in a study concerning the establishment of a Central American Advanced School of Engineering and Industrial Management,

*Decides:*

1. To recommend to the Central American Governments that the universities of the Isthmus participate actively in the planning and organization of the Central American Advanced School of Engineering and Industrial Management referred to in resolution 31 (CCE), with a view to ensuring that the activities of the school are linked to or co-ordinated with one, some or all of the universities in the Central American area;

2. To reiterate to the Central American Governments the desirability of undertaking as soon as possible the study concerning the establishment of the Central American Advanced School of Engineering and Industrial Management, in close co-operation with the universities of the Central American countries through the Central American Higher University Council;

3. To request the United Nations Educational, Scientific Organization to provide the technical assistance necessary for the completion of the studies;

4. To request the participation of all the universities of the Isthmus in the implementation of any resolutions on matters related to higher education that may be considered at the university level under the integration programme.

SOCIAL ASPECTS OF DEVELOPMENT

73 (CCE) *Resolution adopted on 8 June 1958*  
(E/CN.12/CCE/148)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That it is necessary for the integrated development of the Central American economy to have adequate knowledge of a number of social aspects of development,

(b) That a demographic study has been made providing information on projections of the future population and some of its most important characteristics,

(c) That of the nature of social questions it is desirable that the social aspects of development should continue to be studied.

(d) That a Latin American Centre for Research in the Social Sciences had been established under the auspices of UNESCO and the Government of Brazil, for the purpose of undertaking scientific studies of the problems of the Latin American region with a view to promoting the economic and social development of the countries, of the region, and

(e) That the Centre has expressed interest in undertaking a detailed analysis of the agrarian structure of the Central American countries, with special reference to their social characteristics,

*Decides:*

1. That it is of importance to the Central American economic integration programme that systematic research should be undertaken on the social aspects of the economic development of the Central American

75 (CCE) *Resolution adopted on 9 June 1958*  
(E/CN.12/CCE/152)

*The Central American Economic Co-operation Committee,*

*Considering:*

(a) That in conformity with paragraph 4 of resolution 39 (CCE), the Secretariat has presented three reports on the pulp and paper project, prepared by experts of the Food and Agriculture Organization of the United Nations; and that an expert of financing, appointed by the United Nations Technical Assistance Administration, has already started his work, and

(b) That it is shown in the reports that, in addition to the work done on the survey of forestry resources, the road network and the forest exploitation and management plan, it is necessary to undertake studies and field investigations in order to complete the formulation of the draft project for the pulp and paper plant,

*Decides:*

1. To take note with satisfaction of the following reports prepared by experts of the Food and Agriculture Organization of the United Nations:

Report of the FAO Mission appointed to study the pulp and paper plant in Honduras. Activities carried out in 1957.

Forest management plan for the north-western region of Olancho, Honduras.

Preliminary report on the problems of roads and transport for the exploitation of forest resources and the operation of the proposed pulp and paper plant in Honduras.

2. To express its deep appreciation to the Government of Honduras for the facilities and co-operation it has extended in the execution of these studies, and to recommend that it strengthen forest conservation activities in the Olancho area;

3. To approve the work programme of the FAO Mission for 1958, contained in its report on activities undertaken in 1957, and to express its gratitude to FAO for the successful conclusion of the preliminary studies on the pulp and paper project; and to request the Technical Assistance Board to arrange that the Mission, together with the TAA expert on financing, should continue its activities for such time as may be necessary to complete the project;

4. To recommend to the Governments, the Central American development institutes, the central banks and other autonomous agencies that they provide the maximum co-operation to the experts assigned to the project, so that the preparatory work can be successfully completed;

5. To urge Central American private enterprise to give careful consideration to the project with a view to considering the possibility of participating as fully as possible in its financing and execution;

6. To recommend that ICAITI participate in subsequent phases of the pulp and paper plant project, in accordance with its terms of reference and methods of work;

Isthmus by continuing the studies of demographic problems already undertaken and carrying out new studies;

2. To recommend that the Secretariat, in co-operation with the national and international agencies concerned, give priority to the following subjects:

(a) Additional studies on the labour force, with special attention to its adaptability to development needs, its mobility between rural and urban occupations, its capacity to learn modern techniques and its attitudes towards consumption and saving, and

(b) The social aspects of agricultural development, with particular reference to land tenure and agricultural working conditions.

3. To thank the Latin American Centre for Research in the Social Sciences for its interest in undertaking this type of studies and to request the Centre, in consultation with the Secretariat and with the co-operation of other interested agencies, including the Bureau of Social Affairs and the Technical Assistance Administration of the United Nations to carry out the study mentioned in sub-paragraph (b) of the preceding paragraph, and to present a report thereon to the Committee;

4. To recommend to the Governments that they request the Technical Assistance Board of the United Nations to furnish the experts needed to undertake the above-mentioned studies;

5. To invite the universities of Central America to participate in the studies to the extent that their resources permit.

#### TECHNICAL ASSISTANCE

74 (CCE) *Resolution adopted on 9 June 1958*  
(E/CN.12/CCE/150)

*The Central American Economic Co-operation Committee,*

*Taking into account* the report submitted by the Regional Representative of the Technical Assistance Board of the United Nations on the co-operation extended by that body to the Central American economic integration programme during the period 1957-58 (E/CN.12/CCE/114), and the fact that the requests for the current year were submitted in due time to the Board by the Chairman of the Committee, in conformity with resolution 54 (CCE),

*Decides:*

1. To thank the Regional Representative of the Technical Assistance Board for the report he presented, and the Technical Assistance Board for the attention given to the requests submitted by the Chairman of the Committee for the year 1958, which are confirmed by the present resolution;

2. To authorize the Chairman of the Committee to transmit to the Technical Assistance Board the resolutions adopted at the present session and the request for technical assistance for the economic integration programme for 1959 based on those resolutions;

3. To take note with satisfaction of the establishment of the Office of the Regional Representative of the Board in San Salvador, El Salvador, and to thank the Government of the country for the facilities it has provided in that connexion.

7. To request the Trade Sub-Committee to study customs duties and other charges on imports of pulp, paper and paper products in Central America and to submit recommendations concerning their equalization.

#### COFFEE RESEARCH

76 (CCE) *Resolution adopted on 9 June 1958*  
(E/CN.12/CCE/153)

*The Central American Economic Co-operation Committee,*

#### *Considering:*

(a) That coffee is a commodity of vital importance to the economy of the Central American region and that the market for coffee is at the present suffering from serious instability,

(b) That it is necessary to investigate possible uses of coffee other than its traditional use as a beverage, and

(c) That the Central American Research Institute for Industry is the appropriate body to undertake such research,

#### *Decides:*

1. To express the views that studies and research on possible industrial uses of coffee other than its use as a beverage and of coffee waste such as pulp, shell, mucilage, etc., are of importance to the Central American region;

2. To recommend the Central American Research Institute for Industry to undertake such studies and research, taking into account work done elsewhere, and to submit as soon as possible to the Ministers of Economic Affairs of Central America, in their capacity as members of its Board of Directors, a programme of work and estimates of the cost of the initial phase of the investigation, so that the Governments can agree, if they deem it advisable, on a financial grant to the Institute for that purpose.

#### PRODUCTIVITY AND VOCATIONAL TRAINING

77 (CCE) *Resolution adopted on 9 June 1958*

*The Central American Economic Co-operation Committee,*

#### *Considering:*

(a) That the International Labour Organisation has been co-operating in the Central American integration programme in the field of productivity and vocational training and has submitted reports to the Committee on the work of its experts during 1957, when they were associated with the activities of the Central American Research Institute for Industry, and during the first months of 1958,

(b) That such technical co-operation is of great value to the integration programme and in particular the improvement of the efficiency of the existing industries and their future development,

(c) That better training of the labour force in Central America is essential for the improvements of the level of living of the workers, and

(d) That at the Meeting of the Working Group on the Textile Industry, held at Managua, Nicaragua, in January 1958, special emphasis was placed on the training of the maintenance personnel, supervisors, foremen and skilled workers in that industry,

#### *Decides:*

1. To take note of the work undertaken by the International Labour Organisation in the field of productivity and vocational training, and of the following reports:

Reports of the International Labour Organisation on the activities of the Productivity Mission in 1957.

Report of the International Labour Organisation on the activities of the Productivity Mission in 1958.

Proposal of the International Labour Organisation on a productivity and vocational training programme.

2. To recommend that the activities of ILO in the fields of productivity and vocational training be continued during the remaining months of 1958;

3. To recommend to the Governments that they request the International Labour Organisation to furnish the technical assistance of three experts during 1959 to carry out a programme for the improvement of productivity and training in the industrial sector, giving priority to the textile industry.

#### EXPRESSION OF GRATITUDE TO THE DIRECTOR OF THE MEXICO OFFICE OF ECLA

78 (CCE) *Resolution adopted on 9 June 1958*  
(E/CN.12/CCE/154)

*The Central American Economic Co-operation Committee,*

#### *Considering:*

(a) That as Director of the Mexico Office of the Economic Commission for Latin America, Mr. Víctor L. Urquidi, has been closely associated with the Central American economic integration programme since its inception;

(b) That the co-operation afforded by Mr. Urquidi to this Committee has been of incalculable value as he has at all times dedicated his abilities and best efforts to the achievement of the aims of the economic integration programme, and

*Taking into account* that Mr. Urquidi will soon leave his high post in the Economic Commission for Latin America,



*Expresses* its deep regret that Mr. Victor L. Urquidi is retiring from the Secretariat of the Central American integration programme, and

*Decides:*

1. To express its warmest thanks and congratulations to Mr. Urquidi for his excellent work in this programme;
2. To request him, to the extent that his new activities permit, to continue to co-operate in the work of the Committee; and
3. To transmit this resolution to the United Nations.

DATE AND PLACE OF THE NEXT SESSION

79 (CCE) *Resolution adopted on 9 June 1958*  
(E/CN.12/CCE/155)

*The Central American Economic Co-operation Committee,*

*Decides* to accept the invitation of the Republic of Costa Rica to hold the sixth session of the Committee in the capital of Costa Rica during the first half of 1959.

## ANNEXES TO THE RESOLUTIONS

1. *Multilateral Treaty on Free Trade and Central American Economic Integration (with Annexes A and B)*. [Res. 56 (CCE)]
2. *Agreement on the Régime for Central American Integration Industries*. [Res. 57 (CCE)]
3. *Central American Agreement on Road Traffic (with Annexes, I, II and III)*. [Res. 65 (CCE)]
4. *Central American Agreement on Uniform Road Signs and Signals*. [Res. 68 (CCE)]

### 1. MULTILATERAL TREATY ON FREE TRADE AND CENTRAL AMERICAN ECONOMIC INTEGRATION

The Governments of the Republic of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, desirous of intensifying and strengthening their common bonds of origin and brotherhood, and with a view to effecting the progressive integration of their economies ensuring the development of their markets, promoting the production and exchange of goods and services and raising the standards of living and employment of their respective populations, thereby contributing to the re-establishment of the economic unity of Central America, have agreed to conclude the present Multilateral Treaty on Free Trade and Central American Economic Integration, which shall be progressively implemented, and for that purpose have appointed as their respective plenipotentiaries:

H.E. The President of the Republic of Guatemala: **José Guirola Leal**, Minister of Economic Affairs;

H.E. The President of the Republic of El Salvador: **Alfonso Rocha**, Minister of Economic Affairs;

H.E. The President of the Council of Ministers, exercising the powers of the Executive of the Republic of Honduras: **Fernando Villar**, Minister of Economic Affairs and Finance;

H.E. The President of the Republic of Nicaragua: **Enrique Delgado**, Minister of Economic Affairs;

H.E. The President of the Republic of Costa Rica: **Wilburg Jiménez Castro**, Vice-Minister of Economic Affairs and Finance;

who, having exchanged their respective full powers, found in good and due form, have agreed as follows:

#### Chapter I

#### TRADE RÉGIME

##### Article I

With a view to creating a customs union between their respective territories as soon as conditions are favourable, the Contracting States hereby agree to establish a free-trade régime, which they shall endeavour to perfect within a period of ten years from the date on which the present Treaty enters into force. To that end, they resolve to abolish as between their territories the customs duties, charges and conditions hereinafter mentioned, in respect of the commodities specified in the appended schedule constituting annex A to this Treaty.

Consequently, the natural products of the Contracting States and the articles manufactured in their territories, provided that they are included in the aforesaid schedule, shall be exempt from import and export duties as well as taxes dues and charges levied on imports or exports or on the occasion of importation or exportation, whether they be of a national, municipal or any other nature and whatever their purpose.

The exemptions stipulated in this article shall not include charges for lighterage, wharfage, warehousing or handling of goods or any other charges which may legitimately be levied for port, warehouse or transport services; nor shall they include exchange differentials resulting from the existence of two or more rates of exchange or from other exchange regulations in any of the Contracting States.

When a commodity or article included in the annexed schedule is subject to internal taxes, charges or duties of any kind levied on production, sale, distribution or consumption in any of the Contracting States, the State concerned may levy an equivalent amount on similar goods imported from another Contracting State.

##### Article II

Goods originating in the territory of any of the Contracting States and included in the schedule appended to this Treaty shall be accorded in all the Contracting States the same treatment as domestic goods and shall be exempt from any quota or other restrictions except for such measures as may be legally applicable in the territories of the Contracting States for reasons of public health, security or police control.

##### Article III

Goods originating in any of the Contracting States and which are not included in the annexed schedule shall be accorded unconditional and unlimited most-favoured-nation treatment in the territory of the other Contracting States.

The above treatment shall not, however, be extended to concessions granted pursuant to other free trade treaties concluded between Central American States.

##### Article IV

The Contracting States, convinced of the necessity of equalizing their customs tariffs and firmly determined to establish a customs union between their territories, undertake, subject to the opinion of the Central American Trade Commission referred to hereinbelow, to equalize the duties and other charges imposed by them individually on imports of goods listed in the schedule appended hereto, or which may be subsequently included therein, and on their principal raw materials and the necessary containers.

For the purposes indicated in the preceding paragraph, the Commission shall prepare and submit to the Contracting Governments, within a period, not exceeding one year, the appropriate draft contractual agreement or agreements for the equalization of import duties.

##### Article V

The Governments of the Contracting States shall endeavour to refrain from obtaining or granting customs exemptions on imports from outside Central America of articles produced in any of the Contracting States and listed in the schedule appended hereto.

The Contracting States shall further endeavour to equalize the advantages granted by them to industries producing any of the articles listed in the schedule, to the extent that such advantages might, in the opinion of the Central American Trade Commission, entail unfair competition in the said goods.

##### Article VI

Subject to the opinion of the Central American Trade Commission, the schedule appended to this Treaty may be extended by mutual agreement between the Contracting States, by means of additional protocols and in accordance with their respective constitutional procedures.

## Article VII

In order that they may enjoy the advantages stipulated in this Treaty, the goods listed in the schedule appended hereto shall be entered on a customs form, signed by the exporter and containing a declaration of origin. That form shall be produced for inspection to the customs officers of the countries of origin and destination, in conformity with annex B of this Treaty.

## Article VIII

The Central Banks of the Contracting States shall co-operate closely with a view to preventing any currency speculation that might affect the rates of exchange and maintaining the convertibility of the currencies of the respective countries on a basis which, in normal conditions, shall guarantee the freedom, uniformity and stability of exchange.

Any of the Contracting States which establishes quota restrictions on international currency transfers shall adopt the measures necessary to ensure that such restrictions do not discriminate against the other States.

In case of serious balance of payments difficulties which affect or are apt to affect the monetary and payments relations between the Contracting States, the Central American Trade Commission, acting of its own motion or the request of one of the Governments, shall immediately study the problem for the purpose of recommending to the Contracting Governments a satisfactory solution compatible with the multilateral free trade régime.

## Chapter II

### DISCRIMINATORY PRACTICES

#### Article IX

Subject to the provisions of the bilateral Central American treaties in force and to any provisions that may be agreed upon in future treaties between Central American States, the Contracting States agree to the following provisions with a view to ensuring a broad application of the principle of non-discrimination in their trading relations:

a) Any goods not included in the schedule appended to this Treaty and subject to quota restrictions imposed by a Contracting State shall, upon importation from the territory of another Contracting State or upon exportation to such a territory, be accorded treatment no less favourable than that accorded to similar goods of any other origin or destination;

b) No Contracting State shall establish or maintain any internal duty, tax or other charge on any goods, whether or not included in the appended schedule, originating in the territory of another Contracting State, nor shall it enact or impose any regulations regarding the distribution or retailing of such goods, when such charge or regulations place or tend to place the said goods in an unfavourable position by comparison with similar goods of domestic origin or imported from any other country;

c) Should a Contracting State establish or maintain a place of business or an agency or grant special privileges to a specific establishment to attend exclusively or principally, permanently or occasionally to the production, exportation, importation, sale or distribution of any goods, such State shall grant to the traders of the other Contracting States equitable treatment with respect to purchases or sales which the said place of business, agency or establishment effects abroad. The institution concerned shall act in accordance with private business practice and shall afford the traders of the other countries reasonable opportunity to compete for participation in such purchases or sales.

## Chapter III

### INTERNATIONAL TRANSIT

#### Article X

Each of the Contracting States shall ensure full freedom of transit through its territory for goods proceeding to or from another Contracting State.

Such transit shall not be subject to any deduction, discrimination or quota restriction. In the event to any traffic

congestion or any form of *force majeure*, each Contracting State shall handle consignments intended for its own population and those in transit to the other States on an equitable basis.

Transit operations shall be carried out by the routes prescribed by law for that purpose and subject to the customs and transit laws and regulations applicable in the territory of transit.

Goods in transit shall be exempt from all duties, taxes and other fiscal charges of a municipal or other character imposed for any purpose whatsoever, except charges generally applicable for services rendered or for reasons of security, public health or police control.

## Chapter IV

### EXPORT SUBSIDIES AND UNFAIR BUSINESS PRACTICES

#### Article XI

No Contracting State shall grant any direct or indirect subsidy towards the export of any goods intended for the territory of the other States, or establish or maintain any system resulting in the sale of such goods for export to any other Contracting State at a price lower than the comparable price charged for similar goods on the domestic market, due allowance being made for differences in the conditions of sale or in taxation and for any other factors affecting price comparability.

Any measure which involves fixing of prices or price discrimination in a Contracting State shall be deemed to constitute an indirect export subsidy if it involves the establishment of a sales price for specific goods in the other Contracting States which is lower than that resulting from normal competition in the market of the exporting country.

However, tax exemptions or refunds of a general nature granted by a Contracting State with a view to encouraging the production in its territory of specified goods, shall not be deemed to constitute an export subsidy.

Similarly, any exemption from internal taxes chargeable in the exporting State on the production, sales or consumption of goods exported to the territory of another State shall not be deemed to constitute an export subsidy. Furthermore, the differences resulting from the sale of foreign currency on the free market at a rate of exchange higher than the official rate shall not normally be deemed to be an export subsidy; in case of doubt, however, on the part of one of the Contracting States, the matter shall be submitted to the Central American Trade Commission for its consideration and opinion.

#### Article XII

As a means of precluding a practice which would be inconsistent with the purposes of this Treaty, each Contracting State shall employ all the legal means at its disposal to prevent the exportation of goods from its territory to the territories of other States at a price lower than their normal value, if such exportation would prejudice or jeopardize the production of the other States or retard the establishment of a domestic or a Central American industry.

Goods shall be considered to be exported at a price lower than their normal value if their price on export is less than:

a) the comparable price, in ordinary trading conditions, of similar goods destined for domestic consumption in the exporting country; or

b) the highest comparable price of similar goods on their export to any third country in ordinary trading conditions; or

c) the cost of production of the goods in the country of origin, plus a reasonable addition for sales cost and profit.

Due allowance shall be made in each case for differences in conditions of sale or in taxation and for any other factors affecting price comparability.

#### Article XIII

If, notwithstanding the provisions of this chapter, an unfair business practice is discovered, the State affected shall take steps with the competent authorities of the other State to

ensure the elimination of that practice and, if necessary, may adopt protective measures, provided that the matter is then referred to the Central American Trade Commission for study and appropriate recommendations.

## Chapter V

### TRANSPORT AND COMMUNICATIONS

#### Article XIV

The Contracting States shall endeavour to construct and maintain lines of communication to facilitate and increase traffic between their territories.

They shall also endeavour to standardize the transport rates between their territories as well as the relevant laws and regulations.

#### Article XV

Commercial and private vessels and aircraft of any of the Contracting States shall be accorded in ports and airports of the other States open to international traffic the same treatment as is extended to national vessels and aircraft. The same treatment shall be extended to passengers, crews and freight of the other Contracting States.

Land vehicles registered in one of the Contracting States shall enjoy the same treatment in the territory of the other States, for the duration of their temporary stay there, as is accorded to vehicles registered in the State of visit.

Motor transport undertakings of any Contracting State engaged in providing inter-Central American services for passengers and freight shall enjoy in the territory of the other States the same treatment as domestic undertakings.

Private vehicles and vehicles which are not used for the regular inter-Central American transport of persons and goods shall be admitted to the territory of the other Contracting States under a temporary duty-free importation system and shall be subject to the relevant legislative provisions.

Vessels of any Contracting State plying between the ports of Central America shall be subject, in the ports of the other States, to the same coastal shipping régime as domestic vessels.

The provisions of this article shall not affect the duty to comply with the formalities of registration and control prescribed in each country in respect of the entry, stay or exit of vessels, aircraft or vehicles for reasons of public health, security or police control, public policy or fiscal necessity.

#### Article XVI

The Contracting States shall endeavour to improve the telecommunications systems between their respective territories and shall direct their combined efforts towards the attainment of that objective.

## Chapter VI

### INVESTMENTS

#### Article XVII

Each of the Contracting States, acting within the framework of its constitution, shall grant national treatment to capital investments made by nationals of the other States, and shall recognize the right of such persons to organize or manage production, commercial or financial undertakings, or to participate therein, on the same footing as its own nationals; each Contracting State shall also extend equitable and nondiscriminatory treatment to applications for transfers of funds accruing from capital investments made by nationals of the other States.

## Chapter VII

### CENTRAL AMERICAN TRADE COMMISSION

#### Article XVIII

The Contracting States agree to establish a Central American Trade Commission, to which each of the Contracting States shall appoint a representative; the Commission shall meet as frequently as its work may require or at the request of any of the Contracting States.

The Commission or any of its members may travel freely in the Contracting States to study matters within the Commission's competence in the field, and the authorities of the Contracting States shall provide them with whatever information and facilities may be necessary for the proper discharge of their functions.

The Commission shall have a permanent secretariat, which shall be under the responsibility of the General Secretariat of the Organization of Central American States.

The Commission shall adopt its rules of procedure unanimously.

#### Article XIX

The functions of the Central American Trade Commission shall be as follows:

a) To propose to the Contracting States measures conducive to the development and improvement of the Central American free-trade zone referred to in this Treaty as well as measures designed to attain the objectives of Central American economic integration, and to prepare a specific plan for such purposes including a customs union and the establishment of a Central American common market;

b) At the request of one or several Governments to study questions and matters relating to the development of inter-Central American trade, in particular those connected with the application of this Treaty, and to propose measures for the solution of any problem which may arise;

c) To study production and trade in the Contracting States, to recommend additions to the appended schedule and to take appropriate measures to ensure:

i) the standardization of customs tariffs and regulations;

ii) the establishment of a single fiscal system for articles under State monopoly and for goods subject to production, sales and consumption taxes;

iii) the conclusion of agreements designed to avoid double taxation in the matter of direct taxes;

iv) the improvement of inter-Central American transport through the conclusion of appropriate agreements;

v) the application of the decimal metric system of weights and measures.

d) To collect and analyse statistics and other data relating to trade between the Contracting States.

In fulfilling these functions, the Commission shall avail itself of the reports and studies made by other Central American and international organizations and agencies.

The Central American Trade Commission shall give priority attention to the problem of equalizing customs tariffs and shall submit to the Economic Council of the Organization of Central American States, for consideration at its ordinary sessions, draft contractual agreements covering the greatest possible number of products.

#### Article XX

The competent authorities of the Contracting States shall collect, classify and publish the statistical data relating to import, export and transit operations carried out under the terms of this Treaty, in accordance with the rules laid down, by mutual agreement, by the Central American Trade Commission and the statistical organizations of the Contracting States.

## Chapter VIII

### INDUSTRIAL INTEGRATION

#### Article XXI

With a view to promoting industrial development consistent with the purpose of this Treaty, the Contracting States shall adopt, by mutual agreement, measures designed to further the establishment or expansion of regional industries directed towards a Central American common market and of particular interest to the economic integration of Central America.

## Chapter IX

### GENERAL PROVISIONS

#### Article XXII

The Contracting States shall adopt, as a basis for their customs tariffs and statistics, the Uniform Central American

#### Article XXIII

The nationals of any Contracting State shall enjoy in the territory of all other Contracting States national treatment in commercial and civil matters, in accordance with the internal legislation of each State.

#### Article XXIV

Considering that this Treaty is specifically Central American in character and is designed to lay the foundations for a customs union of the Contracting States and for the progressive integration of their economies, the Contracting States agree that before signing or ratifying any multilateral agreements relating to commodities, trade or customs concessions, and before acceding to any international organization established under those agreements or negotiating any arrangements within the framework of such an organization, they shall consult each other with a view to agreeing, if possible, on a common and united policy.

The Contracting States shall also endeavour to adopt a common position at inter-American or world economic conferences or meetings.

The Contracting States agree to maintain the "Central American exception clause" in any trade agreements they may conclude on the basis of most-favoured-nation treatment with any countries other than the Contracting States.

The Contracting States declare that, in concluding this Treaty, they are prompted by the desire to establish closer mutual links, as States of Central America governed by the special principles of a Central American public law. To that end, they agree that if any of the trade agreements they may conclude with other countries or their participation in other international arrangements should constitute an obstacle to this Treaty, particularly as a result of the provisions embodied in the other treaties permitting other countries to claim no less favourable treatment, they shall renegotiate or, as the case may be, denounce them at the earliest opportunity, with a view to avoiding the difficulties or prejudice which might ensue for the Contracting States as a result of claims of that nature.

The Contracting States also undertake not to conclude any new agreements with other countries which are contrary to the spirit and purposes of this Treaty and, in particular to the provisions of this article.

#### Article XXV

The Contracting States agree to settle amicably, in the spirit of this Treaty, and through the Central American Trade Commission, any differences which may arise in the interpretation or application of any of its provisions. If agreement cannot be reached, they shall submit the matter to arbitration. For the purpose of constituting the arbitral tribunal, each Contracting State shall propose to the Secretariat of the Organization of Central American States the names of three judges from its Supreme Court of Justice. From the complete list of candidates, the Secretary-General of the Organization of Central American States and the Government representatives in the Organization shall select, by drawing lots a tribunal composed of five arbitrators, no two of whom may be nationals of the same State. The award of the arbitral tribunal shall require the concurring votes of not less than three members, and shall be binding on all the Contracting States so far as it contains any ruling concerning the interpretation or application of the provisions of this Treaty.

#### Article XXVI

Any provisions of this Treaty which are broader in scope than those contained in other trade treaties between Central American countries shall prevail over the latter.

With a view to promoting the consolidation and enlargement of the multilateral free trade régime, the Contracting States shall endeavour to extend free trade zones established by virtue of bilateral treaties.

## Chapter X TEMPORARY REGIMES

#### Article XXVII

With a view to the gradual application, whenever advisable, of the free-trade régime established by virtue of the present Treaty, the Contracting States may conclude special protocols for the adoption of temporary régimes introducing progressive tariff reductions, which shall be carried into effect by stages and shall be applicable to products not listed in annex A with the ultimate purpose of incorporating them in the said annex.

The Contracting States may also, in like manner, establish special temporary régimes for products not included in annex A which may be subject to import or export quota restrictions.

In exceptional cases and for specified products, there may also be established, by means of additional protocols between all of the Contracting States, a free trade régime applicable only to certain specified Contracting States and providing for progressive reductions in customs tariffs with the remaining country or countries, with the ultimate aim of securing the incorporation of the products concerned in annex A.

## Chapter XI

### FINAL PROVISIONS

#### Article XXVIII

This Treaty shall enter into force, in the case of the first three States to ratify it, on the date of deposit of the third instrument of ratification; and in the case of the States which ratify it subsequently, on the date of deposit of the relevant instruments of ratification.

This Treaty shall remain valid for a period of ten years from the initial date of its entry into force; it shall be tacitly renewable for successive periods of ten years.

Any Contracting State may denounce this Treaty by giving notice to that effect not later than six months before the date on which the initial or any subsequent period of validity expires. Denunciation shall take effect, for the denouncing State, as from the date of expiry of the relevant period of validity of the Treaty. The Treaty shall remain in force as between the other Contracting States so long as at least two States continue to be parties thereto.

This Treaty shall be submitted for ratification in each Contracting State in conformity with their respective constitutional or legislative procedures.

The General Secretariat of the Organization of Central American States shall act as depository of this Treaty and shall send a certified copy thereof to the Ministry of Foreign Affairs of each of the Contracting States. It shall also notify the Contracting States of the deposit of the relevant instruments of ratification as well as of any denunciation which may occur within the prescribed time-limit. When the Treaty comes into force, it shall also transmit a certified copy thereof to the Secretary-General of the United Nations, for registration in conformity with Article 102 of the United Nations Charter.

IN WITNESS WHEREOF the respective plenipotentiaries have signed this Treaty.

DONE at the City of Tegucigalpa, D.C., Honduras, this 10th day of June 1958.

For the Government of Guatemala:

1. With reservation to article XXV of this Treaty, in accordance with the provisions of paragraph 3, subparagraph b) of article 149 of the Constitution of the Republic.

2. With the reservations made by Guatemala to the schedule of articles covered by the free trade agreement (annex A), as indicated in the notes to the said schedule.

José Guirola Leal  
Minister of Economic Affairs

For the Government of El Salvador:

With the reservations made by El Salvador to the schedule of articles covered by the free trade agreement (annex A), as indicated in the notes to the said schedule.

**Alfonso Rochac**  
Minister of Economic Affairs

For the Government of Honduras:

With the reservations made by Honduras to the schedule of articles covered by the free trade agreement (annex A), as indicated in the notes to the said schedule.

**Fernando Villar**  
Minister of Economic Affairs and Finance

For the Government of Nicaragua:

With the reservations made by Nicaragua to the schedule of articles covered by the free trade agreement (annex A), as indicated in the notes to the said schedule.

**Enrique Delgado**  
Minister of Economic Affairs

For the Government of Costa Rica:

With the reservations made by Costa Rica to the schedule of articles covered by the free trade agreement ((annex A), as indicated in the notes to the said schedule.

**Wilburg Jiménez Castro**  
Vice-Minister of Economic Affairs and Finance

## ANNEX A

## SCHEDULE OF GOODS COVERED BY THE FREE TRADE AGREEMENT BETWEEN THE CONTRACTING STATES

## General Note

In so far as the description of headings or commodities coincides with the description given in the NAUCA to the group (three digits), items (five digits) or sub-items (seven digits) which appear in the left hand column, those headings or commodities shall be understood to include all commodities included in the sub-groups, items or sub-items of the NAUCA and the related Coding Manual. Whenever the description of the heading or commodity is more restricted than the description corresponding to the group, item or sub-item indicated in the left hand column, that description shall be understood to include only the article or articles specifically mentioned in the list, to the extent that they belong to the group, item or sub-item under which they have been classified.

It is understood that the exemptions referred to in article I of the present Treaty shall apply also to the containers of the goods listed hereunder, as well as to the return of the empty containers.

The notes appearing in parentheses have the following meanings:

1 Reservation of Guatemala, 2 Reservation of El Salvador, 3 Reservation of Honduras, 4 Reservation of Nicaragua, 5 Reservation of Costa Rica. The letter "a" following the number corresponding to each country, means that the country in question may impose import controls; the letter "b", that it may impose export controls, it being understood that the merchandise imported or exported under import or export licences, as the case may be, shall enter or leave the country free of the duties and charges referred to in article I.

Any State which has made a reservation regarding a product may withdraw such reservation in accordance with its internal legislation; in such a case, the other Contracting States shall be informed of the decision taken so that it may become fully effective.

| NAUCA group,<br>item or sub-item | Description   |
|----------------------------------|---|
| SECTION O. FOOD                  |   |
| 001-01-01                        | Bovine cattle, breeding stock for reproduction  |
| 001-02-01                        | Sheep and lambs, breeding stock for reproduction  |
| 001-03-01                        | Swine, breeding stock for reproduction  |
| 001-04                           | Poultry   |
| 001-09                           | Live animals, chiefly for food, n.e.s.  |
| 001-09-01                        | Goats, pure-bred  |
| 001-09-02                        | Goats, ordinary   |
| 001-09-03                        | Game birds  |
| 001-09-04                        | Live animals, chiefly for food, n.e.s.  |
| 013-02-03                        | Meat, canned, and meat preparations canned (4, 5)   |
| 013-09-02                        | Edible extracts, essences, soups, broths and juices derived from marrow, bones or meat of any kind, in liquid, solid, paste or powder form, in any kind of containers, n.e.s. |
| 021-01-02                        | Yoghourt  |
| 023-01-00                        | Butter (3a, 5)  |
| 024-01-00                        | Cheese (3a, 5)  |
| 026-01-00                        | Honey   |
| 031-01                           | Fish, including live fish and edible fish flesh and roe, fresh, chilled or frozen   |
| 031-02                           | Fish, including edible fish flesh and roe, dried, salted, smoked or pickled, but not otherwise prepared   |
| 031-03                           | Crustaceans and molluscs, fresh, chilled, frozen, salted, dried smoked, pickled or simply cooked  |
| 032-01-07                        | Soups and broths of fish, crustaceans or molluscs   |
| 044-01-00                        | Maize (corn) unmilled (1ab, 2ab, 3ab, 4ab, 5ab)   |
| 047-09-00                        | Rice flour unrefined (5). Rice flour refined  |
| 051-01-00                        | Fruit, fresh  |
| 051-07                           | Edible nuts (including fresh coconuts) other than nuts chiefly used for the extraction of oil   |
| 052-01-00                        | Dried fruits, including artificially dehydrated, in airtight containers or not  |
| 053-01                           | Preserved fruits, whole or in pieces, with or without added sugar, in containers or not   |
| 053-01-01                        | Olives, in wooden containers  |
| 053-01-02                        | Olives, in containers, n.e.s.   |
| 053-01-03                        | Fruit preserved in alcohol, wine or spirits   |
| 053-01-04                        | Fruit, frozen, pickled or otherwise preserved, n.e.s.   |
| 053-02-00                        | Fruits, fruit peel, parts of plants, dried, glacé or crystallized, with or without artificial flavouring  |
| 053-03                           | Jams, marmalades, fruit jellies, fruit pulps and pastes, in airtight containers or not  |
| 053-03-01                        | Groundnut paste and butter  |
| 053-03-02                        | Fruit jellies, jams and marmalades  |
| 053-03-03                        | Other fruit pulps and pastes  |
| 053-04                           | Fruit juices, unfermented, whether frozen or not (including syrups and natural fruit extracts)  |
| 053-04-01                        | Fruit syrups  |
| 053-04-02                        | Fruit juices, unfermented   |
| 053-04-03                        | Fruit extracts  |

| NAUCA group,<br>item or sub-item | Description   |
|----------------------------------|---|
| 054-02-01                        | Beans (1ab, 2ab, 3ab, 4ab, 5ab)   |
| 055-02-01                        | Vegetable soups   |
| 055-04-02                        | Maicena (4)   |
| 055-04-04                        | Potato starch and flour. Banana flour (4)   |
| 062-01-01                        | Chicle and other chewing gums   |
| 062-01-02                        | Gelatin sweets and desserts (4, 5). Candy, bonbons, sweets, caramels and other similar products, sugar confectionery and other sugar preparations, n.e.s. (2, 4). |
| 072-02-00                        | Cocoa powder, sweetened or unsweetened  |
| 072-03-00                        | Cocoa butter  |
| 075-01-00                        | Pepper and pimento, ground, unground or otherwise prepared  |
| 075-02                           | Spices, unground, ground or otherwise prepared  |
| 075-02-01                        | Vanilla, except vanilla essence   |
| 075-02-02                        | Nutmeg  |
| 075-02-03                        | Cinnamon  |
| 075-02-04                        | Saffron   |
| 075-02-05                        | Cloves, anise, cumin seeds, fennel seeds, annatto, ginger, thyme and other spices, n.e.s.   |
| 081-01-00                        | Hay and other fodder, green and dry, including carobs   |
| 081-02-00                        | Bran, pollard, sharps and other by-products from the preparation of cereals and cereal products   |
| 081-03-00                        | Oil-seed cake and meal and other vegetable oil residues (2b, 3, 5)  |
| 081-04-00                        | Meat meal (including tankage) and fish meal   |
| 081-09                           | Food wastes and prepared animal feed, n.e.s.  |
| 081-09-01                        | Animal feed mixed with chemical and biological products such as bone meal, dried blood, ect.  |
| 081-09-02                        | Food wastes and prepared animal feed, n.e.s.  |
| 091-02-02                        | Shortening, of animal or vegetable origin, except lard (3a, 4, 5)   |
| 099-09-01                        | Vinegar   |
| 099-09-02                        | Gelatine, edible, whether flavoured or coloured or not, unsweetened, in any form (4, 5)   |
| 099-09-03                        | Yeasts and baking powder (4)  |
| 099-09-04                        | Souces of all kinds and similar condiments  |

#### SECTION 1. BEVERAGES AND TOBACCO

112-03-00 Beer (3, 4a, 5a)

#### SECTION 2. CRUDE MATERIALS, INEDIBLE, EXCEPT FUELS

|           |  |
|-----------|--|
| 211-01-00 | Hides undressed (1, 5)   |
| 242-01-00 | Pulpwood (except sawlogs)  |
| 242-09-00 | Poles, piling, posts and other wood in the round, including pitprops (except sawlogs) (5)  |
| 243-01-00 | Railway sleepers (ties), whether sawn or not (5)   |
| 243-02-00 | Lumber, sawn, planed, grooved, tongued, etc. (5)   |
| 251-01-00 | Paper waste and old paper (2b, 4)  |
| 262-05-00 | Horsehair and other coarse hair  |
| 263-03-00 | Cotton linters and waste (5)   |
| 271-01-00 | Natural fertilizers of animal or vegetable origin, not chemically treated  |
| 271-03-00 | Natural phosphates, ground or unground, and crude potash salts   |
| 272-01-00 | Natural asphalt  |
| 272-02-00 | Sand, gravel and crushed stone (including ground quartz and tarred macadam)  |
| 272-04    | Clay, kaolin, chamotte and refractory rock   |
| 272-06-00 | Sulphur, unrefined, in any form  |
| 272-07    | Pumice stone, emery, corundum and similar abrasives, in the natural state  |
| 272-08    | Building, monumental and dimension stone, not worked   |
| 272-08-01 | Marble, in blocks or slabs, sawn or not, unpolished, including marble powder   |
| 272-08-02 | Alabaster, blocks or slabs, sawn or unsawn, not worked   |
| 272-08-03 | Slate, blocks or slabs, sawn or unsawn, not worked   |
| 272-08-04 | Other building and dimension stone, not worked (calcareous stone n.e.s., granite, porphyry, basalt, sandstone, etc.)                             |
| 272-11    | Stone for industrial uses, except dimension  |
| 272-11-01 | Gypsum, crude  |
| 272-11-02 | Gypsum, calcined, in powder  |
| 272-11-03 | Stone, lithographic, unprepared  |
| 272-11-04 | Stone n.e.s for industrial uses (dolomite, limestone and similar kinds of stone used for manufacture of cement and lime and for industrial uses) |



| NAUCA group,<br>item or sub-item | Description   |
|----------------------------------|---|
| 272-12-00                        | Asbestos and amianthus, crude, washed or ground   |
| 272-13-00                        | Mica uncut or unmanufactured, in sheets or blocks, films and splittings, scrap mica, unground or ground   |
| 272-14-00                        | Feldspar, fluorspar and cryolite  |
| 272-16-00                        | Natural graphite or plumbago  |
| 272-19                           | Non-metallic minerals, n.e.s. (excluding ice)   |
| 272-19-02                        | Infusorial earth  |
| 272-19-03                        | Jet, amber and meerschaum, crude or simply prepared   |
| 272-19-04                        | Steatite, natural or powdered, except toilet talcum powder  |
| 272-19-05                        | Earth-colours, calcined or not, mixed or not  |
| 272-19-06                        | Quartz and other non-metallic minerals, crude, n.e.s.   |
| 281-01-00                        | Iron ore and concentrates   |
| 282-01-00                        | Iron and steel scrap (scrap iron, iron and steel filings and all iron and steel waste) (1b, 2b, 4, 5b)  |
| 291-01-02                        | Horns, crude  |
| 291-01-04                        | Tortoise shell, crude   |
| 291-01-09                        | Bones   |
| 291-09-03                        | Feathers, crude   |
| 291-09-11                        | Bristles, crude   |
| 292-02-01                        | Chicle, crude or simply prepared  |
| 292-02-03                        | Black balsam  |
| 292-04-00                        | Plants, seeds, flowers and parts of plants, n.e.s., mainly for use in medicine or perfumery (fresh or dried, whole crushed, ground or pulverized) |
| 292-05-00                        | Seeds, bulbs, tubers and rhizomes of flowering or foliage plants, cuttings, slips, live trees and other plants                                    |
| 292-09                           | Vegetable saps, juices and extracts and vegetable materials, n.e.s. (unsuitable for direct consumption)   |
| 292-09-01                        | Vegetable extracts for medicinal use, soft, dry or liquid   |
| 292-09-03                        | Vegetable flavouring extracts, soft, dry or liquid, suitable for culinary use, for the preparation of syrups, etc.                                |
| 292-09-04                        | Vegetable extracts for the manufacture of insecticides, fungicides and the like   |
| 292-09-05                        | Vegetable saps, juices and extracts, n.e.s., pectin, agar-agar and other natural mucilages and thickeners   |
| 292-09-06                        | Algae, kapok, vegetable hair and other vegetable materials used mainly for stuffing or padding  |
| 292-09-07                        | Other vegetable materials, n.e.s.   |

#### SECTION 4. ANIMAL AND VEGETABLE OILS AND FATS

|           |   |
|-----------|---|
| 412-01-00 | Linseed oil, unrefined  |
| 412-02-00 | Soyabean oil, unrefined (5)   |
| 412-03-00 | Cottonseed oil, unrefined (5)   |
| 412-04-00 | Groundnut (peanut) oil, unrefined (5)   |
| 412-05-00 | Olive oil, unrefined  |
| 412-07-00 | Coconut (copra) oil, unrefined (4, 5)   |
| 412-11-00 | Castor oil, unrefined (5)   |
| 412-12-00 | Tung oil, unrefined   |
| 412-19    | Oils from seeds, nuts and kernels, n.e.s, unrefined                                       |
|           | Sesame oil, unrefined (5)   |
| 412-19-02 | Maize or corn oil, unrefined (5)  |
| 412-19-03 | Other vegetable oils, n.e.s. unrefined  |
| 413-01-00 | Oils, oxidized, blown or boiled (5)   |
| 413-03    | Acid oils, fatty acids and solid residues from the treatment of oils and fats             |
| 413-03-01 | Stearic acid (commercial stearine)  |
| 413-03-02 | Oleic acid (commercial olein), palmitic acid (commercial palmitine) and other fatty acids |
| 413-03-03 | Acid oils and solid residues from the treatment of oils and fats (5)                      |
| 413-04    | Waxes of animal or vegetable origin   |
| 413-04-01 | Spermaceti (white or whale sperm)   |
| 413-04-02 | Beeswax   |
| 413-04-03 | Other animal or vegetable waxes, n.e.s.   |

#### SECTION 5. CHEMICALS

|           |                   |
|-----------|-------------------|
| 511-01-02 | Sulphuric acid    |
| 511-01-07 | Carbonic acid gas |
| 511-01-08 | Silica            |
| 511-09-01 | Oxygen            |
| 511-09-29 | Peroxyde          |

| NAUCA group,<br>item or sub-item | Description  |
|----------------------------------|--|
| 512-05                           | Spirits of turpentine  |
| 512-05-01                        | Oil and essence of turpentine  |
| 512-05-02                        | Sulphate of turpentine; pinewood oil and other similar products of the distillation or other treatment of coniferous woods; pine oil and crude terpeneol |
| 531-01-01                        | Indigo, natural or synthetic, in any form, not prepared for household use (4)  |
| 532-02                           | Vegetable tanning extracts   |
| 532-02-01                        | Oak bark extract   |
| 532-02-02                        | Sumach leaf extract  |
| 532-02-03                        | Tannic acid and tannins  |
| 532-02-04                        | Vegetable tanning extracts, n.e.s  |
| 433-01-01                        | Mineral colours, in powdered form  |
| 533-03-04                        | Indigo, prepared for household use   |
| 541-02-00                        | Bacteriological products, sera, vaccines for veterinary use (4)  |
| 541-09-03                        | Medicaments prepared for parenteral administration (injectable), n.e.s (5)   |
| 541-09-04                        | Medicaments prepared for oral administration, n.e.s. (5)   |
| 541-09-05                        | Prepared medicaments for external use, n.e.s. (5)  |
| 541-09-07                        | Veterinary medicaments, n.e.s. (4)   |
| 541-09-08                        | Sterilized absorbent cotton wool   |
| 561-02-00                        | Phosphatic fertilizers and phosphatic fertilizer materials, other than natural, including superphosphates and basic dephosphorization slag (5)           |
| 561-03-00                        | Potassic fertilizers and potassic fertilizer materials, except crude potash salts (5)  |
| 561-09-00                        | Fertilizers, n.e.s., including mixed fertilizers (5)   |
| 599-02-00                        | Insecticides, fungicides and disinfectants (4)   |
| 599-03-01                        | Yucca starch (5)   |
| 599-04-03                        | Celatin for industrial use (5)   |
| 599-04-04                        | Glues and adhesives, other than with a rubber base (5)   |
| 599-09-04                        | Wood tar   |
| 599-09-05                        | Colophony  |

**SECTION 6. MANUFACTURED ARTICLES CLASSIFIED  
CHIEFLY BY MATERIAL**

|           |   |
|-----------|---|
| 612-01-00 | Machine leather belting and other articles of leather for use in machinery  |
| 621-01-01 | Rubber thread, textile-covered  |
| 621-01-02 | Glues and adhesives, with a rubber base   |
| 621-01-03 | Camel back (2, 3)   |
| 621-01-04 | Rubber thread not textile covered   |
| 631-02-00 | Laminboard (4, 5)   |
| 631-03-00 | Sheets or boards, of bagasse (5)  |
| 632-03-02 | Wood sawn for construction and other builders woodwork (5)  |
| 632-09-00 | Wooden tool handles. Shoe trees, of wood  |
| 652-01    | Cotton cloth, unbleached (5)  |
| 655-09-01 | Absorbent cotton wool, not sterilized   |
| 661-01    | Quicklime, slaked lime, and hydraulic lime or cement  |
| 661-02-00 | Cement (3, 4a, 5)   |
| 661-03-00 | Building and monumental stone, worked in the form of polished slabs, flagstones, tiles, bricks, etc.  |
| 661-09-00 | Building materials, n.e.s., of asbestos, cement, plaster, asphalt, vegetable fibre agglomerated with mineral substances, etc. in the form of bricks, slabs, tiles, columns, tubes, etc. |
| 622-01-00 | Bricks, tiles, pipes and other products of brick earth or of ordinary baked clay (5)  |
| 662-03-00 | Refractory bricks and other refractory construction materials (5)   |
| 663-01-00 | Grindstones, whetstones and polishing stones of calibrated natural or artificial stone  |
| 663-06    | Non-metallic minerals, worked or manufactured, n.e.s. (except ceramics), such as statuettes, statuary, flower pots, vases and similar articles and rock wool                            |
| 663-07-00 | Refractory products other than refractory construction materials (5)  |
| 666-01-00 | Articles of ordinary baked clay or ordinary stoneware   |
| 681-01-00 | Pig iron and sponge iron (5)  |
| 685-01-00 | Lead and lead alloys, unwrought (5)   |
| 699-12-01 | Hand tools used in agriculture  |
| 699-12-02 | Shoe trees, of metal (5)  |
| 699-21-03 | Metal barrels, casks, drums and tanks, of a capacity not exceeding 500 litres (including milk cans and insulated containers for transporting ice cream, etc.)                           |
| 699-21-05 | Collapsible tubes of lead, tin, aluminium, etc. for pomades, ointments and creams   |
| 699-21-06 | Boxes, cans and similar containers, n.e.s., of metal or metal alloys (tinplate, etc)  |
| 699-22-01 | Stoves of iron (4)  |

## SECTION 7. MACHINERY AND TRANSPORT EQUIPMENT

|           |  |
|-----------|--|
| 721-06-02 | Electric stoves (4)  |
| 721-08-01 | Electricity meters   |
| 721-19-02 | Electric accumulators, including plates and cases                      |
| 735-09    | Fishing boats with or without motor and boats for sports without motor |

## SECTION 8. MISCELLANEOUS MANUFACTURED ARTICLES

|              |  |
|--------------|--|
| 812-02-01    | Sinks, washbasins, bidets, baths, water-closet pans, chamber pots spittoons, urinals, bed urinals, soapholders, towel racks, shower heads and spouts for shower baths and other sanitary fixtures and fittings, of earthenware or porcelain (3, 4) |
| 821-01-02    | Wood furniture, upholstered with any material (except pullman type) (4, 5)   |
| 821-09-03    | Willow furniture (except pullman type) (4, 5)  |
| 841-03-04    | Wool sweaters (3, 4)   |
| 841-07-01    | Capes and ponchos, of cotton, rubberized   |
| 851-03-02    | Sandals and similar footwear, with soles of coarse fibres  |
| 851-04-00    | Knee boots, of rubber  |
| 861-01-07    | Contact lenses   |
| 861-09-05    | Gas, liquid and similar meters   |
| 863-01-00    | Cinematographic films, exposed (filmed) in Central America   |
| 891-02       | Gramophone records, blank or cut (5)   |
| 891-09       | Musical instruments, n.e.s.  |
| 892-01       | Books and pamphlets, printed   |
| 892-02-00    | Newspapers and periodicals   |
| 892-03-00    | Music, printed, engraved or in manuscript, unbound or bound  |
| 982-09-02    | Photographs and photostats, including negatives  |
| 899-01-03    | Tablets, pastilles, sticks and wicks, fumigant, for repelling and destroying insects   |
| 899-02-00    | Matches, in bulk or packaged (4, 5)  |
| 899-05       | Buttons, studs, cuff-links, fasteners or materials of any kind except precious metals and precious stones  |
| 899-05-01    | Buttons of all kinds, except of precious metal and precious stones; button blanks  |
| 899-05-02    | Studs, cuff-links, hooks and eyes, snapfasteners, links and press studs, of materials of any kind, except precious metal and precious stones; blanks of such articles  |
| 899-06-00    | Articles of mother-of-pearl  |
| 899-13-03    | Tooth brushes  |
| 899-13-05/06 | Brooms and brushes of vegetable materials  |
| 899-14       | Sports goods, n.e.s. (except footwear)   |
| 899-15       | Toys, of wood or rubber  |
| 899-15-02    | Billiard tables  |
| 899-99-08    | Dressing combs and ornamental combs, of synthetic plastic materials or mother-of-pearl   |
| 899-99-12    | Tailors' dummies   |

## SECTION 9. LIVE ANIMALS, N.E.S.

|           |                                    |
|-----------|------------------------------------|
| 921-01-01 | Horses, pure-breed                 |
| 921-09    | Live animals, n.e.s., not for food |
| 921-09-01 | Bees                               |
| 921-09-02 | Birds, not for food                |
| 921-09-03 | Live animals, n.e.s., not for food |

**ANNEX B**  
**CUSTOMS PROCEDURES**

**Article I**

The goods, in which free trade is authorized under the Central American Multilateral Free Trade and Economic Integration Treaty shall be forwarded by the customs offices of exit and of entry in the Contracting States, subject to compliance with the customs regulations and formalities applicable in the States concerned and upon production of the customs form mentioned in article VII of the Treaty. Such form shall serve both as an application for forwarding and as a certificate of origin.

**Article II**

The declaration contained in the aforesaid customs form shall be inspected by the central customs office or by the customs office of exit in the exporting country and checked by the customs office of entry in the importing country. If the customs officer responsible for inspecting or checking the declaration of origin has doubts as to its accuracy, he shall refer the matter for decision to the central customs office to which he is responsible.

**Article III**

The necessary customs form shall be made out at least in triplicate, according to the following model:

**CUSTOMS FORM**  
**In execution of the Central American Multilateral Free Trade and Economic Integration Treaty**

Exporter . . . . . (Name and domicile) . . . . .  
Seller . . . . . (Name and domicile) . . . . .  
Consignee . . . . .  
Customs office of destination . . . . .  
Place of shipment . . . . .  
Means of transport . . . . .

| Marking and numbers | Number and nature of packages | Gross weight in kgs. | Units | Commercial description of goods | NAUCA* Classification | FOB value in national currency |
|---------------------|-------------------------------|----------------------|-------|---------------------------------|-----------------------|--------------------------------|
|                     |                               |                      |       |                                 |                       |                                |
|                     |                               |                      |       |                                 |                       |                                |
|                     |                               |                      |       |                                 |                       |                                |
|                     |                               |                      |       |                                 |                       |                                |
|                     |                               |                      |       |                                 |                       |                                |
| <b>Total</b>        |                               |                      |       |                                 |                       |                                |
|                     |                               |                      |       |                                 | <b>Transport</b>      |                                |
|                     |                               |                      |       |                                 | <b>Other expenses</b> |                                |
|                     |                               |                      |       |                                 | <b>Insurance</b>      |                                |

\* Should the party concerned not fill in this column, the customs at place of shipment shall proceed to do so.

The above-mentioned exporter hereby declares that the goods referred to above originate from . . . . . and that the values, costs of transport, insurance and other information as entered in this form are correct.

(Signature of exporter)

The undersigned certifies that, to the best of his knowledge, the goods referred to in this customs form originate from . . . . .

(Signature and stamp of the authorized official of the Department of Customs Revenue or of the customs office of exit)

(The following shall be printed on the reverse side of the form)

- Notes:**
- a) The original shall be handed to the party concerned to be delivered to the customs office of destination; one copy shall remain with the party concerned; a second copy shall be filed by the customs of the country of origin authorizing exportation of the goods.
  - b) The party concerned shall add to the value of the goods the transport and insurance costs incurred.
  - c) The party concerned shall give details in this form concerning each of the articles he wishes to export when the corresponding item of the schedule annexed to the Treaty covers various goods.

## 2. AGREEMENT ON THE REGIME FOR CENTRAL AMERICAN INTEGRATION INDUSTRIES

The Governments of the Republic of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica,

Having regard to the objectives of the Central American Economic Integration Programme which was undertaken through the Central American Economic Co-operation Committee and, in particular, to article XXI of the Central American Multilateral Free Trade and Integration Treaty,

Desirous of strengthening the natural and traditional bonds of brotherhood which unite their countries, and of co-operating towards the solution of their common economic problems,

Having as their basic aim the improvement of the living standards of the Central American peoples and the rational use, for that purpose, of their natural resources, and being convinced that, within the economic development programmes of the Central American Isthmus, the integration of their economies offers favourable prospects for the expansion of trade between their countries and for a more rapid industrialization process on the basis of mutual interest,

Have decided to conclude the present Agreement, which prescribes a Régime for Central American Integration Industries, and for that purpose have appointed as their respective plenipotentiaries:

H. E. the President of the Republic of Guatemala: **José Guirola Leal**, Minister of Economic Affairs;

H. E. the President of the Republic of El Salvador: **Alfonso Rochac**, Minister of Economic Affairs;

H. E. the President of the Council of Ministers exercising the powers of the Executive of the Republic of Honduras: **Fernando Villar**, Minister of Economic Affairs and Finance;

H. E. the President of the Republic of Nicaragua: **Enrique Delgado**, Minister of Economic Affairs; and

H. E. the President of the Republic of Costa Rica: **Wilburg Jiménez Castro**, Vice-Minister of Economic Affairs and Finance

who, having exchanged their full powers, found in good and due form, have agreed as follows:

### Article I

The Contracting States undertake to encourage and promote the establishment of new industries and the specialization and expansion of existing industries within the framework of Central American economic integration, and agree that the development of the various activities which are or may be included in such a programme shall be effected on a reciprocal and equitable basis in order that each and every Central American State may progressively derive economic advantages.

### Article II

The Contracting States declare their interest in the development of industries with access to a common Central American market. These shall be designated Central American integration industries and shall be so declared jointly by the Contracting States, through the agency of the Central American Industrial Integration Commission established in conformity with article VIII of this Agreement.

The Contracting States shall regard as Central American integration industries those industries which, in the judgement of the Central American Industrial Integration Commission, comprise one or more plants which require access to the Central American market in order to operate under reasonably economic and competitive conditions even at minimum capacity.

### Article III

The application of the present Régime to the Central American integration industries is subject to signature by the Contracting States, in respect of each of the said industries, of an additional protocol stipulating:

- a) the country or countries in which the industrial plants covered by this Régime are to be initially situated, the minimum capacity of the said plants and the conditions under which additional plants are to be subsequently admitted into the same or other countries;
- b) the quality standards for the products of the said industries and any other requirements that may be deemed convenient for the protection of the consumer;

- c) the regulations that may be advisable as regards the participation of Central American capital in the enterprises owning the plants;
- d) the common Central American tariffs which shall be applied to the products of Central American integration industries; and
- e) any other provisions designed to ensure the attainment of the objectives of this Agreement.

### Article IV

The products of plants which form part of a Central American integration industry and which are covered by the present Régime, shall enjoy the benefits of free trade between the territories of the Contracting States.

The products of plants which form part of the same industry but which are not covered by the Régime, shall enjoy in the Contracting States successive annual reductions of ten per cent in the applicable uniform Central American tariff, from the date specified in the relevant additional protocol. As from the tenth year, such products shall enjoy the full benefits of free trade.

Except as provided in the preceding paragraph and in any other provisions of this Agreement or of the additional protocols, all trade in commodities produced by the Central American integration industries shall be governed by the provisions of the Central American Multilateral Free Trade and Economic Integration Treaty.

### Article V

In conformity with the provisions of article IV of the Central American Multilateral Free Trade and Economic Integration Treaty, the Central American Trade Commission shall give priority consideration to the equalization of the customs duties and other charges levied upon imports of commodities that are similar to or substitutes for the commodities produced by the Central American integration industries covered by the additional protocols to this Agreement, as well as upon imports of raw materials and of the containers necessary for their production and distribution.

### Article VI

Since the Contracting States intend to grant to the Central American integration industries ample fiscal incentives, the enterprises owning industrial plants covered by the present Régime shall enjoy, in the territory of the countries where such plants are or may be established, the benefits and exemptions prescribed by the national legislation of the country concerned.

### Article VII

Except in cases of emergency, the Governments of the Contracting States shall not grant customs duty exemptions or reductions below the Central American common tariff on any imports from countries outside Central America of goods which are equal or similar to or substitutes for goods manufactured in any of the Central American countries by plants of industrial integration industries, nor shall they apply to such imports preferential exchange rates equivalent to such exemptions or reductions.

The Governments and other State bodies shall also give preference in their official imports to the products of the Central American integration industries.

### Article VIII

In order to ensure due application of this Agreement and of the additional protocols, the Contracting States agree to establish a Central American Industrial Integration Commission, to which each of the Contracting States shall appoint a special representative; the Commission shall meet as frequently as its work may require or at the request of any of the Contracting States.

The Commission or any of its members may travel freely in the Contracting States in order to study matters within the Commission's competence in the field, and the authorities of the Contracting States shall provide them with whatever information and facilities may be necessary for the proper discharge of their functions.

The Commission shall have a permanent secretariat which shall be under the responsibility of the General Secretariat of the Organization of Central American States.

The Commission shall adopt its rules of procedure un-animously and shall prescribe the regulations relating to the conduct of matters within its competence, in particular the regulations relating to the conditions and form in which, in each specific case, the views of private enterprise shall be heard.

#### Article IX

Individuals or bodies corporate desiring the incorporation of a given plant into the present Régime shall present an application to that effect to the Secretariat of the Central American Industrial Integration Commission and accompany it with the required information.

When the Secretariat has sufficient information available, it shall advise the Commission of the application. If the Commission finds that the project meets the aims of this Agreement, the application shall be referred for an opinion to the Central American Research Institute for Industry or to any other person or body that the Commission considers competent. Such opinion shall take into account the technological and economic aspects of the project and, in particular, the market prospects, and the costs incurred shall be borne by the interested parties.

The Commission shall decide on the project on the basis of the said opinion, and if it finds the project capable of being realized, shall make whatever recommendations it considers pertinent to the Governments of the Contracting States on the conclusion of the protocol covering the industry concerned and on the conditions to be stipulated.

When the project refers to a plant which forms part of an industry already covered by a protocol, the Commission may, in conformity with the terms of the relevant protocol and of this article, declare that the plant shall be admitted to the benefits of the present Régime and advise to that effect the Governments of the Contracting States.

#### Article X

The Central American Industrial Integration Commission shall submit an annual report on its activities to the Contracting States.

The Commission shall periodically carry out studies with a view to enabling the Governments to evaluate the results of the application of the present Régime.

The Commission may propose to the Contracting States measures favourable to the development of the Central American integration industries and to the efficient functioning of their plants. The Commission may also propose to the Governments any measures necessary to resolve any problems arising from the application of this Agreement.

#### Article XI

The Contracting States agree to settle amicably, in the spirit of this Agreement, any differences which may arise in the interpretation or application of any of its provisions or of the additional protocols. If agreement cannot be reached, they shall submit the matter to arbitration. For the purpose of constituting the arbitral tribunal, each Contracting State shall propose to the General Secretariat of the Organization of Central American States the names of three judges from its Supreme Court of Justice. From the complete list of candidates, the Secretary-General of the Organization of Central American States and the Government representatives in the Organization shall select, by drawing lots, a tribunal composed of five arbitrators, no two of whom may be nationals of the same State. The award of the arbitral tribunal shall require the concurring votes of not less than three members and shall be binding on all the Contracting States so far as it contains any ruling concerning the interpretation or application of the provisions of this Agreement and of the additional protocols.

#### Article XII

This Agreement shall be submitted for ratification in each Contracting States in conformity with their respective constitutional or legislative procedures.

This Agreement shall come into force on the date of deposit of the last instrument of ratification. It shall remain in force for twenty years and shall be tacitly renewable for successive periods of ten years.

Any Contracting State may withdraw from this Agreement provided that notice of withdrawal is given not later than two years before the date on which the initial or any other subsequent period of validity expires.

If a Contracting State gives notice of withdrawal after the prescribed time limit but before a new period of validity has commenced, such notification shall be valid, but the Agreement shall remain in force for two further years after the beginning of the new period.

In the event of denunciation of this Agreement, the same shall remain in force as regards its additional protocols until the expiry of the latter.

Should a Contracting State denounce this Agreement, the other Contracting States shall determine whether the Agreement shall cease to have effect between all the Contracting States of whether it shall be maintained between such Contracting States as have not denounced it.

The additional protocols to this Agreement shall be approved in conformity with the constitutional or legislative procedures of each country.

#### Article XIII

The General Secretariat of the Organization of Central American States shall act as depository of this Agreement and shall send a certified copy thereof to the Ministry of Foreign Affairs of each of the Contracting States. It shall also notify the Contracting States of the deposit of the relevant instruments of ratification as well as of any denunciation which may occur within the prescribed time-limit. When the Agreement comes into force, it shall also transmit a certified copy thereof to the Secretary-General of the United Nations, for registration in conformity with Article 102 of the United Nations Charter.

#### Transitional Article

In order to promote an equitable distribution of the Central American industrial integration plants, the Contracting States shall not award a second plant to any one country until all of the five Central American countries have each been assigned a plant in conformity with the protocols specified in article III.

IN WITNESS WHEREOF the respective plenipotentiaries have signed this Agreement.

DONE in the city of Tegucigalpa, D. C., capital of the Republic of Honduras, on 10 June 1958.

For the Government of Guatemala:

With a reservation regarding article XI of this Treaty, in accordance with the provisions of paragraph 3, sub-paragraph b) of article 149 of the Constitution of the Republic.

**José Guirola Leal**  
Minister of Economic Affairs

For the Government of El Salvador:

**Alfonso Rochac**  
Minister of Economic Affairs

For the Government of Honduras:

**Fernando Villar**  
Minister of Economic Affairs and Finance

For the Government of Nicaragua:

**Enrique Delgado**  
Minister of Economic Affairs

For the Government of Costa Rica:

**Wilburg Jiménez Castro**  
Vice-Minister of Economic Affairs and Finance

### 3. CENTRAL AMERICAN AGREEMENT ON ROAD TRAFFIC

The Governments of the Republics of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, desirous of facilitating the integration of the economies of the Central American Isthmus through the improvement of the conditions of inter-Central American road transport, and recognizing that the adoption, by mutual agreement, of uniform principles and rules for traffic in their respective territories and across the borders between them, would facilitate their accession to the Convention on Road Traffic, opened for signature in Geneva on 19 September 1949, for the purpose of promoting the development and safety of international road traffic, have agreed to conclude the following Central American Agreement on Road Traffic:

#### Title I

#### GENERAL PROVISIONS

##### Article 1

While reserving its jurisdiction over the use of its own roads, each Contracting State agrees to the use of its roads for international traffic under the conditions set out in this Agreement.

##### Article 2

For the purpose of applying the provisions of this Agreement the following expressions shall have the meaning hereby assigned to them:

"Road" means any way open to the public for the circulation of vehicles, pedestrians and other users.

"Carriageway" means that portion of a road normally used for vehicular traffic.

"Lane" means any of the parts into which the carriageway is divisible, each sufficient in width for one moving line of vehicles.

"Intersection" means the place where two or more carriageways join or intersect, whatever the angle or angles of their axes.

"Driver" means any person who drives a vehicle, including cycles, or guides draught, pack or saddle animals or herds or flocks on a road, or who is in actual physical control of the same.

"Motor vehicle" means any self-propelled vehicle normally used for the transport of persons or goods upon a road, other than vehicles running on rails or connected to electric conductors.

"Articulated vehicle" means any motor vehicle with a trailer having no front axle and so attached that part of the trailer in superimposed upon the motor vehicle and a substantial part of the weight of the trailer and of its load is borne by the motor vehicle. Such a trailer shall be called a "semi-trailer".

"Trailer" means any vehicle designed to be drawn by a motor vehicle.

"Permissible maximum weight" of a vehicle means the unladen weight of the vehicle and of its maximum load.

"Unladen weight" of a vehicle means the weight of the vehicle when it is ready for the road, including chassis, filled batteries and radiator, filled liquid fuel or gas tanks, body, normal equipment, spare wheels and tires and the tools that are customarily supplied with the vehicle.

"Bicycle" means any two-wheeled vehicle operated by pedals which is not fitted with a self-propelling device.

"Motorized bicycle" means any two-wheeled vehicle fitted with an auxiliary internal combustion engine having a cylinder capacity of not more than 50 cm<sup>3</sup> and retaining the normal characteristics of a bicycle with respect to its possible use.

"Motor cycle" means any two-wheeled vehicle fitted with an internal combustion engine and which does not conform to the definition of "motorized bicycle".

#### Title II

#### GENERAL PROVISIONS RELATING TO ROAD TRAFFIC APPLICABLE TO ALL USERS

##### Article 3

##### Driving of vehicles and guiding of animals

1. Every vehicle or combination of vehicles proceeding as a unit shall have a driver.

2. Draught, pack or saddle animals and cattle, alone or in herds, shall be under the guidance of some person.

3. Drivers shall at all times be able to control their vehicles or guide their animals. When approaching other road users, they shall take such precautions as may be necessary for mutual safety.

4. Every driver, pedestrian or other road user shall conduct himself in such a way as not to endanger or obstruct traffic. All behaviour that might cause damage to persons, or to public or private property shall be avoided.

5. Under normal conditions, the driver shall drive his vehicle or animals on the right hand side of the carriageway and keep as far to the right as practicable when another road user is approaching from the opposite direction or is about to overtake him, as well as in all cases when visibility ahead is insufficient.

6. Every driver shall:

a) On two-lane carriageways built for two-way traffic, keep his vehicle in the lane appropriate to the direction in which he is travelling;

b) On carriageways with more than two lanes, keep his vehicle in the lane nearest the edge of the carriageway appropriate to the direction in which he is travelling.

7. a) When a carriageway has two lanes separated by a continuous line, the driver proceeding in one lane shall not cross that line or travel on it;

b) When the carriageway has lanes separated by a broken line, the driver shall, under normal conditions, take the lane on his right and cross the broken line only to overtake another vehicle in the cases specified in Article 5 of this Agreement.

8. Every driver intending to make an important change in the speed or direction of his vehicle or animals, shall make sure beforehand that he can do so without danger and give notice of his intention to other road users.

9. Every driver coming out of a place of building located on the edge of the road shall enter the road only after having made sure beforehand that he can do so without endangering traffic and at a speed which will permit him to stop at any given moment.

10. The movement of military columns, police forces or marching parades shall not be interrupted.

11. In open country, motor vehicles, with or without trailers, having a total laden weight of more than 3 500 kg, or a length of more than 11 m shall keep a distance between them of not less than 50 metres when proceeding at the same speed.

Convoys of vehicles shall be divided into groups of not more than three, with a distance of not less than 50 metres between groups.

12. Any structure, butt, raised walk or monument on a carriageway, square or road-intersection constituting an obstruction to the forward movement of a vehicle must be bypassed on the right, unless signs, signals or traffic officers indicate otherwise.

##### Article 4

##### Speed

1. Every driver shall maintain reasonable speed and drive his vehicle or guide his animals prudently. He shall adjust his speed to traffic conditions or foreseeable obstacles, and reduce it appreciably:

a) When driving through built-up areas:

b) In open country: when the road is not clear; when visibility is not good; on curves, pronounced descents sections of the road that are narrow, or obstructed, or bordered by houses, at crossroads and when approaching the top of a hill; and when meeting or overtaking draught, pack or saddle animals or cattle.

2. The competent authorities shall have powers to establish, by means of appropriate signs, the maximum speeds for road users.

3. The provisions relating to maximum speeds do not apply to vehicles accorded the right of free way, which shall announce their presence by means of sirens.

#### Article 5

##### Meeting and overtaking

1. When two vehicles proceeding in opposite directions meet, the driver of each shall keep as far to his right as permitted by the presence of other road users.

2. In overtaking, drivers shall pass on the left of the overtaken vehicle or animal.

3. Every driver wishing to overtake another vehicle shall make sure that there is sufficient room and sufficient visibility ahead to permit overtaking without danger. Moreover, if necessary, he shall give notice of his intention to the user whom he wishes to overtake. He shall keep to his left as far as is necessary to avoid touching the vehicle which he wishes to overtake.

4. Overtaking shall be prohibited on curves, on the top of a hill and, in general, when visibility is insufficient. It shall also be prohibited at crossroads.

5. Every driver, after overtaking a vehicle, shall move back to the right hand side of the road after making sure that he can do so without danger to the vehicle overtaken.

6. When about to be overtaken, the driver shall immediately move as far as practicable to his right without increasing his speed.

7. In all cases in which the free width of the carriageway is insufficient or its course or conditions prevent easy and safe meeting or overtaking of other vehicles, drivers of goods vehicles whose dimensions exceed 2 metres in width and 8 metres in length, including the trailer, shall reduce their speed and, if necessary, stop or move over to one side in order to leave the right of way to smaller vehicles. In the same cases, when a vehicle accorded the right of free way signals to pass, the other road users shall reduce their speed and, if necessary, stop or move over to the right to let pass the said vehicle.

#### Article 6

##### Road intersections—Priority of passage

1. Every driver of a vehicle or animals approaching a road intersection shall make sure that the carriageway that which he is about to cross is free, and shall moderate his speed in accordance with visibility conditions.

2. Every driver who is about to turn off a road on his right, shall keep to the right edge of the carriageway.

The driver intending to turn off a two-lane road on his left shall keep to the left without crossing the axis of the carriageway.

3. When any two drivers approach a road intersection by different roads, of which one does not enjoy priority over the other, the driver approaching from the left shall yield the right of way to the other driver.

4. On certain roads, or sections, of road, priority of passage may be accorded at intersections by placing signs. Every driver approaching a road or section of road having such priority shall be bound to yield the right of way to drivers travelling along it.

5. Every driver shall yield the right of way to vehicles accorded the right of free passage which announce their proximity by means of sirens.

#### Article 7

##### Use of klaxon and other warning devices

1. The use of the klaxon shall be authorized solely to call the attention of other road users.

2. The use of multiple-sound klaxons, sirens or whistles shall be prohibited, except for drivers of vehicles mentioned in paragraph 5 of the preceding article.

#### Article 8

##### Parking

1. Vehicles or animals shall not be left waiting on the road when they are likely to cause disturbance or danger to other users.

2. The driver shall never leave a parking space without taking all necessary precautions to avoid any risk of accident caused by his leaving.

3. No person shall alight from a vehicle or open a door without making sure that he can do so without danger.

#### Article 9

##### Lights and signals of vehicles

1. From nightfall until dawn, and during the day when conditions render it necessary, especially when there is fog or rain, the drivers of vehicles travelling along a road, with or without public lighting, shall show the lights prescribed in articles 18, 31, 40, 49 or 57, as the case may be.

When vehicles meet, their lights shall be dimmed in order to avoid causing glare to the drivers and other users.

2. Vehicles shall not use red lights directed to the front nor white lights directed to the rear, with the exception of reversing lights and registration number plate lights; nor shall they use red reflex reflectors directed to the front, nor white ones directed to the rear.

3. From nightfall to dawn, and during the day when conditions render it necessary, especially when there is fog or rain, every stationary vehicle on a road, with or without public lighting, shall show a light on the side opposite to the sidewalk or road drain, whether it be a red position light at the rear or a parking light.

A motor vehicle or a combination of vehicles of more than 6 metres in length or 2 metres in width, when stationary, shall show two position lights and two red lights.

4. If, by reason of force majeure, a vehicle is immobilized on the carriageway, or if the load or part of the load falls on the carriageway and it is not possible to remove it immediately, the driver shall, in case of insufficient visibility and especially at sundown, give notice of the presence of the obstacle by all possible means, placing signals at a sufficient distance before the traffic reaches it.

#### Article 10

##### Signs and signals

1. Signs and signals shall be subject to the provisions of the Central American Regional Agreement on Road Signs and Signals, signed in Tegucigalpa, D. C., Honduras, on 10 July 1958.

2. The competent authorities in each State are the only ones permitted to place signs on roads.

3. The number of approved signs shall be limited to such as may be strictly necessary and they shall be placed only at points where they are deemed essential.

4. The danger signs shall be placed at a sufficient distance from the obstacles to give road users adequate warning.

5. The affixing to an approved sign of any notice not related to the purpose of such sign and liable to obscure it or to interfere with its character shall be prohibited.

6. All boards and notices which might be confused with the approved signs or make them more difficult to read shall be prohibited.

#### Article 11

##### Special transports

1. Only combinations having not more than one trailer shall be permitted to travel without special authorization. However, articulated vehicles for transporting passengers, or drawing a trailer, shall not be admitted to international traffic.

2. The travel of combinations drawing several trailers, of vehicles or combinations of vehicles whose weight or dimensions exceed the permissible maximum shall be authorized



only in the case of transporting long objects or pieces which cannot be divided. Such transports shall require a special permit which may be issued by the competent authorities and shall be valid for one trip only.

3. The aforesaid permit shall indicate the route to be followed by the said vehicles, and, if deemed pertinent, the special safety measures to be taken such as, for example, measures relating to drivers, lights of additional reflectors.

4. Permanent permits for travel on specified routes may be issued to special vehicles for industrial or agricultural use, or to public works employees.

### Title III

## SPECIAL PROVISIONS APPLICABLE TO MOTOR VEHICLES AND COMBINATIONS OF A MOTOR VEHICLE AND A TRAILER OR SEMI-TRAILER

### Chapter I. Technical provisions

#### Article 12

##### Weight and tires

1. No vehicle or combination of vehicles being a total laden weight exceeding that authorized and indicated in the registration certificate shall be permitted to travel except as provided in article 11 or his Agreement.

2. The maximum permissible weights shall be as follows:

|  | Metric tons | Lbs.   |
|--|-------------|--------|
| a) Per most heavily loaded axle. (An axle weight shall be defined as the total weight transmitted to the road by all wheels the centres of which can be included between two parallel transverse vertical planes 1.00 m (40 inches) apart extending across the full width of the vehicle). | 8           | 17 600 |
| b) Per most heavily loaded tandem axle group. The two axles of the group being at least 1.00 m (40 inches) and less than 2.10 m (7 feet) apart.<br>It is understood that the maximum permissible weight shall not exceed the following limits:   | 14.5        | 32 000 |
| Vehicles with two axles  | 12          | 26 400 |
| Vehicles with three axles  | 20          | 44 100 |
| Articulated vehicles or vehicles with one trailer  | 25          | 57 700 |
| c) Per vehicle, articulated vehicle or other combination:  |             |        |

Distance, in metres, between the extreme axles of a vehicle, in metric tons, of a vehicle, articulated vehicle, or other articulated vehicle or other combination

| From | 1 to less than | 2  | Permissible maximum weight, combination |
|------|----------------|----|---|
|      | 1              | 2  | 14.50                                   |
| "    | 2              | 3  | 15.00                                   |
| "    | 3              | 4  | 16.25                                   |
| "    | 4              | 5  | 17.50                                   |
| "    | 5              | 6  | 18.75                                   |
| "    | 6              | 7  | 20.00                                   |
| "    | 7              | 8  | 21.25                                   |
| "    | 8              | 9  | 22.50                                   |
| "    | 9              | 10 | 23.75                                   |
| "    | 10             | 11 | 25.00                                   |
| "    | 11             | 12 | 26.25                                   |
| "    | 12             | 13 | 27.50                                   |

3. The wheels of motor vehicles and their trailers shall be fitted with pneumatic tires or devices of sufficient elasticity. The introduction into the outer surfaces of tires of any protruding metallic object shall be prohibited.

### Article 13

#### Dimensions of vehicles

Except as provided in article 11 of this Agreement, the dimensions of a motor vehicle or a combination of vehicles shall not exceed the following limits:

|  | Metres | Feet  |
|--|--------|-------|
| Maximum over-all width   | 2.50   | 8.20  |
| Maximum over-all height  | 3.80   | 12.50 |
| Maximum over-all length:   |        |       |
| Goods vehicles with two axles  | 10.00  | 33.00 |
| Passenger vehicles with two axles  | 11.00  | 36.00 |
| Vehicles with three or more axles  | 11.00  | 36.00 |
| Articulated vehicles ("articulated vehicle" means any motor vehicle with a trailer having no front axle and so attached that part of the trailer is superimposed upon the motor vehicle and a substantial part of the weight of the trailer is borne by the motor vehicle) or a vehicle with a coupled trailer | 14.00  | 46.00 |
| Other combinations   | 18.30  | 60.00 |
| No loads protruding more than one metre beyond the front or rear of the vehicle shall be permitted.  |        |       |

#### Article 14

##### Loading of vehicles

All necessary precautions shall be taken to ensure that the load of a motor vehicle, or trailer, shall not be a cause of danger or damage. Any load that protrudes or that is liable to protrude beyond the external edges of the vehicle, as a result of the movements produced during transportation, shall be firmly secured. Chains, tarpaulins and other movable or floating accessories shall be secured to the vehicle in such a way that at no time shall they protrude beyond the exterior contour of the load, nor drag, along the ground.

#### Article 15

##### Engines

1. Motor vehicles shall not emit gases which may affect traffic safety or disturb other road users.

2. Motor vehicles shall not produce explosions or noises which may disturb the other users of the road or the inhabitants in its vicinity. Engines specifically shall be equipped with an exhaust silencer in good working condition, the working of which cannot be interrupted by the driver while on the road. Open exhausts and any operation tending to suppress or reduce the efficiency of the silencer shall be prohibited.

#### Article 16

##### Driving and steering devices and visibility

1. Every motor vehicle shall be so constructed that the driver shall be able to see ahead to the right and to the left clearly enough to be able to arrive safely.

2. All glass panes, including the windscreens, shall be of a transparent substance which, if broken, is not likely to cause wounds. The windscreen panes shall not distort the objects seen by transparency and, even if damaged shall continue to permit the driver to see the road clearly.

3. The windscreen shall be fitted with a windscreen wiper with a sufficient radius of action to enable the driver to see the road clearly from his seat.

4. Every motor vehicle shall be equipped with a reversing device controlled from the driver's seat if the weight of the motor vehicle when empty exceeds 400 kg.

5. Every motor vehicle shall be equipped with at least one driving mirror of adequate dimensions so placed as to enable the driver to view from his seat the road to the rear of the vehicle.

6. Every motor vehicle shall be equipped with a device indicating change of direction by means of a light.

## Article 17

### Braking

1. Every motor vehicle shall be equipped with brakes capable of slowing down the movement and of stopping the vehicle, in an efficient, safe and rapid way under any conditions of loading on any up or down gradients on which the vehicle is operated.

The braking shall be operated by means of two devices so constructed that in the event of failure of one of the braking devices, the other shall be capable of stopping the vehicle within a reasonable distance.

In the present text, one of the braking devices will be called the "service brake" and the other one the "parking brake".

The parking brake shall be capable of being secured even in the absence of the driver, by direct mechanical action.

Either means of operation shall be capable of applying braking force to wheels symmetrically placed on each side of the longitudinal axis of the vehicle.

The braking surfaces shall always be connected with the wheels of the vehicle in such a way that it is not possible to disconnect them otherwise than momentarily by means of a clutch, gear box or free wheel.

One at least of the braking devices shall be capable of acting on braking surfaces directly attached to the wheels of the vehicle or attached through parts not liable to failure.

2. Every trailer having a permissible maximum weight exceeding 750 kg (1 650 lbs) shall be equipped with at least one braking device acting on wheels placed symmetrically on each side of the longitudinal axis of the vehicle and acting on at least half the number of wheels.

The provisions of the preceding paragraph shall also be applicable to trailers whose permissible maximum weight does not exceed 750 kg (1 650 lbs) but exceeds one-half of the unladen weight of the drawing vehicle.

The braking device of trailers with a permissible maximum weight exceeding 3 500 kg (7 700 lbs) shall be capable of being operated by applying the service brake from the drawing vehicle. When the permissible maximum weight of the trailer does not exceed 3 500 kg (7 700 lbs) its braking device may be brought into action merely by the trailer moving upon the drawing vehicle (overrun braking).

The braking device of the trailer shall be capable of preventing the rotation of the wheels when the trailer is uncoupled.

Any trailer equipped with a brake shall be fitted with a device capable of automatically stopping the trailer if it becomes detached whilst in motion. This provision shall not apply to two-wheeled camping trailers or light luggage trailers whose weight does not exceed 750 kg (1 650 lbs) provided that they are equipped in addition to the main attachment with a secondary attachment which may be a chain or a wire rope.

3. The provisions of paragraph 1 of this article shall apply to every articulated vehicle. A semi-trailer having a permissible maximum weight exceeding 750 kg (1 650 lbs) shall be equipped with at least one braking device capable of being operated by applying the service brake from the drawing vehicle.

The braking device of the semi-trailer shall, in addition, be capable of preventing the rotation of the wheels when the semi-trailer is uncoupled.

Every semi-trailer equipped with a brake shall be fitted with a device capable of stopping automatically the semi-trailer if it becomes detached whilst in motion.

4. Every combination of a motor vehicle and one or more trailers shall be equipped with brakes capable of slowing down the movement of and of stopping the combination in an efficient, safe and rapid way under any conditions of loading on any up or down gradient on which it is operated.

## Article 18

### Lighting and signals

1. Except as provided in article 31 every motor vehicle capable of exceeding the speed of 20 km (12 miles) per

hour on the level shall be equipped with at least two lighting devices at the front, projecting two white driving lights and two passing lights, which enable to see the road clearly in front of the vehicle at night time in clear weather for distances of 100 m (325 feet) and 30 m (100 feet), respectively,

2. Except as provided in article 31, every motor vehicle shall be equipped with two position (side) lights at the front. These lights shall be clearly visible at night time in clear weather at a distance of 150 m (500 feet) from the front of the vehicle without causing any glare or dazzle to other drivers on the road.

The part of the illuminating surface of these lights furthest from the longitudinal axis of the vehicle shall be as near as possible to and in no case further than 400 mm (16 in) from the extreme outer edges of the vehicle.

3. Every motor vehicle and every trailer at the end of a combination of vehicles shall be equipped at the rear with at least one red light visible at night time in clear weather at a distance of 150 m (500 feet) from the rear of the vehicle.

4. Every motor vehicle and every trailer shall be equipped at the rear with a white, non-glare, light illuminating the registration number.

5. The red rear light or lights and the light for the registration number shall be shown at the same time as the position (side) lights or the driving lights.

6. Every motor vehicle shall be equipped with two red reflex reflectors, preferably of triangular form, fitted symmetrically at the rear and on opposite sides of the vehicle. The outer edges of each of these reflectors must be as near as possible to and in no case further than 400 mm (16 in) from the outer edges of the vehicle. These reflectors may be incorporated in the rear red lamps if these lamps comply with the above requirements. These reflectors shall be visible at night time in clear weather from a distance of at least 100 m (325 feet) when illuminated by the driving lights of another vehicle.

7. Every trailer and every articulated vehicle shall be equipped with two red reflex reflectors preferably of other than triangular form, fitted symmetrically at the rear and on opposite sides of the vehicle. These reflectors shall be visible at night time in clear weather from a distance of at least 100 m (325 feet) when illuminated by means of two driving lights.

When the reflectors are triangular in shape, the triangle shall be equilateral, with sides of at least 150 mm (6 in) and shall be upright in position. The outer corner of each of these reflectors shall be as near as possible to and in no case further than 400 mm (16 in) from the extreme outer edges of the vehicle.

8. Except as provided in article 31, every motor vehicle and every trailer at the end of a combination of vehicles shall be equipped with at least one stop light of red colour. This light shall be actuated upon application of the service brake of the motor vehicle. If this stop light is either incorporated in or associated with, the rear red light, its intensity shall be greater than that of the rear light.

The stop light shall not be required on trailers and semi-trailers when their dimensions are such that the stop light of the drawing vehicle remains visible from the rear.

9. No lights with the exception of direction indicators, shall be flashing or blinking lights.

10. If a vehicle is equipped with several lights of the same kind, they shall be of the same colour and two of these lights shall be placed symmetrically to be longitudinal axis of the vehicle. However, fog lights may be yellow or of any other adequate colour.

11. Several lights may be incorporated in the same lighting device provided each of these lights complies with the appropriate provisions of this part.

## Article 19

### Warning signals

1. Every motor vehicle shall be equipped with a klaxon or other audible warning device of sufficient strength which

shall not be a bell, gong, siren or other strident toned device, to announce its presence when necessary.

2. Vehicles having the right of free way shall be equipped with special devices (sirens) to announce their approach, in addition to the normal warning devices.

#### Article 20

##### Plates and inscriptions

1. Every motor vehicle, every trailer having a total permissible laden weight in excess of 750 kg, and every semi-trailer shall display very visibly, on a metallic plate known as "maker's plate", the name or the trade mark of the maker, the type, the maker's serial number and information on the total permissible laden weight.

Moreover, the maker's type and serial number shall be cold-stamped for easy legibility, and shall be placed in an accessible position on the chassis or other essential part which cannot be detached from the vehicle. These marks must be framed by the maker's die.

2. Except as provided in article 33, every motor vehicle shall be equipped with two plates, known as "registration number plates" displaying the registration number assigned to the vehicle; these two plates shall be fixed in very visible places at the front and the rear of the vehicle.

3. Every trailer or semi-trailer shall be equipped with a registration number plate at the rear.

#### Article 21

##### Coupling mechanisms of trailers and semi-trailers

When the permissible maximum laden weight of a trailer exceeds 750 kg or exceeds one-half of the unladen weight of the drawing vehicle, and its braking device does not include a continuous brake, such a trailer shall be equipped, in addition to the main attachment which ensures the drawing and direction of the vehicle, with an auxiliary attachment consisting of chains or metallic cables capable of drawing the trailer and preventing it from leaving its normal trajectory in case of failure of the main attachment. The auxiliary attachment shall be used only in case of failure of the main attachment, provided that a moderate speed is maintained.

The same procedure shall be observed when it is necessary to resort to improvised attachments consisting of ropes or other devices, permissible only in case of absolute necessity; the necessary measures shall be taken to ensure that such attachments are perfectly visible by day or night; when a vehicle draws several vehicles, improvised attachments shall be permitted only for a single coupling.

#### Article 22

##### Conditions to be fulfilled by vehicles for public transportation

1. Vehicles which are normally or occasionally used for transporting persons shall be so conditioned as to ensure the safety and comfort of the passengers.

2. All necessary precautions shall be taken to ensure that the fuel tanks and the exhaust pipes are installed in such a way as to eliminate any risk of fire or intoxication of the passengers.

3. Vehicles used for passenger transport over long distances or engaged in international passenger service shall be subject to the special provisions relating to safety and comfort established in annex I.

#### Chapter II Administrative Rules

##### Article 23

##### Requirements for the authorization of vehicles

1. Every motor vehicle, every trailer and every semi-trailer before being put in circulation, shall be authorized by the competent service charged with verifying that such vehicles conform to the provisions specified in Chapter I of the present Title.

2. If the vehicles are new and have been imported, the competent authority may authorize their circulation on the basis of the documents authorizing circulation in their country of origin and the guarantee of the vehicle issued by the maker.

3. Prior notification shall be required for transforming a vehicle, modifying the specifications set out in its registration certificate. Moreover, once such transformation has been effected, a new authorization for circulation shall be required from the competent authority in order to verify that the vehicle conforms to the provisions set out in Chapter I of the present Title.

#### Article 24

##### Registration

1. No vehicle shall be put into circulation by its owner without having obtained the relevant registration certificate.

2. If the vehicle is new, the registration certificate shall be issued to the owner by the competent authority upon production of the document showing that the vehicle fulfils the conditions prescribed in the preceding article.

3. The registration certificate shall contain, in addition to the full name and place of residence of the owner and the serial number, known as the registration number of the vehicle, assigned in accordance with the system adopted by the competent authority of a Contracting State, the following information:

Trade mark of the vehicle;

Number of the motor and serial number of the chassis;

Number of cylinders;

Date on which the vehicle was first put into circulation;

Type and model of vehicle; colour;

If it is a passenger vehicle, capacity and number of seats;

If it is a goods vehicle, total maximum laden weight.

4. Every new owner of a vehicle already in circulation and registered, shall deliver to the competent authority the registration certificate for modification or for the issuance of a new certificate in his name.

5. In the case of a transformation of the vehicle which changes the characteristics shown in the registration certificate, the owner shall deliver the registration certificate to the competent authority for its modification, after having obtained the authorization mentioned in paragraph 3 of the preceding article.

6. The registration certificates issued under the conditions specified above shall be accepted as valid by all Contracting States until proven otherwise.

7. The design of registration number plates shall conform to the model shown in annex II.

#### Article 25

##### Technical inspections of public transport vehicles and of certain classes of vehicles for the transportation of goods

1. Motor vehicles used for the transportation of persons or goods as well as their trailers or semi-trailers, shall undergo a technical inspection by the competent authority, periodically and when required by necessity, to verify that they are in good mechanical condition and satisfactory state of maintenance and that they continue to conform to the provisions of Chapter I of the present Title and especially to the provisions of article 22 of that Chapter. In any case, these vehicles shall undergo periodical inspections at least once a year.

2. The date on which each inspection was effected at the request of the owners of the vehicles shall be recorded in the registration certificate in order that police authorities may verify, when necessary, that such inspections have taken place in due time.

#### Article 26

##### Driving permit

1. No person shall drive a vehicle or combination of vehicles without a permit issued in his name by the competent authority after an examination of his driving competence.

2. The permit shall indicate the category or categories of vehicles for which it is valid and the period of its validity shall be two years.

3. The design of the driving permit, as well as the categories of vehicles for which it is valid, shall conform to the model contained in annex III.

4. The examinations required for the issuance of driving permits shall include questions on traffic regulations and, especially, signals in addition to a practical driving test.

5. The issuance of the driving permit shall be subject to the presentation of a favourable medical certificate recognized by the competent authorities, and also of evidence of security covering the holder of the permit in case of any liability arising during the period of its validity.

6. The minimum age of applicants for a driving permit for motor vehicles and combinations shall be eighteen years, except for vehicles used for passenger service, for which the minimum age required shall be twenty-one years.

7. Each Contracting State shall allow any driver admitted to its territory to drive on its roads without further examination motor vehicles of the category or categories shown in the driving permit issued to him by the competent authority of his country under the conditions set out in this article.

8. The driving permits prescribed in this article may be suspended by the competent authorities of a Contracting State for the reasons determined by the legislation of that State.

#### Article 27

##### Road vigilance

The driver of a motor vehicle or of a combination of vehicles shall be obliged to show, upon request of the agents of the competent authority:

- a) his driving permit;
- b) the registration certificate of the vehicle.

#### Title IV

### PROVISIONS APPLICABLE TO MOTOR CYCLES AND THEIR TRAILERS

#### Article 28

##### Motors

The provisions of article 15 relating to the engines of motor vehicles are applicable to the vehicles referred to in this Title.

#### Article 29

##### Driving, steering and visibility devices

The provisions of article 16 relating to the driving mirror are applicable to the vehicles referred to in this Title.

#### Article 30

##### Brakes

1. The provisions of article 17, paragraph 1, relating to the brakes of motor vehicles, are applicable to the vehicles referred to in this Title.

2. Trailers shall be exempt from the requirement of being equipped with brakes if their total laden weight does not exceed 80 kg or does not exceed the unladen weight of drawing vehicle.

#### Article 31

##### Lights and signals

1. Motor cycles with or without sidecar shall be equipped at the front with one or two position lights, with one driving light and one passing light.

2. These vehicles shall be fitted at the rear with one red light and a device illuminating clearly the registration number plate, as well as a red reflex reflector.

3. Motor cycles with sidecar shall be equipped with the stop light prescribed in paragraph 8 of article 18.

#### Article 32

##### Horn

Motor cycles shall be equipped with a horn.

#### Article 33

##### Plates and inscriptions

1. Motor cycles shall display in a visible place a metal plate, known as "manufacturer's plate", containing the name

or trade mark of the maker of the vehicle, the type of vehicle, its identification and serial number, and its cylinder capacity.

2. The vehicles in question shall display at the back a registration number plate.

#### Article 34

##### Authorization for circulation

The provisions of article 23 relating to the admission to circulation of motor vehicles are applicable to the vehicles referred to in this Title.

#### Article 35

##### Registration

The provisions of article 24 relating to the registration certificate of motor vehicles are applicable to the vehicles referred to in this Title.

#### Article 36

##### Driving permit

1. The provisions of article 26 relating to driving permits for motor cars are applicable to the vehicles referred to in this Title.

2. The minimum age of applicants for driving permits for the vehicles referred to in this Title shall be eighteen years.

The Contracting States may establish a minimum age of sixteen years in the case of motor cycles equipped with an internal combustion engine having a cylinder capacity not exceeding 125 cm<sup>3</sup>.

#### Article 37

##### Road vigilance

Every driver of a motor cycle or a motorized bicycle shall produce, upon request of the agents of the competent authority:

- a) his driving permit;
- b) the registration certificate of the vehicle.

#### Title V

### SPECIAL PROVISIONS APPLICABLE TO BICYCLES, MOTORIZED BICYCLES AND THEIR TRAILERS

#### Article 38

##### Special road travel provisions for cyclists and drivers of motorized bicycles

1. Cyclists and drivers of motorized bicycles shall avoid proceeding two abreast on the carriageway; after nightfall they shall proceed in single file when circumstances so require, and especially when a vehicle wishing to overtake them asks to pass. Cyclists shall not be towed by vehicles.

2. Bicycles and motorized bicycles may be guided by hand on the edge of the carriageway that traffic is not interrupted. In this case, the drivers shall observe only the rules prescribed for pedestrians.

#### Article 39

##### Brakes

Every bicycle or motorized bicycle shall be equipped with efficient braking devices on both wheels.

#### Article 40

##### Lighting

1. From nightfall, or during the day when circumstances so require, bicycles and motorized bicycles proceeding on the road shall show a single white light directed to the front, and a red light at the rear. The red light must be clearly visible from the rear when the vehicle is in motion. Bicycles and motorized bicycles may travel without lights

when they are guided by hand, in accordance with paragraph 2 of article 38. In this case, the drivers shall observe the rules prescribed for pedestrians.

2. In addition every bicycle and every motorized bicycle shall be equipped, during the day and at night time with one or more red reflex reflectors which shall be visible from the rear.

3. When a bicycle or motorized bicycle is drawing a trailer, the trailer shall be equipped with a red light at the rear and a red reflex reflector placed on the left hand side.

#### Article 41

##### Horns and bells

Bicycles and motorized bicycles shall be equipped with a bell or horn to announce their presence.

In the case of bicycles, this device shall be a bell which is audible at a distance of at least 50 metres.

#### Article 42

##### Plates and registration

1. Motorized bicycles shall display in a visible place on a metal plate permanently attached to the engine, the name of the maker of the engine, the type of engine and its cylinder capacity.

2. Every bicycle or motorized bicycle shall display at the rear a registration number plate.

#### Article 43

##### Authorization to travel

The provisions of article 23 relating to the travel authorization for motor vehicles are also applicable to motorized bicycles.

The purpose of this authorization is to verify that these vehicles actually conform to the definition of motorized bicycles given in article 1 and to the provisions of this Title.

#### Article 44

##### Driving permit

1. The provisions of article 26 relating to driving permits for motor vehicles are applicable to motorized bicycles.

2. The minimum age of applicants for driving permits for motorized bicycles shall be sixteen years.

#### Title VI

### SPECIAL PROVISIONS APPLICABLE TO VEHICLES DRAWN BY ANIMALS AND TO HAND-CARTS

#### Article 45

##### Convoys of vehicles

1. A convoy of vehicles drawn by animals may be guided by a single driver provided that it does not comprise more than three vehicles.

2. The driver, unless proceeding on foot, shall be mounted on the first vehicle; however, in the case of ox-drawn carts, he shall always proceed on foot.

#### Article 46

##### Wheels

1. With respect to vehicles drawn by animals not equipped with pneumatic tires, the load transmitted to the road shall in no case exceed 150 kg per centimetre of width of the wheel.

2. Metal wheels shall not have protruding parts on the surfaces that touch the ground. The addition of metal devices protruding from the friction surfaces of pneumatic tires shall be prohibited.

#### Article 47

##### Dimensions and loading

1. The over-all width of an animal-drawn vehicle shall not exceed 2.50 m.

2. The provisions of articles 13 and 14 relating to the dimensions and loads of motor vehicles are applicable to vehicles drawn by animals.

#### Article 48

##### Brakes

If the relief of the region so requires, vehicles drawn by animals shall be equipped with a brake or with a stopping device.

#### Article 49

##### Lighting and signals

Vehicles drawn by animals proceeding or parked on a road shall show at night time, and during the day when circumstances so require, the following devices:

a) At the front, at least one lamp directing a white light to the front.

If only one white light is shown, it shall be placed on the left side of the vehicle, when it is in motion, and on the side opposite to the sidewalk or road drain when the vehicle is stationary. If two white lights are shown, they shall be placed symmetrically on the sides of the vehicle.

b) At the back, two devices reflecting a red light.

#### Title VII

### SPECIAL PROVISIONS APPLICABLE TO PEDESTRIANS AND GUIDES OF UNHITCHED ANIMALS

#### Article 50

##### Pedestrians

1. Pedestrians shall use sidewalks or paths especially provided for them. If there are no sidewalks or paths, pedestrians shall walk on their left.

2. Pedestrians proceeding on a carriageway, when advised of the proximity of vehicles or animals, shall move to the nearest edge of the carriageway. They shall do the same on curves, at road intersections, on the top of a hill and when approaching such places and, in general, in all places where visibility is not adequate.

3. Pedestrians shall not cross the carriageway without making sure beforehand that they can do so without danger, and shall use the special crossings for that purpose whenever these are provided.

4. The provisions of this article are not applicable to troops in formation, police forces marching in formation, nor to organized groups of pedestrians proceeding in columns such as demonstrations, funerals of religious processions.

#### Article 51

##### Guiding of animals, singly or in groups

1. Animals proceeding on a road, singly or in a group, shall be guided in such a way as to avoid any obstruction to traffic and facilitate their meeting and overtaking by other road users. An adequate audible device shall be used to announce the movement of animals.

2. Persons guiding animals, singly or in a group, shall carry from nightfall, outside of centres of population, a lantern or lamp, perfectly visible especially from the rear.

3. Herds shall be accompanied by as many guides as are required to ensure safety.

4. In no case shall animals proceed on a road without guides.

#### Title VIII

### SPECIAL PROVISIONS APPLICABLE TO AGRICULTURAL VEHICLES AND MACHINES AND PUBLIC WORKS EQUIPMENT

#### Article 52

##### Definitions

The provisions of Title II and of the present Title are applicable to vehicles and equipment conforming to the following definitions:

**A. Agricultural vehicles and equipment used in agricultural activities and classified as follows:**

1. **Tractor.** Motor vehicles designed especially for drawing or operating any machinery used in agricultural activities. Excluded from this definition are all motor vehicles conditioned for transporting passengers or goods, and motor vehicles which, owing to their mechanical construction, are capable of exceeding 30 km per hour on the level.

2. **Self-propelled agricultural machinery.** Machinery capable of moving under its own power, normally devoted to agricultural production activities and with a normal speed on the level not exceeding 25 km per hour. All Self-propelled agricultural machinery operated by a driver proceeding on foot shall be considered as hand-drawn vehicles.

3. **Drawn vehicles and equipment**

a) **Agricultural trailers and semi-trailers:** Vehicles attached to an agricultural tractor or to a self-propelled agricultural machine, used for transporting agricultural products, or materials or goods destined for an agricultural enterprise, or for its service and which is occasionally used for transporting the personnel of such an enterprise.

b) **Agricultural machinery and implements:** Equipment drawn by an agricultural tractor or by an agricultural self-propelled machine, normally used in agricultural activities and not used for transporting materials, goods or persons.

**B. Public works equipment.** Any equipment specially designed for the requirements of a public works enterprise, but which is not normally used for transporting goods or persons on a road.

**Article 53**

**Weights and tires**

The provisions of article 12 relating to weights and tires of motor vehicles are applicable to the vehicles covered by this Title.

**Article 54**

**Dimensions**

The provisions of article 13 relating to the dimensions of motor vehicles are applicable only to agricultural tractors.

**Article 55**

**Visibility**

If the visual field of the driver in all directions is not sufficient for safe driving, the driver shall be guided by a man proceeding on foot in front of the vehicle.

**Article 56**

**Brakes**

With the exception of trailers, semi-trailers and drawn machinery having a laden weight not exceeding one and one-half tons, which are not required to be equipped with brakes, the vehicles included in article 52 shall be equipped with a braking system capable of stopping the vehicle or combination of vehicles within a distance of 10 metres at a speed of 20 km per hour and keeping them stopped, even in the absence of the driver or any other person.

Such a system may consist of a single braking mechanism, and the braking device or devices used whilst the vehicle is in motion shall be capable of being operated by the driver from his seat, without abandoning the steering mechanism, and of acting on wheels or rollers placed symmetrically in relation to the longitudinal axis of all the wheels or rollers of the vehicle. However, when the tractor draws one or more trailers or machines, it shall not be required that all of them be braked from the tractor. In this case, it shall be required that each be equipped with powerful and ef-

ficient brakes capable of being easily operated by the brakemen riding on the trailers or machines.

**Article 57**

**Lighting**

1. Every agricultural tractor or self-propelled agricultural machine, as well as every self-propelled machine for public works travelling or stationed on a road, shall be equipped with:

- a) two position lights;
- b) two reflex reflectors; and
- c) one or two red lights.

From nightfall and during the night or in daytime when circumstances so require, these vehicles shall also show two passing lights.

2. Every agricultural vehicle or machine and all public works machinery drawn by other vehicles, travelling or stationed on a road, shall show a red light at the back.

In all cases, these vehicles shall be equipped with two reflex reflectors.

**Article 58**

**Coupling mechanism of trailers**

The provisions of article 21 shall apply to agricultural trailers, to drawn agricultural machines and implements and to public works construction equipment drawn by other vehicles.

**Article 59**

**Plates and registration**

1. The motor vehicles covered by this Title shall display in a visible place on a metal plate permanently attached to the engine, the name of the maker of the engine and its cylinder capacity.

2. The said vehicles shall display at the rear a registration number plate.

**Article 60**

**Driving permits**

1. The provisions of article 26 relating to driving permits for motor vehicles are applicable to the vehicles referred to in this Title.

2. The minimum age of applicants for driving permits for these vehicles shall be eighteen years.

**Title IX**

**FINAL PROVISIONS**

**Article 61**

1. This Agreement shall enter into force on the thirtieth day after the date of deposit of the third instrument of ratification. This Agreement shall enter into force for each State ratifying after that date on the thirtieth day after the deposit of its instrument of ratification.

**Article 62**

1. The duration of this Agreement shall be indefinite.

2. This Agreement may be denounced by any of the Contracting States by means of six months' notice. The Agreement shall cease to be in force as regards the Contracting State which denounces it after the expiration of the six months' period.

3. This Agreement shall remain in force between the other Contracting States so long as at least two Contracting States continue to be parties thereto.

**Article 63**

This Agreement shall be submitted for ratification in each Contracting State in conformity with their respective constitutional or legislative procedures.

#### Article 64

The General Secretariat of the Organization of Central American States shall act as depository of this Agreement and shall send a certified copy thereof to the Ministry of Foreign Affairs of each of the Contracting States. It shall also notify the Contracting States of the deposit of the relevant instruments of ratification as well as of any denunciation which may occur within the prescribed time-limit. Upon the entry of the Agreement into force, it shall also transmit a certified copy thereof to the Secretary-General of the United Nations, for registration in conformity with Article 102 of the United Nations Charter.

#### Article 65

This Agreement shall be open at any time for accession by the Republic of Panama.

IN WITNESS WHEREOF the respective plenipotentiaries have signed this Agreement.

DONE in the city of Tegucigalpa, D. C., capital of the Republic of Honduras, on 10 June 1958.

For the Government of Guatemala:

**José Guirola Leal**  
Minister of Economic Affairs

For the Government of El Salvador:

**Alfonso Rochac**  
Minister of Economic Affairs

For the Government of Honduras:

**Fernando Villar**  
Minister of Economic Affairs and Finance

For the Government of Nicaragua:

**Enrique Delgado**  
Minister of Economic Affairs

For the Government of Costa Rica:

**Wilburg Jiménez Castro**  
Vice-Minister of Economic Affairs and Finance

### ANNEX I

#### SPECIAL PROVISIONS CONCERNING SAFETY AND COMFORT OF PUBLIC TRANSPORT VEHICLES

##### Doors

1. Every vehicle with an enclosed body shall have as a minimum:

a) If the engine is at the front:

i) a front door, invariably placed on the right hand side;

ii) a rear door or two side doors, one on the right and one on the left, located in the rear half of the vehicle.

b) If the engine is at the rear:

i) two front doors, one on the right and one on the left;

ii) one door on the right, along the rear half of the vehicle.

c) If the engine is under the chassis, at an intermediate place between the front and rear of the vehicle: any of the above-mentioned arrangements.

2. The doors shall leave a free passage of at least 0.60 m in width by 1.50 m in height. The height may be reduced to 1.40 m in emergency exits.

##### Emergency exits

3. Vehicles with a capacity of less than 22 seats shall have on each side at least one panel or window which can be opened, and vehicles with a capacity of 22 seats or more shall have two panels or windows in each side capable of being opened from the inside and the outside, leaving a free passage of not less than 0.60 m by 0.45 m, to be used by the passengers as an emergency exit in case of danger. These movable panels or windows shall be capable easily and instantaneously operated by the passengers without the assistance of the driver or collector. The space in front of these panels shall be entirely free of obstructions. Hammer-picks or axes or similar devices shall be placed inside the body for opening an exit through the body or through the window panes, in case of danger.

4. Moreover, a glass pane of at least 0.60 m by 0.45 m shall be placed at the rear capable of being easily broken with a hammer-pick, axe or some similar device within the reach of the passengers. In the case of vehicles with the engine at the rear, the hammer-pick or axe shall be placed near the front windscreen.

5. If, in case of danger, it should become necessary to use an emergency exit having a glass pane, this pane must be capable of being broken.

##### Passage aisles

6. The passage aisles to the doors shall have a minimum height of 1.65 m; their minimum uniform width, from floor

to ceiling, with seats in their places, shall be:

0.43 m for passage aisles to the doors normally used;

0.35 m for aisles leading to the emergency exits and for the longitudinal aisle.

7. In no case shall be attached to the doors seats or stools that would obstruct passage.

##### Seats

8. The passage space between seats and their arm-rests may be reduced to 0.25 m in vehicles used for tourism, and to 0.30 m in other vehicles.

9. In the case of auxiliary movable seats in the longitudinal aisle, the dimensions of 0.35, 0.30 and 0.25 m shall be understood as the width that must remain free when the auxiliary seats are in use.

10. The placing of fixed or reclining seats in aisles and passages shall be prohibited; the movable auxiliary seats shall fold up automatically when not occupied; no auxiliary seat, when occupied, shall reduce the width required for the aisles of access to the various doors.

11. Seats, benches and auxiliary stools shall be equipped with a backrest.

The minimum width of all seats, excluding the armrests, shall be 0.43 m.

The seats shall have a minimum depth of 0.40 m from the edge to the bottom of the backrest.

The free distance from the backrest, measured at the height of the seat, shall not be less than 0.68 m; in the case of seats facing each other, the minimum distance between backrests, as the height of the seats, shall be 1.30 m.

##### Fire extinguishers

12. Every vehicle shall be equipped with a fire extinguisher of sufficient capacity, in perfect working condition, placed within the reach of the driver, and the service personnel shall have received the necessary instructions for operating these devices.

The extinguisher shall be placed in sight of and within easy reach of the passengers and shall display clearly legible instructions for detaching and using it.

##### Comfort

13. As a general rule, all passengers shall be seated; however, in the case of mass transportation over very short distances, or in case of exceptional heavy traffic, transportation of standing passengers may be authorized. Passenger

capacity, both seated and standing, shall be indicated on the vehicle circulation permit.

14. Vehicles designed for transportation of standing passengers shall have a free interior minimum height of the body of 1.85 m in the aisles destined for such passengers, and shall be equipped with sufficient holding bars and straps within easy reach.

15. The total number of passengers shall be determined by the permissible weight of the vehicle, calculated in accordance with the load that may be borne by each axle, including the weight of luggage and goods, such total load

not exceeding the maximum indicated by the maker of the chassis.

The average weight per person with hand packages, shall be taken to be 65 kg.

#### Protruding parts

16. The protruding part, measured from the traction axle, of public transport vehicles, shall not exceed six-tenths of the distance between axles, nor shall it exceed the limit of 3.50 m.

### ANNEX II

#### DESIGN OF THE REGISTRATION NUMBER PLATE

##### Dimensions

1. The size of the registration number plate shall be 15.2 cm (6 in.) high by 30.5 cm (12 in.) wide.

2. The space reserved for the registration number shall be at least one-half of the height and two-thirds of the width of the plate.

3. The plate shall bear the complete name of the country of registration, in adequate letters, at the top.

4. At the lower part, the plate shall bear the word **CENTROAMERICA**.

5. The letter indicating the classification of the vehicle shall be placed before the registration number.

6. The plate shall also show the year for which the vehicle registration is valid.

7. In order to attain maximum visibility contrasting colours shall be used for the registration number and the ground of the plate.

8. The width of the strokes of the numerals and of the classification letters shall be at least one centimetre.

### ANNEX III

#### PROVISIONS RELATING TO THE DRIVING PERMIT

##### A. Model driving permit

Dimensions: 68 mm x 100 mm  
Colour: Optional

(Obverse)

|   |      |
|---|------|
| <b>DRIVING PERMIT</b><br>for the following vehicles   |      |
| <hr/> <hr/> <hr/>   |      |
| <div style="border: 1px solid black; width: 100px; height: 50px; margin: 0 auto;"></div> <p style="text-align: center; margin: 0;">Photograph</p> |      |
| Restrictions  | Seal |
| <hr/> <hr/>   |      |

(Reverse)

|   |   |
|---|---|
| <b>DRIVING PERMIT</b> _____ (Country)   |   |
| EXPIRES _____   | Number of Permit _____  |
| Full name _____   |   |
| Personal identification document of holder _____  |   |
| _____ No. _____   | Authorized to drive the vehicles specified on the obverse, with the restrictions indicated. |
| Authority issuing the permit _____  |   |
| Place _____   |   |
| Date of issue _____   |   |
| _____<br>Signature of official issuing permit   |   |
| _____<br>Signature of holder  |   |
| This permit shall be kept in legible condition; it shall be in the possession of the holder when driving, and shall be shown upon request to the competent authority. |   |

##### B. Categories of vehicles

1. Bicycles.
2. Motorized bicycles (vehicles equipped with an internal combustion engine having a cylinder capacity not exceeding 50 cm<sup>3</sup> or with batteries, and retaining the normal characteristics of a bicycle with respect to its possible use).
3. Motor cycles equipped with an internal combustion engine having a cylinder capacity not exceeding 125 cm<sup>3</sup>, with or without sidecar, or in the form of a tricycle.
4. Motor cycles equipped with an internal combustion engine having a cylinder capacity exceeding 125 cm<sup>3</sup>, with or without sidecar, or in the form of a tricycle.
5. Light motor vehicles (passenger vehicles having a capacity not exceeding nine seats and goods vehicles having a

load capacity not exceeding 1 500 kg).

6. Heavy motor vehicles (having a load capacity of more than 1 500 kg, but less than 5 000 kg).

7. Heavy motor vehicles (having a load capacity of more than 5 000 kg).

8. Tractors with pneumatic tires which travel on roads.

The attachment of a removable sidecar, or a trailer, does not modify the above classification.

##### C. Passenger transport for hire or reward

The authorization to drive light or heavy motor vehicles used in passenger transportation for hire or reward shall be indicated on the permit by means of a special seal placed below the specification of the category of the vehicle.



#### 4. CENTRAL AMERICAN AGREEMENT ON UNIFORM ROAD SIGNS AND SIGNALS

The Governments of the Republics of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, desirous of contributing to the safety of road traffic and of unifying as far as possible the system of road signs and signals, have agreed to conclude the following Central American Agreement on Standard Road Signs and Signals.

##### Article 1

The Contracting States accept the standard system of road signs and signals contained in the annex entitled "Manual on Road Signs and Signals", which hereinafter shall be called the Manual.

The Contracting States undertake to apply progressively the system set out in the Manual and, for that purpose, the new signs shall be placed as the existing signs are removed.

##### Article 2

The Contracting States shall authorize their respective authorities to hold periodical mutual consultations and to prepare additions or revision of the Manual, when circumstances so require.

##### Article 3

This Agreement shall be ratified in conformity with the constitutional provisions of each country and shall enter into force, for each country, on the date of deposit of the relevant instrument of ratification.

##### Article 4

This Agreement shall remain in force indefinitely, but may be denounced by any of the Contracting States by means of a six months' notice.

This Agreement shall remain in force as between the other Contracting States so long as at least two States continue to be parties thereto.

##### Article 5

The Secretariat of the Organization of Central American States shall act as depositary of this Agreement and shall

send a certified copy thereof to the Ministry of Foreign Affairs of each of the Contracting States. It shall also notify the Contracting States of the deposit of the relevant instruments of ratification as well as of any denunciation which may occur within the prescribed time-limit. When the Agreement comes into force, it shall also transmit a certified copy thereof to the Secretary-General of the United Nations, for registration in conformity with Article 102 of the United Nations Charter.

##### Article 6

This Agreement shall be open at any time for accession by the Republic of Panama.

IN WITNESS WHEREOF the respective plenipotentiaries have signed this Agreement.

DONE in the city of Tegucigalpa, D. C., capital of the Republic of Honduras, on 10 June 1958.

For the Government of the Republic of Guatemala:

**José Guirola Leal**  
Minister of Economic Affairs

For the Government of the Republic of El Salvador:

**Alfonso Rochac**  
Minister of Economic Affairs

For the Government of the Republic of Honduras:

**Fernando Villar**  
Minister of Economic Affairs and Finance

For the Government of the Republic of Nicaragua:

**Enrique Delgado**  
Minister of Economic Affairs

For the Government of the Republic of Costa Rica:

**Wilburg Jiménez Castro**  
Vice-Minister of Economic Affairs and Finance

#### MANUAL ON ROAD SIGNS, SIGNALS AND MARKINGS

##### PART I. ROAD SIGNS

##### Chapter I

##### GENERAL

##### Article 1

1. The present system of road signs comprises the following three classes of signs:

- a) danger warning signs;
- b) regulatory signs;
- c) informative signs.

2. Danger warning signs are intended to warn the road user of the existence and nature of danger on the road.

3. Regulatory signs are intended to inform road users of certain limitations, prohibitions and restrictions governing the use of the road, violation of which constitutes a statutory offence.

4. Informative signs are intended to guide the road user in the course of his travel and give him such other information as may be of interest or use to him.

##### Article 2

1. It shall be prohibited to add or display on any sign or other traffic control device anything not related to the purpose of such sign or device.

2. Any boards, notices and installations which might be confused with the signs or other traffic control devices or make them more difficult to understand shall be prohibited.

##### Article 3

For the purpose of facilitating the interpretation of the signs, additional information may be given on rectangular plates below the signs.

##### Article 4

The colours of the signs shall be those prescribed in this Manual.

## Article 5

1. Reflecting devices, reflecting substances or illumination used on signs should not dazzle the road user nor impair the legibility of the symbol or inscription.

2. The use of such devices is advisable on important signs which should retain maximum visibility by night.

## Chapter II

### CLASS I. DANGER WARNING SIGNS

#### Article 6

Danger warning signs shall be in the shape of a diamond and borders, when the latter are used, shall be black.

#### Article 7

Danger warning signs shall be in the shape of a diamond consisting of a square with one diagonal vertical.

#### Article 8

1. The dimensions of sign plates shall be such that the signs can be readily discernible and understandable.

2. For these signs, the length of the side shall be a minimum of 60 cm. If deemed necessary, larger dimensions may be used in multiples of 15 cm up to 90 cm.

3. Reduction of the standard size shall be permissible only in built-up areas, if use of the standard size should be impracticable.

#### Article 9

The distances in advance of danger points at which danger warning signs should be placed should be determined so as to ensure, both by day and by night, the most efficient use possible of the signs, taking into account the particular conditions of the road and of the traffic, provided that such distances shall not be less than 90 metres or more than 225 metres, unless prevailing conditions so demand.

#### Article 10

1. Danger warning signs shall be placed facing the traffic and on the right-hand side of the carriageway, as used by the traffic concerned. Under special circumstances, the signs may be placed or repeated on the opposite side of the carriageway.

2. Danger warning signs shall be placed at an appropriate distance for the edge of the carriageway, which shall not be less than 1.50 m or more than 2.40 m (see diagram 1).

3. The height of signs above the ground shall mean the height of the lower edge of the signs from the level of the crown of the road.

So far as possible, a uniform height shall be observed, particularly over the same route.

4. The height of danger warning signs shall not be more than 2.10 m or less than 0.60 m, except in built-up areas or where other special circumstances demand otherwise.

It is recommended that these signs be placed at a height of 1.50 m (see diagram 1).

#### Article 11

1. The signs "Dangerous curve" or "Dangerous curves" shall be used only as approach signs for a bend or bends which are dangerous owing to their physical characteristics or to reduced visibility.

These signs are:

Sharp curve;  
Dangerous curve;  
Winding road;  
Sharp reverse curves.

as shown in diagram I, 1; I, 2; I, 3 and I, 4,<sup>1</sup>

#### Article 12

The signs "Road intersection" shall be used as the approach signs for a fork, crossroad or road junction. In built-up areas, these signs shall only be used in exceptional cases.

These signs are:

Cross road;  
Side road;  
T junction;  
Y junction.

as shown in diagrams I, 5; I, 6; I, 7; and I, 8 a and b.

#### Article 13

1. The signs "Intersection with minor road" (or "Intersection with non-priority road") shall be used as the approach signs on a major (priority) road for warning of an intersection with a road of lesser relative importance (or non-priority road). In built-up areas, these signs shall only be used in exceptional cases.

These signs are:

Cross road;  
Side road;  
T junction;  
Y junction.

as shown in diagrams I, 9; I, 10; I, 11 and I, 12 a and b.

2. When these signs are placed on the major (priority) road, a "Stop" sign or a "Priority road ahead" sign shall be placed at the same time on the other road concerned (see article 27, diagrams II, 1 and II, 2).

#### Article 14

1. The sign "Stop sign or major, (priority) road ahead" (diagram I, 13) shall be used as at the approach sign for an intersection with a major (priority) road.

2. The distance between the advance sign and the intersection may be indicated on the rectangular plate below the signal, or below the symbol on the signal itself.

#### Article 15

1. The sign "Rough road" shall be used as the approach sign for hazardous road conditions due to a succession of irregularities in its profile.

2. This sign is shown in diagram I, 14.

<sup>1</sup> Examples of criteria for the use of curve signs:

i) "Sharp curve" sign (diagram I, 1):

| Degree of curve | Deflection angle | Radius         |
|-----------------|------------------|----------------|
| 10° to 20°      | More than 45°    | 114.6 - 57.3 m |
| More than 20°   | Any angle        |                |

ii) "Dangerous curve" sign (diagram I, 2):

| Degree of curve | Deflection angle | Radius          |
|-----------------|------------------|-----------------|
| 2° to 4°        | More than 45°    | 57.3 - 286.5 m  |
| 4° to 10°       | Less than 45°    | 286.5 - 114.6 m |
| 10° to 20°      | Any angle        | 114.6 - 57.3 m  |

iii) "Winding road" sign (diagram I, 3): On stretches having three or more successive curves, to avoid frequent repetition of other signs.

iv) "Sharp reverse curves" sign (diagram I, 4): to indicate two curves of opposite directions separated by a tangent of less than 60 m, the first of these being a curve to the right (left).

### Article 16

1. The sign "Dangerous hill" shall be used wherever it is deemed necessary, as the approach sign for a dangerous descent or ascent. The gradient must be steeper than 10 per cent, or the local conditions such that it constitutes a danger.<sup>2</sup>
2. This sign is shown in diagram I, 15.

### Article 17

The sign "Road narrows" (I, 16) shall be used wherever it is deemed necessary, as the approach sign to a place where the carriageway narrows in such a manner as to constitute a danger.

### Article 18

1. The sign "Narrow bridge" shall be used wherever it is deemed necessary, as the approach sign to a bridge having a carriageway narrower than is the width of the carriageway of the road.
2. The sign is shown in diagram I, 17.

### Article 19

The sign "Opening bridge" (I, 18) shall be used as the approach sign to a bridge which can be opened.

### Article 20

1. The sign "Road works" (I, 19) shall be used as the approach sign to works on the road.
2. The limits of the roadworks shall be clearly indicated at night by barriers or lights or both.
3. When barriers to traffic are used in connexion with road works, such barriers shall be white and black, and, where necessary, reflectorized or illuminated (see article 46).

### Article 21

The sign "Slippery road" (I, 20) shall be used as the approach sign to a section of the carriageway which, under certain conditions, may have a slippery surface.

### Article 22

1. The sign "Pedestrian crossing" (I, 21) shall be used as the approach sign to a pedestrian crossing. The pedestrian crossing shall be defined by pavement markings or other adequate markings.
2. The sign "Children" (I, 22a; I, 22b) shall be used as the approach sign to places frequented by children, such as schools, kindergartens or playgrounds.
3. In built-up areas these signs may be placed at a shorter distance than is prescribed in article 9.

### Article 23

1. The sign "Beware of animals" shall be used wherever it is deemed necessary to mark the point of entry of a road into a special area where unaccompanied animals are liable to be encountered.
2. Diagram I, 23 is an example of this sign.

<sup>2</sup> Example of criteria for the use of the "Dangerous hill" sign:

On stretches having the following characteristics:

| Downgrade     | Length          |
|---------------|-----------------|
| 6% . . . . .  | More than 600 m |
| 7% . . . . .  | More than 300 m |
| 8% . . . . .  | More than 230 m |
| 9% . . . . .  | More than 150 m |
| 11% . . . . . | More than 120 m |
| 13% . . . . . | More than 90 m  |
| 15% . . . . . | More than 60 m  |
| 16% . . . . . | Any length      |

### Article 24

1. The sign "Low clearance" shall be used as the approach sign to an overhead structure where the clearance is less than 15 cm greater than the maximum height of vehicle and load permitted on the road.
2. Diagram I, 24 is an example of this sign.

### Article 25

1. At any level-crossing not provided with gates, in themselves constituting under normal conditions an obstacle structurally designed to stop road traffic, the advance warning sign shall bear a symbol composed of the St. Andrew's cross and railway track, as shown in diagram I, 25.
2. The sign "Level crossing with gates" (I, 26) shall be used as the approach sign to each level-crossing with gates.
3. The St. Andrew's cross (I, 27) shall be the position sign at level-crossings. (Normally, the distance between this sign and the axis of the nearest railroad track may be 4.50 m.)

The length of the arms of the cross may be 1.50 m, but it shall not be less than 1.20 m.

The minimum angle between the arms shall be 45°. The cross may be supplemented by an additional plate giving information as to the number of tracks. The sign shall have white ground and black border.

4. Where automatic signals with flashing lights are installed at level-crossings, they shall give warning of the approaching train by two alternatively flashing red lights, placed on a horizontal line 0.60 m to 0.90 m apart. These lights shall be surmounted by the sign in the form of St. Andrew's cross.

## Chapter III

### CLASS II. REGULATORY SIGNS

#### Article 26

1. The signs of this class indicate an order. They shall be subdivided as follows:
  - a) Signs concerning the right of way;
  - b) Signs indicating a prohibition or a restriction;
  - c) Signs showing the direction of traffic.

2. Regulatory signs shall be placed facing the traffic and on the same side of the carriageway as used by the traffic concerned. They may be repeated on the opposite side of the carriageway. An exception is made for the traffic direction signs (article 35).

3. The signs shall be placed at the point where the regulation starts and, if necessary, at further points where the regulation continues. Nevertheless, signs prohibiting turning or showing the direction to be followed may be placed at a suitable distance in advance.

4. The height of signs shall not be more than 2.20 m and not less than 0.60 m.

#### Right of way signs

#### Article 27

1. The sign "Stop at intersection" shall be used in cases where this is required by traffic rules to indicate that a driver shall stop before entering a priority or a major road.

2. The stop sign (II, 1) shall be octagonal in shape. The colour of the ground shall be red and the inscription shall be white.

3. The sign shall bear as an inscription, placed uniformly in the central part of the sign, the word "STOP".

4. The standard width of the stop sign shall be a minimum of 60 cm.

5. The letters of the inscription shall not be less than one-third the height of the sign.

6. The signs shall be placed in the immediate vicinity of the point where the vehicle is required to stop.

#### Article 28

1. The sign "Yield right of way" or "Entering major (priority) road" (II, 2) shall be used in cases where traffic

rules require that a driver shall give way to vehicles moving along the road which he is entering.

2. This sign shall be an equilateral triangle with one point downward, having a white ground with red border. Its sides shall be a minimum of 75 cm.

**Signs indicating a prohibition or a restriction**

**Article 29**

1. Signs indicating a prohibition or a restriction shall be rectangular in shape, with the longer side vertical. They shall have white ground, bearing a black symbol inside a red circle and an inscription underneath the disc in black lettering.

2. An oblique bar, red in colour, drawn from the upper left quadrant of the ring to the lower right quadrant at an angle of 45° with the horizontal, shall indicate prohibition. Signs indicating limitation or compulsion shall be without such an oblique bar.

3. The standard diameter of the disc enclosed in a rectangle shall be 22.5 cm in cities or built-up areas, and 35 cm in rural areas. The standard dimensions of the rectangular plate shall be 50 cm high and 39 cm wide for signs for built-up areas, and 70 cm high and 42.5 cm wide for signs in rural areas.

4. Signs indicating the end of a prohibition or of a restriction shall bear a black circle together with an inscription.

**Article 30**

The signs indicating traffic prohibition shall be the following:

- i) the sign "Direction prohibited" (II, 3);
- ii) the sign "Turning to the left (or to the right) prohibited" (II, 4); the arrow shall be turned towards the right or left according to the relevant prohibition;
- iii) the sign "About turn (U-turn) prohibited" (II, 5);
- iv) the sign "Parking prohibited" (II, 6);
- v) the sign "Overtaking prohibited" (II, 7a); this sign shall be used to indicate that overtaking is prohibited for all motor vehicles. The sign indicating the end of this prohibition to overtake, shall carry the inscription "Caution in overtaking" (II, 7b).

**Article 31**

1. The signs indicating prohibition to enter the road or street for certain classes of vehicles shall be the following:

- i) the sign "No entry for goods-carrying vehicles" (II, 8);
- ii) the sign "No entry for motor vehicles" (II, 9);
- iii) the sign "No entry for cycles" (II, 10);
- iv) the sign "No entry for animal-drawn vehicles" (II, 11).

2. The sign "Horn blowing prohibited" (II, 12) may be used wherever the competent authorities deem it necessary.

**Article 32**

The signs indicating restrictions on the dimensions, weight or movement of vehicles shall be the following:

- i) the sign "No entry for vehicles having and over-all width exceeding...metres" (II, 13);
- ii) the sign "No entry for vehicles having and over-all height exceeding...metres" (II, 14);
- iii) the sign "No entry for vehicles exceeding...tons laden weight" (II, 15);
- iv) the sign "Speed limit" (II, 16a). The sign indicating the end of this restriction shall carry the inscription "End of speed limit" (II, 16b);
- v) the sign "Restricted parking" (II, 17). The indication of the limitations or restrictions imposed shall be inscribed on this sign.

**Article 33**

1. The sign "Stop (Customs)" (II, 19) shall be used to indicate the presence of a customs house at which the traveller has to stop.

2. The sign may be used to indicate other obligations to stop; in this case the inscription "Customs" shall be replaced by an inscription indicating the reason for the stop.

3. The sign shall be placed at a suitable distance in advance of the place at which the traveller has to stop.

**Article 34**

1. The sign "Direction to be followed" shall be used to indicate the mandatory flow of traffic. It is permissible to adopt variations of the symbol on this sign in order to meet special cases.

2. Diagram II, 19, in an example of this sign.

**Signs showing the direction of traffic**

**Article 35**

1. The sign "One-way street" shall be rectangular with the longer side horizontal. It shall have black or dark ground with a large horizontal arrow bearing the inscription "ONE WAY".

2. The sign shall be placed at the nearer right-hand corner and the farther left-hand corner of intersections, so as to face traffic trying to enter or to cross the one-way street.

3. Diagram II, 20 is an example of this sign.

4. Diagram II, 21 is an example of the sign to indicate streets allowing traffic in both directions.

5. Recommended dimensions:

|                  |        |
|------------------|--------|
| Height . . . . . | 30 cm. |
| Width . . . . .  | 90 cm. |

**Chapter IV**

**CLASS III. INFORMATIVE SIGNS**

**Article 36**

1. Informative signs shall be subdivided as follows:

- a) Signs providing route direction and identification;
- b) Place signs
- c) Signs giving general information.

2. The colour red shall not be used in signs of this class, except in the case provided by article 45, paragraph 3.

**Article 37**

1. The direction signs of the type of diagram III, 1, shall be rectangular in shape.

2. Their size shall be such that the indication can be understood easily by drivers of vehicles travelling at great speed.

3. These signs shall have a white ground with dark lettering.

4. These signs shall be placed at a distance of between 100 m and 250 m from the intersection.

5. Recommended dimensions:

|   |               |
|---|---------------|
| Height of sign . . . . .                        | 1 m           |
| Width of sign . . . . .                         | 10 cm minimum |
| Height of letters . . . . .                     | 8 cm          |
| Thickness of the lines of the diagram . . . . . | variable      |

**Article 38**

1. The direction signs of the type of diagrams II, 2a, or III, 2b, shall be rectangular with the longer side horizontal and shall terminate in the form of an arrow-head (or shall be rectangular with the longer side horizontal and a direction arrow on one of the sides).

2. These signs shall have a white ground with black lettering.

3. Names of other places lying in the same direction may be added to the sign.

It is recommended that no more than two places be shown on the sign. On the first line should be indicated the name of the nearest locality ahead; on the second line, in bolder characters, should be indicated the name of the important place where the road leads.

The name of the important place indicated continue to be shown on all the following direction signs till the place is reached.

4. The direction signs should be placed so as to form a 15° angle with the axis of the road. Signs used at road

junctions should, generally be placed at the corners of the junctions and be well visible to the oncoming traffic.

5. Recommended dimensions:

|                      |        |
|----------------------|--------|
| Height . . . . .     | 45 cm. |
| Arrow-head . . . . . | 28 cm. |
| Height of letters:   |        |
| 1st line . . . . .   | 10 cm. |
| 2nd line . . . . .   | 15 cm. |

Article 39

1. The direction signs of the type of diagram III, 3, shall be rectangular in shape with the longer side horizontal.

2. Names and distances of other places lying in the direction of the traffic for which the sign is intended, may be added to the sign.

3. These signs shall have white ground with black lettering.

4. These signs shall be placed at the exit from built-up areas or at the end of intersections or of road sections where traffic is difficult. They shall be placed on the side of the direction of traffic and facing the traffic concerned.

5. Recommended dimensions:

|                    |        |
|--------------------|--------|
| Height . . . . .   | 45 cm. |
| Height of letters: |        |
| 1st line . . . . . | 10 cm. |
| 2nd line . . . . . | 15 cm. |

Article 40

Route indication signs

1. Route indication signs shall be used to identify numbered routes. They may be affixed to milestones, to other signs or placed as separate signs.

2. These signs shall have white ground, symbol, if any, and lettering being black.

3. Diagrams III, 4, and III, 5, are example of this sign.

4. The sign for the identification of the Pan-American Highway is shown in diagram III, 6a, while the sign for the identification of the highways of the Central American regional network appears in diagram III, 6b.

5. Recommended dimensions:

|                          |       |
|--------------------------|-------|
| height minimum . . . . . | 40 cm |
| width minimum . . . . .  | 40 cm |

Article 41

Place signs

1. Signs indicating a locality shall be rectangular in shape with the longer side horizontal.

2. These signs shall be of such a size and placed in such a manner that they shall be visible even at night.

3. These signs shall have a white ground with black lettering.

4. These signs shall be placed before the beginning of a built-up area, on the side of the road appropriate to the direction of traffic and facing the traffic concerned.

5. Diagram III, 7, is an example of this sign.

6. Recommended dimensions:

|                             |          |
|-----------------------------|----------|
| height . . . . .            | 45 cm    |
| height of letters . . . . . | 15 cm    |
| width . . . . .             | variable |

Article 42

General information signs

1. Signs indicating the name of the water course traversed, of a nearby historical site or a point of touristic interest, shall be rectangular with the larger dimension horizontal.

2. These signs shall have a white ground with black lettering.

3. Diagrams III, 8, and III, 9, are example of these signs.

4. Recommended dimensions:

|                             |                     |
|-----------------------------|---------------------|
| height . . . . .            | approximately 40 cm |
| width . . . . .             | variable            |
| height of letters . . . . . | 20 cm               |

Article 43

1. The sign "PARKING" (III, 10) shall be used to indicate special authorized parking places.

2. The sign shall be square in shape.

3. The side of the square shall be a least 0.60 m for the sign of standard size and 0.40 m for the sign of reduce size.

4. The sign shall be placed facing the traffic or facing across the carriageway.

5. The colour of the sign shall be blue and the colour of the letter "E" white.

6. A rectangular plate under the sign may be used for inscriptions giving the period during which parking is allowed or indicating the direction of the parking place.

Article 44

1. The sign "HOSPITAL" shall be used to indicate to the drivers of vehicles that they should show the consideration required in the proximity of medical establishments and, in particular, refrain from making unnecessary noise.

2. The sign shall carry the inscription "Silence Hospital", as shown in diagram III, 11.

3. The sign shall be square in shape. The side of the square shall be 0.60 m.

4. The colour of the sign shall be blue and the inscription white.

5. The sign shall be placed facing the traffic.

Article 45

1. The signs indicating auxiliary service posts are the following:

(i) The sign "FIRST-AID STATION" (III, 12), which shall be used to indicate that there is in the neighbourhood a first-aid station organized by an officially recognized association;

(ii) The sign "MECHANICAL HELP" (III, 13), which shall be used to indicate that there is a service station in the neighbourhood;

(iii) The sign "TELEPHONE" (III, 14), which shall be used to indicate that there is a telephone in the neighbourhood;

(iv) The sign "FILLING STATION" (III, 15), which shall be used to indicate that there is a filling station within the distance indicated on the sign.

2. Each sign shall indicate the distance to the place which is pointed out.

3. The shorter side of the rectangle of the signs provided for in this article shall be placed horizontally. The colour shall be blue, with a black symbol on a white square. In the case, however, of the sign III, 12, the symbol shall be red. The side of the square shall be at least 0.30 m. In the case, however, of the sign III, 15, a white rectangle with the shorter side horizontal shall be substituted for the square.

4. The signs described in (ii), (iii) and (iv) of paragraph 1 shall be erected where the authorities concerned deem it necessary.

Chapter V

TEMPORARY SIGNS

Article 46

1. Various danger conditions or obstacles of a temporary nature, such as floods, slides, reconstruction or repair works, reconditioning, bypasses and the like, may occur on the road. In such cases, temporary signs shall be used.

2. It is necessary to point out that in the particular case of works being carried out on the road, even if it be only minor repair works, there is a considerable potential danger not only for local vehicles, but even more for drivers proceeding from other areas.

3. For temporary dangers and obstacles, there shall be used advance danger signs as well as position signs, if necessary. Danger warning signs shall be equipped with reflecting devices, in accordance with the provisions of article 5.

#### Article 47

In the case of temporary dangers other than road works, the danger warning shall be given by diamond-shaped signs with a black-lettered inscription on a yellow ground indicating the danger (e.g.: "Slides", "Flood").

#### Article 48

##### Road works

##### Danger warning signs

1. The danger warning sign is the one mentioned in article 20 (I, 19).

##### Position signs

2. In the case of minor works, the position sign may be a red flag, or an improvised barrier with a red flag, or a portable barrier with white and black stripes painted on it.

3. In the case of works over long stretches, the position sign shall always be a barrier, and it is advisable to set up "standard" barriers at each end of the stretch. The barrier shall consist of one or more horizontal bars of a width of no less than 20 cm. The side of the barrier facing the traffic shall have white and black stripes painted on it (diagram 2). The back side of the barrier shall carry the inscription "End of road works". On very long stretches, several barriers shall be placed.

4. When the barriers are not taken away by night, they shall be illuminated or provided with reflecting devices.

5. The nature of the danger shall be indicated by a sign placed on the barrier or in its proximity. The sign shall be a yellow rectangular plate with the larger side in horizontal position. The height of the sign may be approx-

imately 30 cm. The sign shall carry an inscription in black (letters of a height of 15 cm) indicating the nature of the work in progress, e.g., "Roller", "Asphalt", etc.

6. All types of obstacles (excavation, depots of materials, equipment) shall be indicated by night by means of red lights or stakes provided with reflecting devices.

##### Other signs

7. Works in progress on a road open to traffic may require, for the protection of the workers as well as of the traffic itself, special restrictions, such as appropriate speed, distance to be kept between vehicles, one-way traffic, etc.

8. Where it shall be necessary to reduce the speed of traffic, the sign II, 15a, shall have to be used. Its dimensions may eventually be reduced. This sign might be placed below the sign I, 19. (See paragraph 1 above).

#### Article 49

##### Diversions of traffic

1. The diversion of traffic may be caused by damages on the road or by works which require the closing of the road to traffic.

In the case of a by-pass, the road barriers (see article 48, paragraph 3) shall be placed across the entire width of the road, to bar access to the closed section. Barriers which are used by night shall be provided with red lights.

2. Diversions of traffic shall be indicated as follows:

(a) at the road intersection where the by-pass starts, there shall be placed a rectangular-shaped information sign (80 cm wide and 60 cm high) carrying the inscription "Road closed at km...";

(b) the direction signs shall be placed at the beginning and at the end and, if necessary, along the by-pass, and shall be of the type described in article 38 and 39 (diagrams III, 2, and III, 3). These signs may have a yellow ground with black inscription;

(c) short by-passes may be indicated by direction signs such as the ones described earlier, carrying the inscription "BY-PASS".

## PART II. TRAFFIC LIGHT SIGNALS

#### Article 50

1. The lights of the traffic light signals shall be given the following meaning:

(a) In a three-coloured system: red indicates "Stop"; green indicates "Go"; amber means "Caution" and indicates that the vehicle shall not proceed beyond the signal unless it is so close to the signal when the amber signal first appears that it cannot safely be stopped before passing the signal.

(b) In the two-colour system: red indicates "Stop"; green indicates "Go". The combination of green and red, the red following the green, shall have the same meaning as amber after green in the three-colour system.

2. When a single amber intermittent light is used, it shall indicate "Stop, then proceed with caution".

When a single red intermittent light is used, it shall indicate "Stop, then proceed with caution".

3. The lights on traffic light signals shall always be arranged vertically, except where used for special purposes or where the clearance is limited. As a rule, the red light shall be placed at the top and the green light at the bot-

tom. Where an amber light is used, it shall be placed between the red and the green lights.

4. When traffic light signals are placed on or at the side of the carriageway, the height of the lower edge of the lowest light above the carriageway shall normally be not less than 2 m and not more than 3.50 m. When these signals are suspended over the carriageway, the lower edge of the lowest light should be placed as low as possible consistent with the height of vehicles operating on the road.

5. Two or more traffic light signals may be used, depending on the case, to ensure that at least one signal face may be clearly visible to traffic approaching from each direction.

**Recommendation:** It is recommended that the casing of traffic light signals should be painted in dark green.

#### Article 51

When circumstances so require, both the two-coloured and the three-coloured traffic light signals shall be designed in such a way that they may show red lights simultaneously in all traffic directions, in order to stop the flow of vehicles completely to allow pedestrians to cross the roads located about these signals.

## PART III. PAVEMENT MARKINGS

#### Article 52

Pavement markings shall consist of the following:

- (a) longitudinal markings
- (b) transverse markings
- (c) other markings.

#### Article 53

1. Longitudinal markings shall consist of:  
(i) Solid lines. When a solid line is used, this restricts traffic to the extent that no vehicle may cross or straddle such a line.

(ii) Broken lines. Broken lines, being guide lines, are intended to guide and facilitate the unrestricted movement of traffic within lanes and, as such, may be crossed provided this can be done with safety.

2. In the first sub-category, solid lines are intended to prohibit overtaking and passing at dangerous points such as curves, hillcrests, intersections and level-crossings, or to separate the two directions of traffic on roadways having two or more lanes in each direction.

3. A solid line may be used adjacent to a broken line. If so used, a vehicle should not cross the solid line adjacent to, and to the right of, a broken line on the left of the lane in which it is moving. A vehicle may, however, cross the solid line if that line is at the same time at the left of the lane in which the vehicle is moving and to the left of, and adjacent to, a broken line.

**Recommendation:** It is recommended in applying the provisions of article 52 to the representative cases indicated below that the method shown by diagrams 2, 3 and 4 be used.

#### Article 54

1. Transverse marking shall be used as auxiliary "stop" indication or to demarcate pedestrian crossings. This group shall consist of:

- (i) Stop lines intended to indicate the point immediately before which vehicles are required to stop in compliance with a stop sign, traffic light signal, signal by traffic police or other legal requirement, which shall be solid lines;
- (ii) Pedestrian crossings shall consist of two solid trans-

verse lines outlining the crossing. The width of the pedestrian crossing strip shall not be less than 1.80 m.  
2. A row of closely placed studs shall be taken to constitute a solid line for the purpose of this article.

#### Article 55

In the group "other markings" are included markings indicating restrictions to parking or to turning movements of vehicles, and markings indicating physical obstructions in or near the carriageway.

#### Article 56

1. Pavement markings may be painted on the surface of the carriageway or indicated by other equally effective means.
2. The markings mentioned in articles 52 and 53 shall be white.

#### Article 57

1. Obstructions located on the carriageway itself or dangerously close to its edge, such as bridge pillars, running-boards, culvert walls, borders of refuges, shall be marked with alternating black and white stripes of a uniform width of at least 10 cm or of any broader width appropriate to the size of the obstructions. The stripes shall have a downward slope of 45° towards the side of the obstruction on which the traffic shall pass. In the case of low borders, the stripes may be vertical.
2. Diagrams 5 and 6 are example of markings to indicate obstructions.

### PART IV. OTHER PROVISIONS

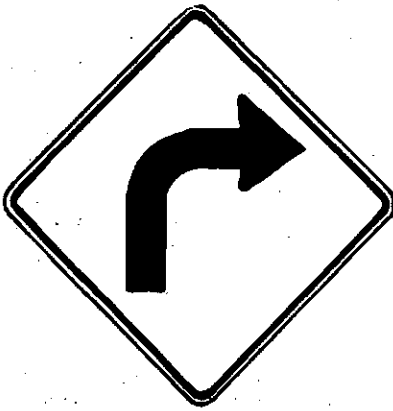
#### Provisional article 1

The countries which have at present in use and in good condition, road signs different from the ones contained in this Manual, might continue to utilize them until they deteriorate, at which time the opportunity shall be taken to replace them by the sign recommended by the Manual.

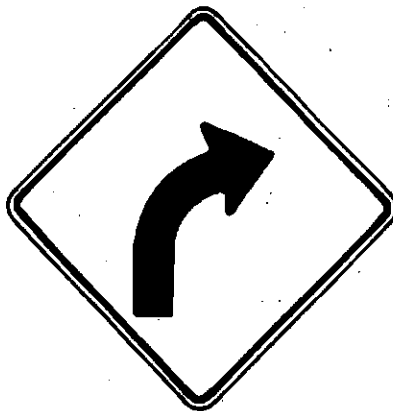
#### Provisional article 2

Notwithstanding the provisions of article 2, in countries where there exist engagements or contracts allowing the affixing of commercial advertising to certain signs or traffic signals, this authorization shall be maintained until its expiration, but the extensions of such contracts or the entering into new ones shall be prohibited.

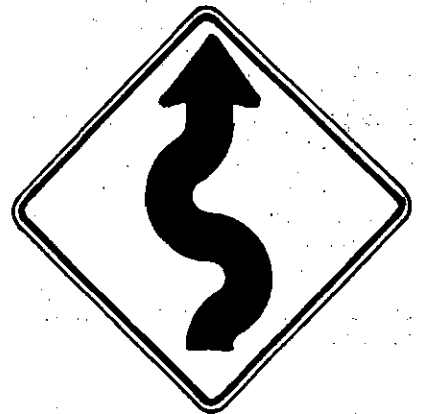
Road signs and signals



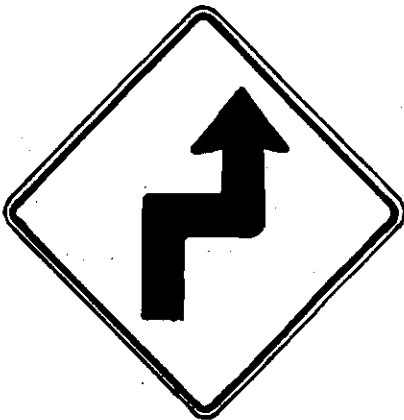
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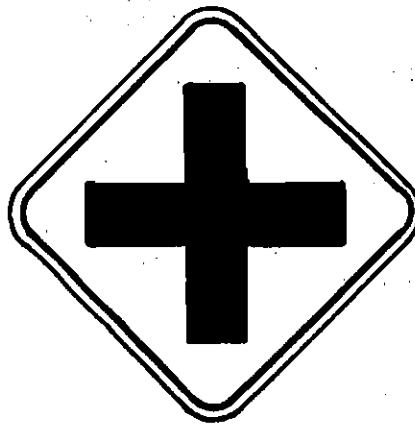
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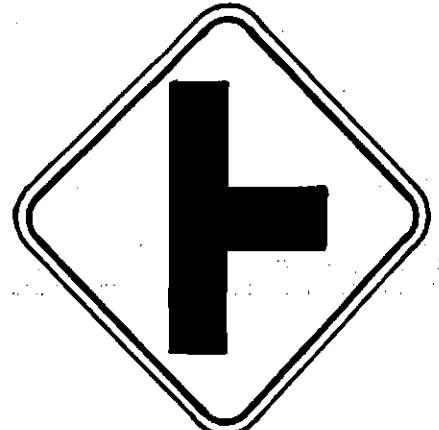
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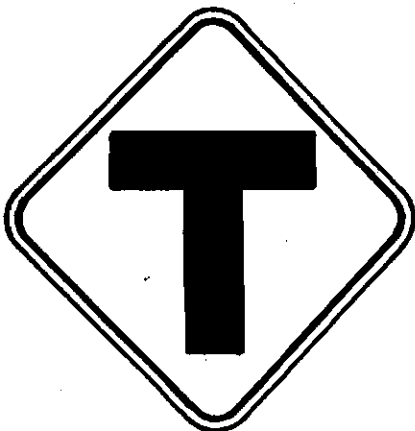
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I,5



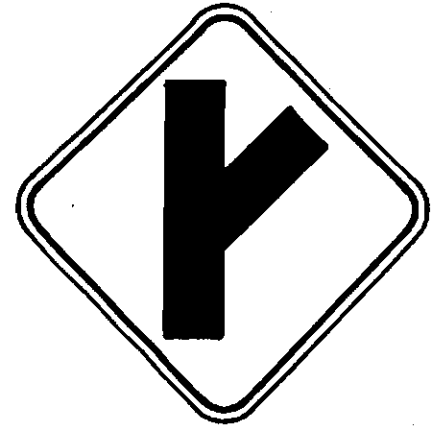
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I,7

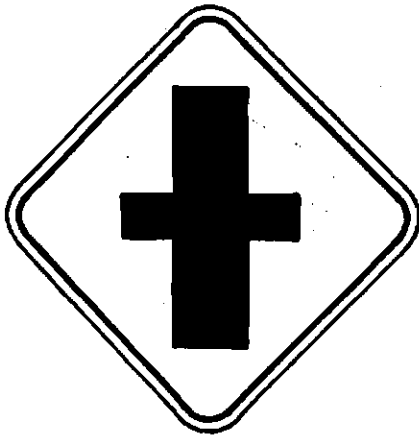


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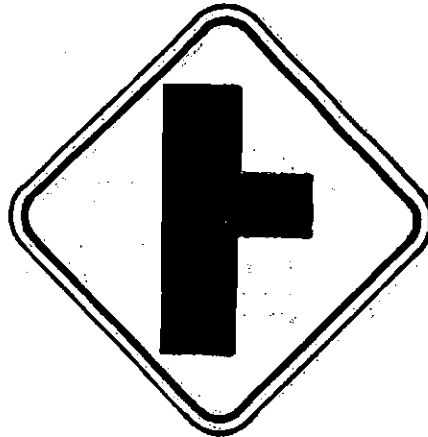


I,8b

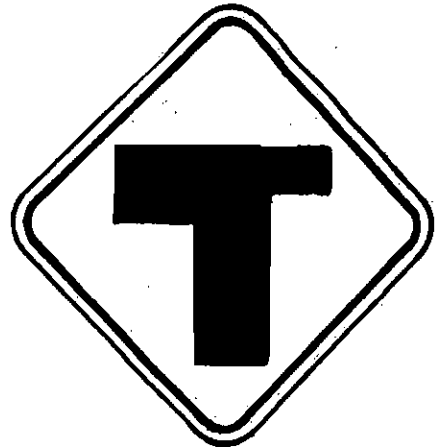




I,9



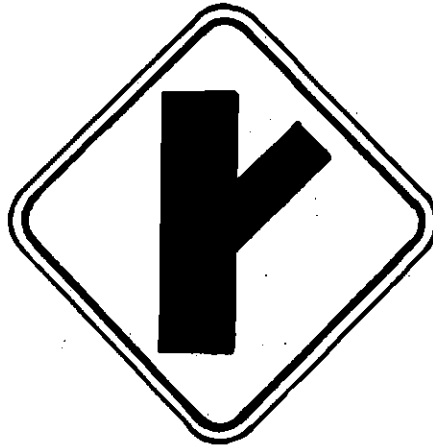
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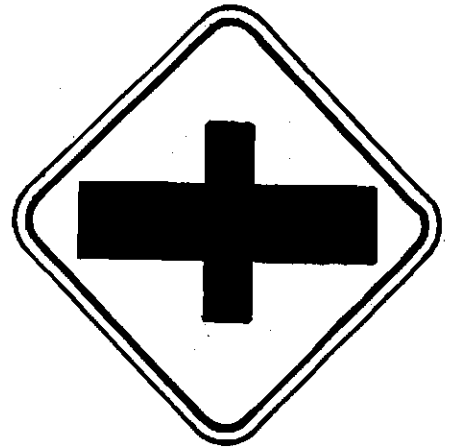
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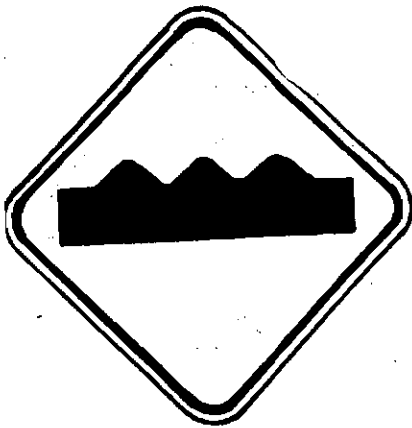
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I,12b



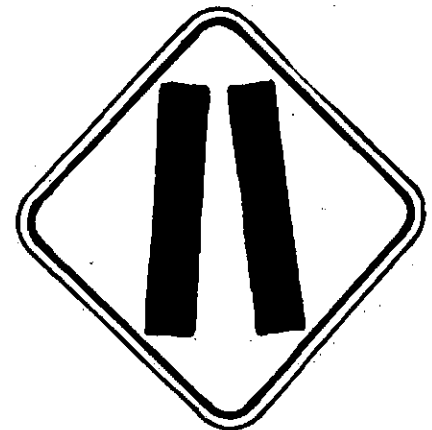
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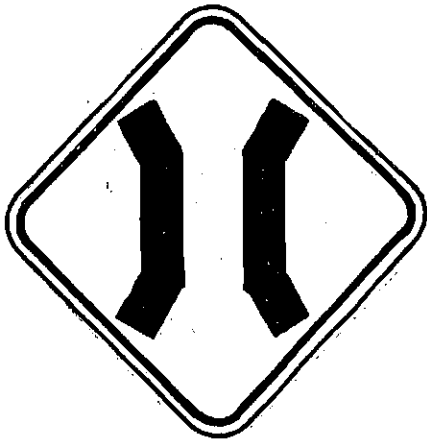
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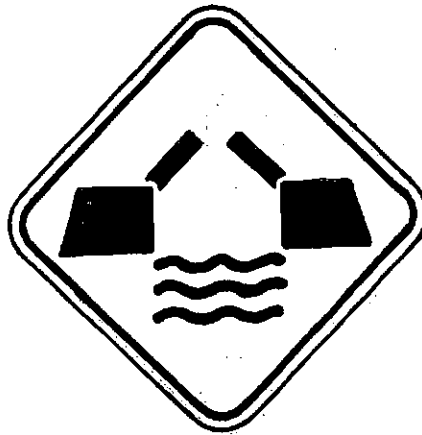
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I,17



I,18



I,19



I,20



I,21



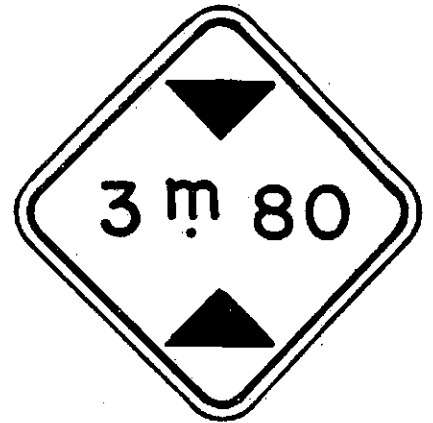
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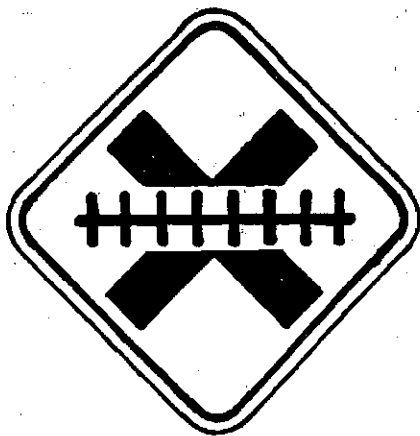
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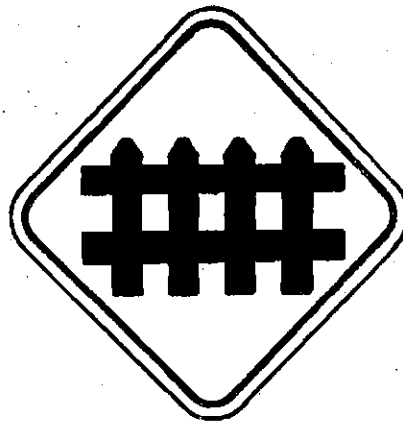
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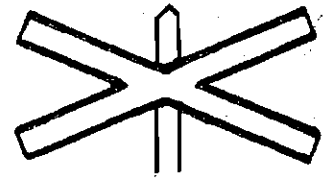
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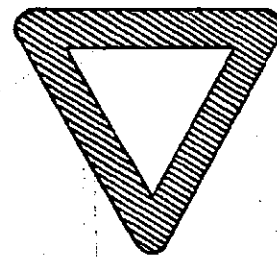
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II,2



II,3



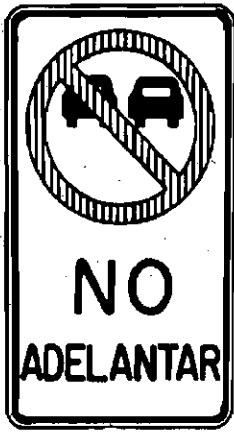
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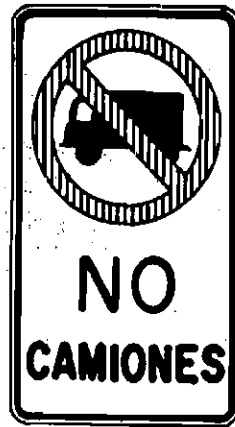
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II,7a



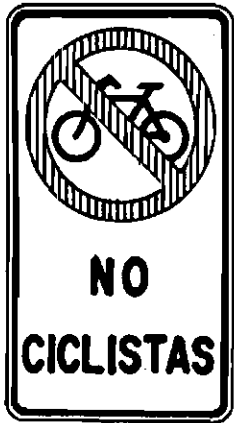
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II,8



II,9



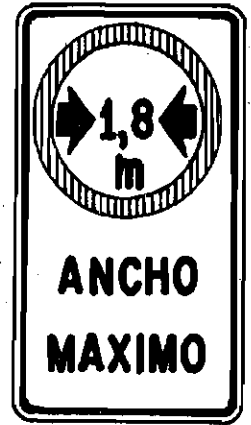
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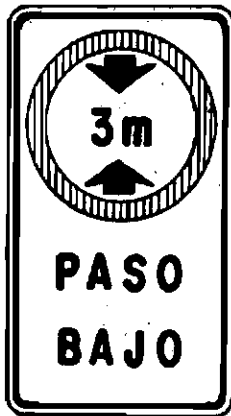
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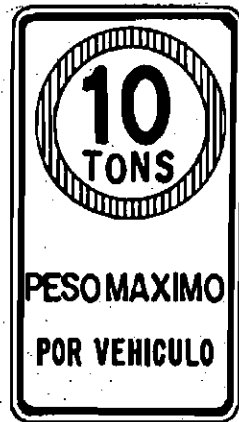
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II,14



II,15



II,16a



II,16b



II,17



II,18



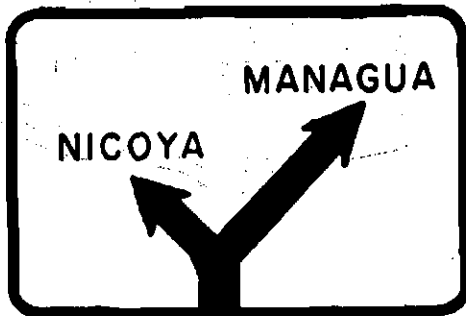
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II,21



III,1



III,2a



III,2b



III,3



III,4



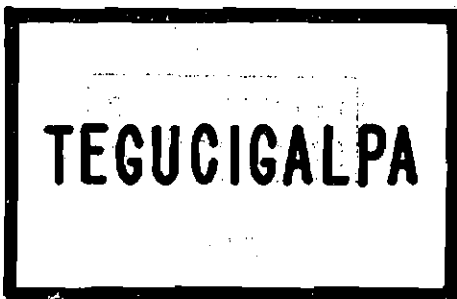
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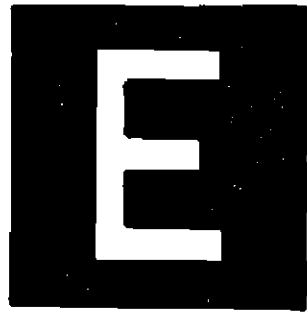
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III,8

**CUMBRE DEL AIRE**  
**ALTURA 3260 MTS.**

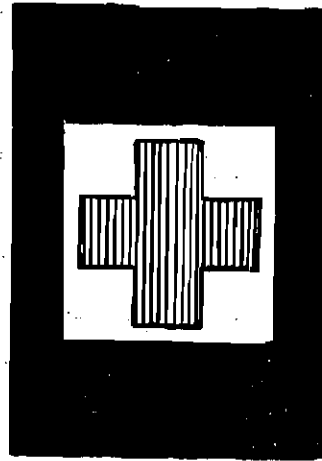
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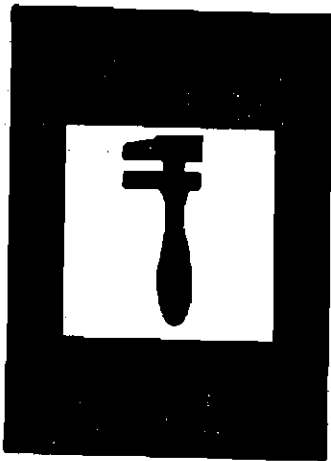
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**SILENCIO**  
**HOSPITAL**

III,11



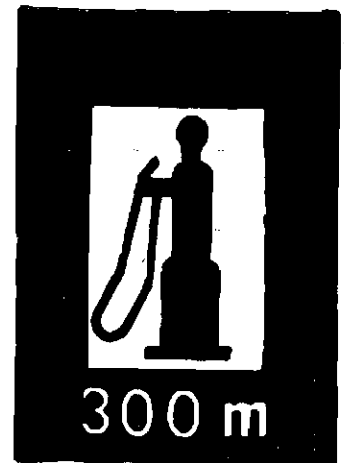
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III,13



III,14



III,15

Diagram 1

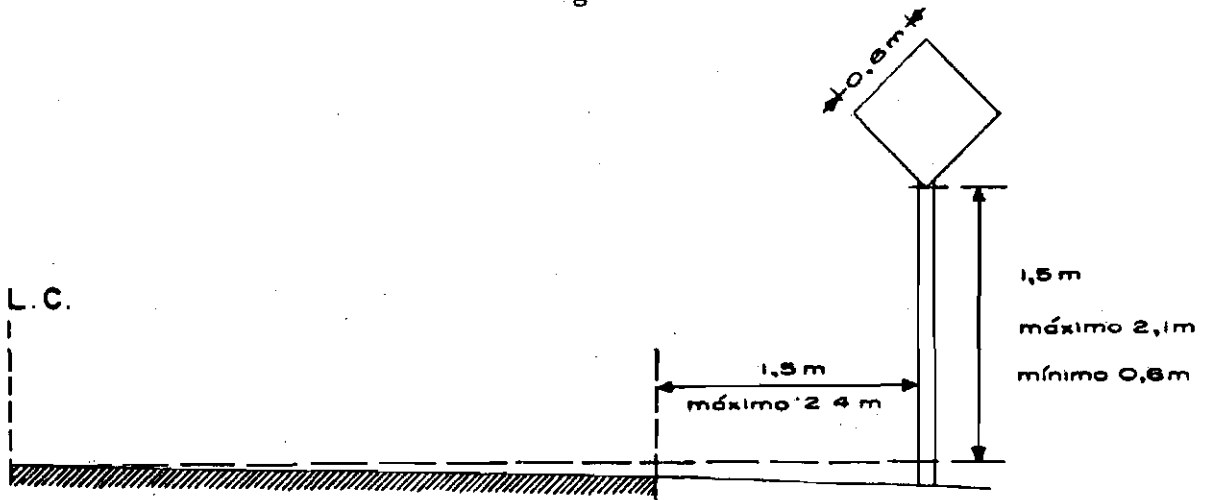


Diagram 2

Example of markings on a two-lane carriageway over a stretch of reduced visibility (horizontal bend, top of a hill) or at other dangerous points

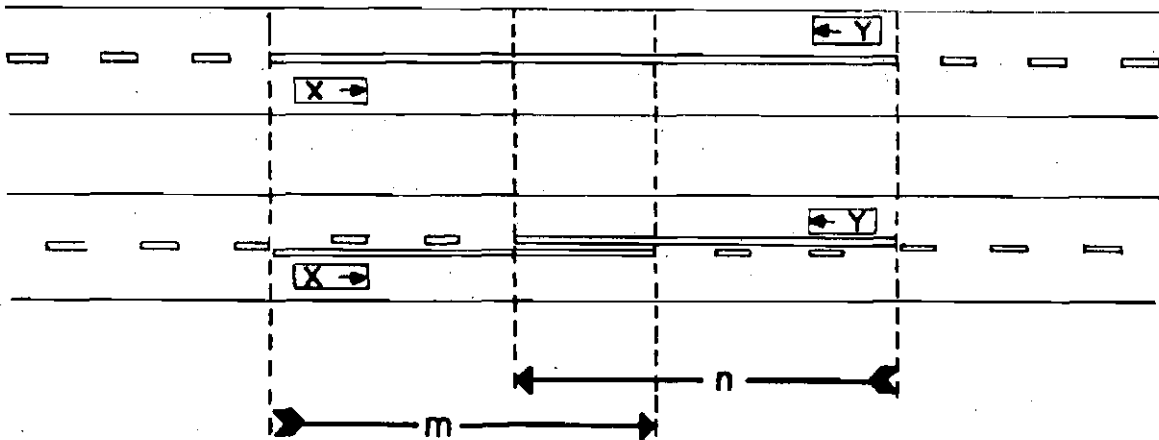
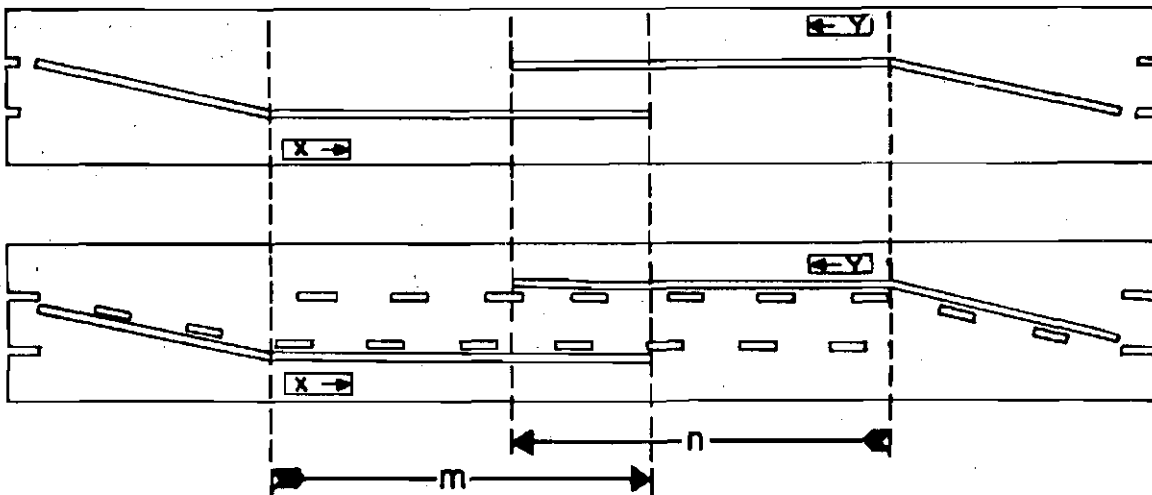


Diagram 3

Example of markings on a three-lane carriageway over a stretch of reduced visibility (horizontal bend, top of a hill) or at other dangerous points

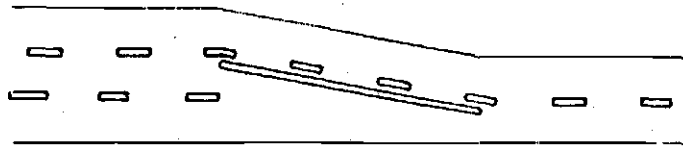
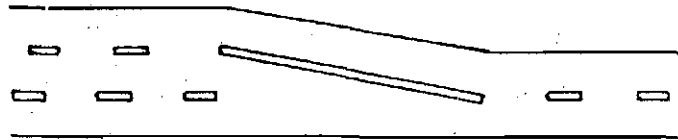


m = zone of limited visibility for vehicle X  
 n = zone of limited visibility for vehicle Y



**Diagram 4**

Example of markings at the point where a three-lane road narrows into two lanes



**Diagram 5**

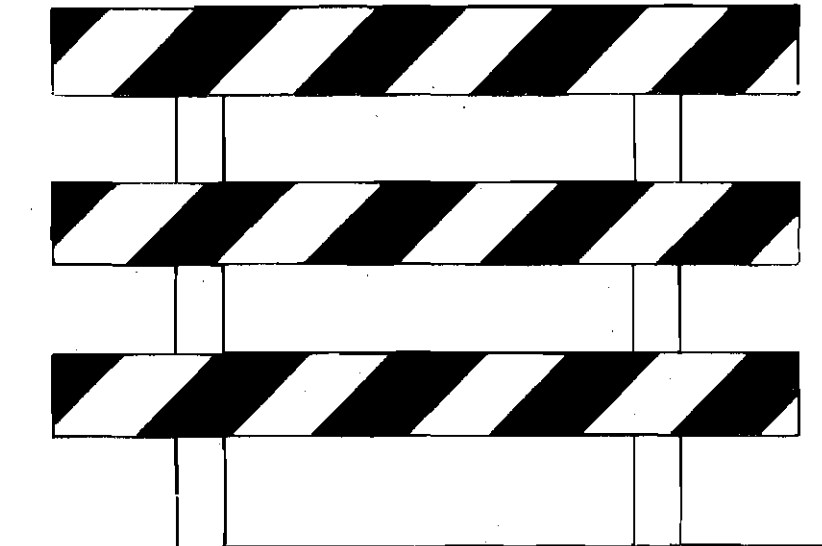
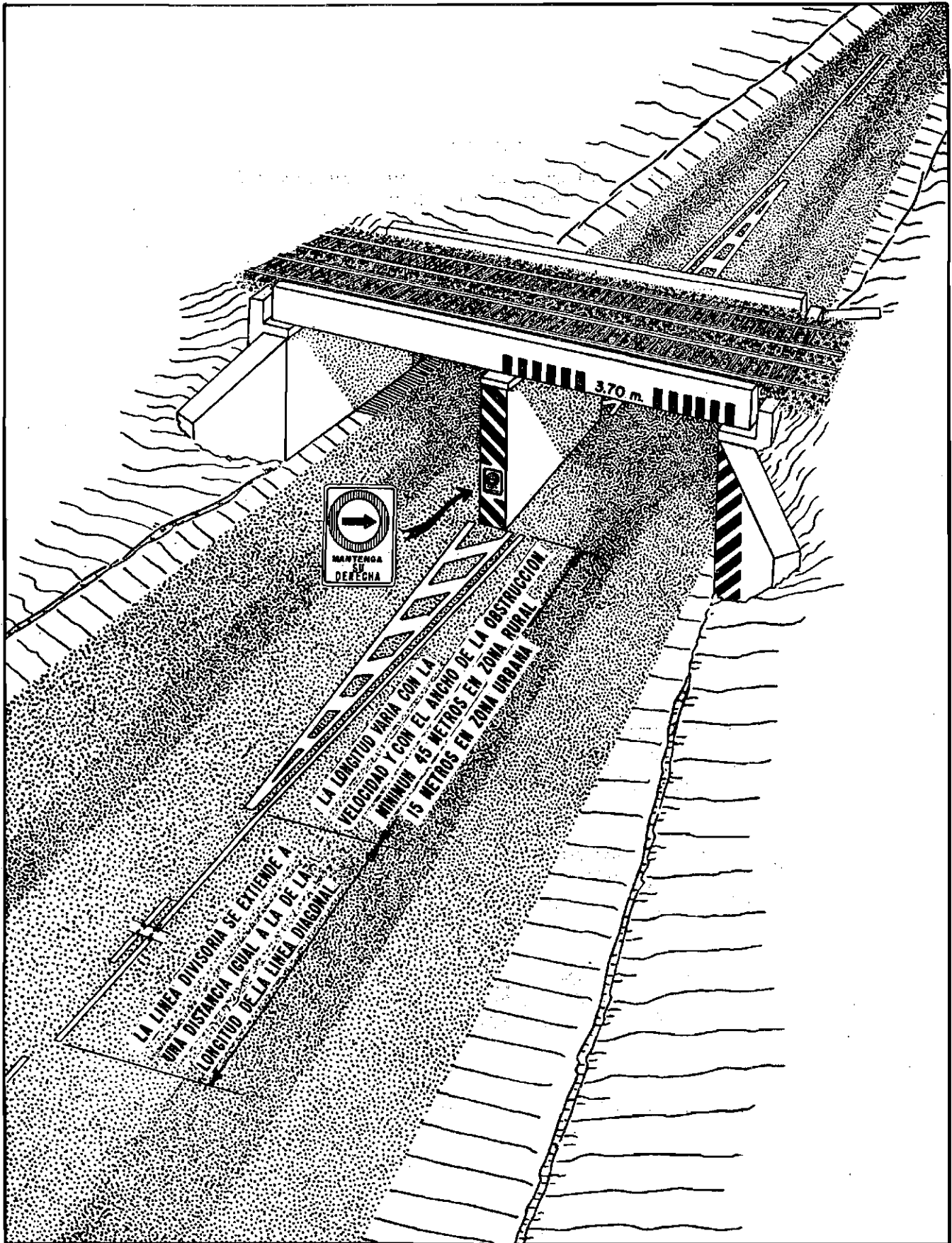


Diagram 6



Translation. (From left to right.) Keep to the right. The dividing line extends over a distance equal to the length of the diagonal line. The length varies with the speed and the width of the obstruction; minimum: 45 m in rural areas; 15 m in built up areas.

|   | <i>Page</i> |
|---|-------------|
| PART II. TECHNICAL ASSISTANCE FOR THE INTEGRATION PROGRAMME . . . . .   | 5           |
| A. Activities during 1957-58 . . . . .  | 5           |
| B. Regional Office of the Technical Assistance Board . . . . .  | 6           |
| PART III. FIFTH SESSION OF THE COMMITTEE . . . . .  | 6           |
| A. Membership, attendance and organisation of work . . . . .  | 6           |
| B. Agenda . . . . .   | 8           |
| C. Account of proceedings . . . . .   | 9           |
| 1. General state of the Central American Economic Integration Programme . . . . .                                   | 9           |
| 2. Establishment of the Central American Common Market . . . . .  | 10          |
| (a) Multilateral Treaty on Free Trade and Central American Economic Integra-<br>tion . . . . .                      | 10          |
| (b) Régime for Central American Integration Industries . . . . .  | 10          |
| (c) Activities of the Central American Trade Sub-Committee . . . . .  | 11          |
| 3. Industrial development . . . . .   | 11          |
| (a) Textile industry . . . . .  | 11          |
| (b) Pulp and paper industry . . . . .   | 12          |
| (c) Electric energy . . . . .   | 12          |
| (d) Technical standards . . . . .   | 12          |
| 4. Housing, building and planning . . . . .   | 13          |
| 5. Agricultural livestock and fisheries development . . . . .   | 13          |
| 6. Transport . . . . .  | 14          |
| 7. Statistical co-ordination . . . . .  | 14          |
| 8. Weights and measures . . . . .   | 15          |
| 9. Research and training . . . . .  | 15          |
| (a) Central American Research Institute for Industry (ICAITI) . . . . .   | 15          |
| (b) Coffee research . . . . .   | 15          |
| (c) Advanced School of Public Administration for Central American (ESAPAC) . . . . .                                | 15          |
| (d) Productivity and vocational and professional training . . . . .   | 15          |
| (e) Central American Advanced School of Engineering and Industrial Manage-<br>ment . . . . .                        | 16          |
| 10. Social aspects of development . . . . .   | 16          |
| 11. Technical assistance . . . . .  | 16          |
| 12. Participation of Panama in the activities of the Central American economic inte-<br>gration programme . . . . . | 17          |
| 13. Presidential messages . . . . .   | 17          |
| 14. Acknowledgement of the work of Mr. Victor L. Urquidi . . . . .  | 17          |
| 15. Place and date of the next session . . . . .  | 17          |
| 16. Votes of thanks . . . . .   | 17          |
| PART IV. RESOLUTIONS ADOPTED . . . . .  | 18          |

#### ANNEXES TO THE RESOLUTIONS

|  |    |
|--|----|
| - 1. Multilateral Treaty on Free Trade and Central American Economic Integration . . . . . | 32 |
| 2. Agreement on the régime for Central American integration industries . . . . .           | 43 |
| 3. Central American agreement on road traffic . . . . .                                    | 45 |
| 4. Central American agreement on uniform road signs and signals . . . . .                  | 55 |

