

United Nations
ECONOMIC
AND
SOCIAL COUNCIL

Nations Unies
CONSEIL
ECONOMIQUE
ET SOCIAL

UNRESTRICTED

E/CN.12/87

27 May 1949

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR LATIN AMERICA

Multilateral Compensation of International Payments
in Latin America

Study submitted by the International
Monetary Fund in accordance with the
Resolution of 24 June 1948 of the First
Session of the Economic Commission for
Latin America

This Document Received
by Airmail Pouch.
Date: **AUG 31 1949** **66**

Contents

	page
I. Introduction	2
II. The Payments Problems of Latin America	6
1. External payments position	6
2. Trade and payments within Latin America	10
3. Relations with Europe	16
III. Possibilities of Compensation among Latin American Currencies and with Europe	22
1. General	22
2. Compensations within Latin America	23
3. Compensations with Europe	27
IV. Summary and Conclusions	32
Appendix I. Tables of Latin American Trade	
Appendix II. Trade and Payments Agreements in Latin America	

"This document has been reproduced in New York from the original
issued at Havana"

I. Introduction

The Economic Commission for Latin America at its meeting at Santiago in June 1948 passed the following resolution: "The Economic Commission for Latin America requests the Secretary General to place before the International Monetary Fund a request that a study be made of the practicability and desirability of establishing, at the earliest possible opportunity, as a transitional measure, machinery for the multilateral compensation of international payments among the countries of Latin America, as well as between them and the countries of the rest of the world."

In response to this request the present study has been prepared by members of the technical staff of the Fund and is not to be taken as an expression of the official views of the Fund.

The first part of the ECLA resolution has been interpreted as requiring a study of some kind of regional multilateral clearing system confined to Latin American currencies. The interpretation of the second part is more difficult. At the present time no general multilateral clearing arrangement would by itself directly meet Latin America's need for dollars. Latin American exports to Europe, for example, cannot be offset against United States exports to Latin America, because Europe itself is a net debtor to the United States. It is possible that what was contemplated in the resolution was some regional compensation embracing both Latin American and European currencies, so as to escape the restrictive influences which make themselves felt when Latin American and European countries are obliged to use dollars, which they need for imports from the United States, in payments between each other. The second part of the resolution will be interpreted as requiring a brief survey of such possibilities.

One purpose of a regional payments scheme is generally thought to be the creation of technical methods of payments to enable trade to be increased. It would be a mistake, however, to believe that technical payments difficulties are the most important obstacles in the way of an expansion of trade. Countries are sometimes prone to think in terms of these technical difficulties when the situation is actually one of a balance of payments deficit which cannot be corrected by technical devices.

Whether a multilateral regional payments scheme will contribute much or little to solving genuine technical payments difficulties will depend on the structure of trade between the component parts of the region.

In some circumstances regional multilateral clearing would both iron out payments difficulties and increase the volume of trade. Under bilateral clearing, certain deficit and surplus positions are likely to arise and it would not be possible for any country to offset its deficits with certain members against its surpluses with others. If the currencies concerned could somehow be made interchangeable among themselves, each member of

the group would be free to buy up to the limit of its overall net earnings from the others. If regional clearing were complete and automatic (all balances being offset to the greatest extent) the restrictive bilateral points of strain would be eased.

Whether this result will be achieved in practice depends, however, on the actual pattern of trade and payments within the group. Table I shows an imaginary set of payments over a period of time between 5 countries, A, B, C, D, and E.

Table 1. Trade between Five Countries

(in millions of dollars)

		Importing Country					Total Exports
		A	B	C	D	E	
Exporting Country	(A		0	6	1	8	15
	(B	5		4	2	1	12
	(C	2	1		8	0	11
	(D	10	10	1		0	21
	(E	0	0	1	5		6
Total Imports		17	11	12	16	9	65

Table 2 shows the balances between pairs of countries resulting from the transactions in Table 1. In this example the sum of bilateral credit or debit balances (they would be equal) is \$51 million. But if these credits and debits are offset against each other to the maximum extent, an amount of \$45 million can be "cleared", leaving only \$6 million outstanding still to be financed.

Table 2. Trade Balances between Five Countries ^{1/}
(in millions of dollars)

	A	B	C	D	E	
A		£ 5	- 4	£ 9	- 8	
B	- 5		- 3	£ 8	- 1	
C	£ 4	£ 3		- 7	£ 1	
D	- 9	- 8	£ 7		£ 5	
E	£ 8	£ 1	- 1	- 5		
Gross Credits	£12	£ 9	£ 7	£17	£ 6	£ 51
Gross Debits	-14	- 8	- 8	-12	- 9	- 51
(Surplus (£))						
(Deficit (-))	- 2	£ 1	- 1	£ 5	- 3	£ 6

^{1/} Debit or Credit sign refers to country in column head.

In this example the debit and credit balances in bilateral relationships were very high relatively to the volume of transactions between the partners, while each country had a very much more balanced position in relation to the group as a whole than to any other individual country. Thus in the group as a whole the proportion of bilaterally balanced trade to total transactions was low (9 per cent), and the proportion of multilaterally compensable trade (69 per cent) was very high.

Table 3. Nature of Trade of Each Country with Four Others ^{1/}
(in millions of dollars)

	Total Turnover	Bilaterally Balanced	Multilaterally Compensable	Net Surplus or Deficit
A	32	6	24	2
B	23	6	16	1
C	23	8	14	1
D	37	8	24	5
E	15	0	12	3
	130	28	90	13
Above figures as percentages of total turnover:				
	100%	22%	69%	9%

^{1/} Percentages shown in this table according to the method employed by ECE in a report of August 1948 on East-West Trade in Europe.

In such a case an arrangement for enabling currencies to be used anywhere in the group would offer considerable advantage in freeing trade from the restrictive tendencies imposed by the separate agreements.

Such a pattern of payments appears, however, to be exceptional. Where actual trade statistics in a given group are taken, the proportions are usually found to be more of the order of 50-80 per cent bilateralism, 20-30 per cent net surplus, and 10-15 per cent multilaterally compensable. It is for this reason that the step from bilateral to multilateral clearing within a small group is unlikely to be directly very effective in increasing the volume of trade. If the proportions in a small moderately complementary group are taken as 70 per cent, 20 per cent, and 10 per cent, the advantage obtained, in conditions of inconvertibility and the absence of any acceptable universal money, by establishing bilateral clearing may be considerable, but the further advantage from introducing third, fourth, fifth and further partners through a multilateral system is much less, and may be negligible. Undue importance should not be attached to these proportions. For one thing they refer only to trade balances, while in some cases invisible payments may be very important. Then they merely reflect the pattern of exchanges that in fact took place, and bilateral agreements and credit difficulties may themselves already have compelled a high degree of bilateral balance. More multilateral trade might have taken place in other conditions.

The Latin American statistics (in Appendix I) indicate that the general pattern of trade in that continent is not exceptional. In these circumstances [multilateral clearing by itself is likely to contribute to an expansion of trade only as part of a regional payments scheme in which members are prepared to extend special credits to each other, or can call on an outside source of foreign exchange if it is needed to help countries that are net creditors within the group to convert their surpluses for use elsewhere.] When considering the possibilities of special arrangements for regional convertibility in any particular case it may be wise to ask whether the proposed members can command sufficient foreign exchange resources which they would be willing to pool, the strong for the benefit of the weak.

The substitution of multilateral for bilateral payments within a group of countries can also be expected to have a further effect upon trade independently of whether its volume was increased. By allowing any country to spend the proceeds of its exports to other members of the group anywhere it chooses within the group, on the one hand the range of choice would be widened and on the other hand competitive pressure would be increased. This would lead to changes in the structure of trade.

In considering the institution of multilateral clearing in a limited region it is important to examine the balance of payments position both of the region as a whole and of each country individually with the outside world. These will lie at the root of problems within the region and determine how they can best be solved. Section II of the present inquiry deals, therefore, first with the general international payments position of Latin American countries and then with the development of trade and payments relations between Latin American countries themselves and between them and Europe. Section III deals with the effects that various types of payments arrangements between Latin American countries or between Latin American and European countries might be expected to have.

II. The Payments Problems of Latin America

1. External payments position of Latin America

It is important to be clear whether we are talking about the overall position of the twenty Latin American republics taken together or of countries separately. The position of the region as a whole is relevant if we are considering, for instance, Latin America, Europe, and the United States as three elements in a multilateral payments pattern. If the twenty Latin American republics had a common pool of foreign reserves and used a common currency in payments among themselves, or if their domestic currencies were interconvertible, they could for some purposes be considered as a unit in international financial relations. But in order to find out whether such an arrangement would work, the international position of each member country has also to be considered separately. In fact, the international economic relations and payments problems of the different parts of Latin America show significant differences as well as some similarities.

Prewar pattern of trade and payments

Latin America before the war was an exporter of raw materials and foodstuffs, the products of both tropical and temperate regions. Imports were characteristically textiles and other consumption goods, machinery, transport material, fuel and foodstuffs. The flow of merchandise trade was very uneven, because demand for food and raw materials fluctuated violently according to economic activity in industrial markets abroad. Since payment for imports depended largely on export proceeds, imports also fluctuated widely, and so did the annual export surplus. In 1937 the surplus was equivalent to about \$700 million, but in 1938 it had dropped to under \$300 million. The export surplus helped to pay for the shipping, insurance and other services which Latin America obtained from Europe and North America, and for returns on past foreign investment and the service of foreign debt, but it was not enough to cover these payments completely. The external accounts were brought into balance by foreign loans and investment, and sometimes through transfers of gold and short-term foreign assets which it had been possible to accumulate in favorable years. On the whole, in times of prosperity, investment funds and loans were forthcoming, and helped to balance foreign payments. In 1938, however, net investment was inconsiderable, and outward capital movements for amortization payments and purchase of foreign securities seem to have increased the deficit, already between \$50 and \$100 million on current account, and thus to have made compensatory official financing necessary.

Significant for present problems is the relation of prewar trade and payments to the United States on the one hand and to Europe on the other. With the United States, Latin America generally had a substantial export surplus, even if sales of non-monetary gold were excluded. The year 1938 was an unfavorable one for exports to the United States and the merchandise account in that year (all values f.o.b. and including gold) was about even. On service account there was always a big deficit, the largest item being investment income (estimated at \$190 million in 1938). Shipping payments were another debit item but were offset significantly by port charges

and other Latin American receipts (payments to U.S. in 1938 estimated at \$30 million, and receipts at \$14 million). Travel expenditure was a net credit item for Latin America in 1938. Capital movements resulted in a net outflow from Latin America, and there was compensatory official financing through declines in gold reserves and short-term dollar assets.

With Europe there was always a trade surplus which in 1938 may have amounted to \$200 million (f.o.b.). This was offset to a considerable extent by service payments for shipping and investment income, but in some years some of the proceeds of a net surplus with Europe were undoubtedly converted for payments in the United States. In the absence of more detailed and accurate knowledge of the elements of bilateral payments it is not possible to be more precise as to the extent and nature of multilateral financing. The persistent and substantial trade surplus with Europe may give a misleading impression of the net proceeds available for conversion, since the trade surplus is so much more obvious and well documented than the opposite movements on account of shipping, insurance and other commercial payments, return on public debt and direct investments, amortization payments, repatriation of debt and purchase of foreign securities. The growth of bilateral balancing between European and Latin American (particularly South American) countries during the thirties must have reduced the possibility of multilateral financing. (See Table R, Appendix I.) It may also be misleading to assume that the proceeds of a surplus acquired in one direction in a certain period were used to meet a deficit in another direction in the same period. For instance, in 1938, it appears that Latin American balances under clearing and payments agreements with Europe may have increased while previously accumulated assets had to be liquidated to meet the deficit with the United States. 1938 was an abnormal year in that exports to the United States were low and investment negligible. When there was a substantial surplus of merchandise exports and some inward movement of private capital these items may have offset the service payments to such an extent that Latin America as a whole had no deficit with the United States which needed multilateral financing.

Wartime and postwar developments

The late war brought considerable changes in Latin America's international relations. After the early dislocation of commerce with Europe, the United States became overwhelmingly the market and supplier of Latin America, but as North America's needs for materials for the war effort increased and her ability to supply was restricted, the value of Latin American exports to the United States tripled between 1940 and 1945, while imports only doubled. The result was a large increase in reserves, gold holdings rose by \$2 billion between 1938 and 1945 and dollar balances also grew. Another feature of the war years was the accumulation by the eastern South American countries of blocked sterling balances earned by supplying foodstuffs to the United Kingdom.

When supplies again became available in the United States in 1946, Latin American countries began to make up the shortfall of the war years and to spend their accumulated reserves, which unfortunately, owing to the postwar rise in prices, represented less purchasing power than

they would have done if they could have been spent currently. A high level of both public and private investment reinforced the pressure to import already resulting from past shortages and an accumulation of liquid resources (private as well as public). Although exports were also at a high level, a heavily adverse trade balance developed in 1947 with the United States, and the freely disposable reserves rapidly dwindled. The accumulations of sterling were still in large part frozen, and could not be used to meet the dollar deficit. The position in 1947 seems to have been roughly as follows. (Owing to incomplete information and statistical difficulties, the figures given are necessarily only a rough approximation.)

Table 4. Estimated Balance of Payments of Latin America, 1947

(in millions of dollars, rounded)

	Total (1)	U.S. (2)	Other Areas (3) (1-2)
Trade (net, f.o.b.) 1/.....	450	-1,450	1,900
Other current account.....	-1,050	- 400	- 650
Total current account (net).....	- 600	-1,850	-1,250
Capital transactions (non- compensatory) (net).....	400	200	200
Total surplus or deficit requiring financing.....	- 200	-1,650	1,450
Errors and omissions 2/.....	250	—	- 250
Multilateral settlements 3/.....	—	550	- 550
Official compensatory financing.....	450	1,100	- 650
Gold.....	900	900	—
Other.....	450	200	- 650

1/ Excluding intra-regional trade.

2/ Assumed to be in Latin American transactions with "other areas".

3/ When the global balance of payments is broken down into regions ("U.S." and "other areas") as above, an item "multilateral settlements" is included to account for the settlement of transactions with one region by means of the transfer of claims (in currency or otherwise) on a third region. For fuller explanation of the terms used reference should be made to the Balance of Payments Yearbook of the International Monetary Fund.

An overall trade surplus (excluding transport costs) of between \$400-500 million was offset by service payments to give a current account deficit of over \$600 million. Direct investment, a net reduction in private short-term assets, and non-compensatory loans received, (less amortization payments) reduced the total deficit to about \$200 million. Official financing of the deficit involved a net decline in gold reserves of about \$900 million and a preponderance of credits extended over loans received of roughly \$450 million.

These overall figures obscure the real difficulties experienced by Latin America, which can be made clear only by distinguishing payments with the dollar area from those in mainly inconvertible currencies. The trade deficit (f.o.b. figures) with the United States was about \$1,450 million which, added to net service payments made a current account deficit of \$1,850 million. Private capital movements reduced the deficit by \$200 million, and official compensatory financing, represented by a decline in gold reserves (about \$900 million) and dollar balances, and by loans, contributed about \$1,100 million. Between \$500 million and \$600 million was financed from the convertible proceeds of the net surplus with other parts of the world. The surplus with other parts of the world on current account (including a trade surplus of \$1,900 million) and reckoning in private capital transactions may have been about \$1,450 million. If the proceeds of this surplus had been fully convertible they would have helped substantially to fill the \$1,650 million gap with the United States and would have made unnecessary such heavy gold sales and other forms of compensatory financing as actually took place. In fact, however, less than half of the surplus was available in freely expendable resources, and the remainder was financed by the accumulation of foreign currency holdings, the extension of credits, and the repurchase of liabilities. The convertibility of even less than half of the surplus was made possible only by an exceptional drain on Europe's reserves, and by the dollar loans and gifts to Europe from the United States.

Position of different parts of the region

Within this overall picture the position of different parts of Latin America varied significantly, and the differences in their problems are important for any appraisal of the prospects for special payments arrangements.

The twelve most northerly republics, producing tropical foodstuffs (coffee, sugar, bananas) and minerals, had a natural market in the U.S. This direction of their exports was strengthened by extensive United States ownership of sugar and fruit plantations, mining enterprises in Mexico and Venezuela, and selling organizations, banks and utilities. About half the trade of the Caribbean area before the war was with the United States, and considerably more in 1947. The region as a whole had an export surplus with the United States, and an import surplus with the United Kingdom. Service payments to the United States were significant - more than half of the total returns on United States direct investment in Latin America was from the Caribbean countries in 1938. On the other hand, United States expenditure on travel in Latin America was mainly in this area. Trade with Europe was important before the war, about one-quarter of total trade, but by 1947 had decreased to between 5-10 per cent. The problem of unwieldy post war export surpluses to Europe was not very important for this region. Not all the countries in the region had a dollar problem, and some accumulated gold and dollar balances even in the 1945-1947 period. Chief of these were Cuba (sugar) and Venezuela (oil).

The position of the eight southern republics is substantially different, with significant variations within the group. Brazil is in many ways similar to the more northerly countries in that her tropical foodstuffs, coffee, cacao and other products, have had a good market in the United

States. Although one-quarter of Brazil's imports came from the United States before the war, Brazil always had a trade surplus. Returns on U.S. investment were not too heavy a dollar charge - U.S. investment was mainly in utilities and distribution - and Brazil received substantial dollar payments for port charges and other transport expenditure. It is probable that before the war Brazil used net dollars earned in the United States to cover a net deficit with Europe. In 1947 and the early part of 1948, Brazil lost reserves and incurred debts but by the end of 1948 she was recovering her prewar export surplus with the United States as well as overall.

The mineral producing countries of the southwest drew about a third of their imports from the United States but in spite of large American direct investment in mining and smelting, most of their exports (minerals as well as agricultural) went to Europe. The existence of the European export surplus had led to the setting up of clearing agreements between Chile and European countries in the thirties, one object being to secure debt service due from Chile out of the proceeds of the trade surplus. Although during 1947 Chile and Peru were losing gold, their dollar position improved in 1948, in the case of Chile partly owing to ECA expenditure on copper and nitrates. With exports to Europe decreasing in 1948 as compared to 1947, and exports to the United States increasing, the position was becoming more stable.

The southeastern temperate countries, exporting mainly animal products (meat, hides, wool), cereals and oilseeds, naturally found their markets in Europe; less than 5 per cent of exports went to the United States before the war, except in times of special economic activity there. British investment in Argentina and Uruguay helped to direct trade to the United Kingdom, and returns on investment, with shipping payments, in some years completely offset the trade surplus. In the post war years Argentina and Uruguay were both suffering from frozen proceeds of exports to Europe (particularly after the suspension of sterling convertibility) and enlarged imports from the United States, and both lost reserves in 1947.

This necessarily hasty sketch of the external payments position of different parts of Latin America is intended not as an adequate analysis of their problems, but to indicate that no general formulation of payments problems will apply to the region as a whole and no uniform remedy can be discussed, without constant qualifications.

2. Trade and Payments within Latin America

Prewar position and wartime changes

Intra-Latin American trade formed only a small proportion (perhaps between 5 and 10 per cent) of the total trade of Latin American countries before the war. In 1938 trade between the twenty Latin American republics was valued at about \$115 million, of which nearly three-quarters involved Argentina. Argentina's trade with Brazil was responsible for nearly half the total. The southern Latin American countries had a much higher proportion of trade within Latin America to total trade than northern countries. (See Table 5.) Peru especially sent a high proportion (15-20 per cent in 1937-1938) of exports to other Latin American countries while Bolivia took

Table 5. Direction of Trade of Latin American Republics, 1938-1948*

(in billions of dollars)

	All Areas				1. U.S.A.				2. Europe				3. Latin American Republics				Total Percent- age covered by 1,2,3		
	Exp		Imp		Exp		Imp		Exp		Imp		Exp		Imp				
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%				
All Latin America 1948	1938	1.7	100	1.5	100	+ .2	+ .2	.5	29	.8	47	.7	.4	.1	.6	.1	.6	82	86
	1946	4.6	100	3.4	100	+1.2	+1.2	2.0	39	1.1	24	.4	.6	.6	.13	.6	.18	76	89
	1947	6.0	100	5.7	100	+ .3	+ .3	3.5	37	2.1	35	1.0	1.1	.6	10	.6	.11	82	90
	1948	3.1	100	3.0	100	+ .1	+ .1	1.7	39	1.1	36	.6	.5	.3	10	.3	.10	85	87
Northern Latin American Republics 1948	1/1938	.7	100	.5	100	+ .2	+ .2	.3	43	.1	14	.2	.1	--	--	--	--	57	100
	1946	1.7	100	1.6	100	+ .1	+ .1	1.0	59	.2	12	.1	.1	.2	12	.2	.13	83	94
	1947	2.4	100	2.4	100	--	--	1.8	54	.3	12	.1	.2	.1	4	.1	.4	70	83
	1948	1.3	100	1.3	100	--	--	1.0	77	.2	15	.1	.1	.05	4	.05	.4	73	89
Southern Latin American Republics 1948	2/1938	1.1	100	1.0	100	+ .1	+ .1	.2	18	.7	64	.6	.1	.1	.9	.1	.10	91	90
	1946	2.8	100	1.8	100	+1.0	+1.0	.8	28	.9	32	.3	.6	.4	14	.4	.22	74	83
	1947	3.5	100	3.3	100	+ .2	+ .2	1.7	23	1.8	51	.8	+1.0	.5	14	.5	.15	88	91
	1948	1.8	100	1.7	100	+ .1	+ .1	1.7	28	.9	50	.5	.4	.25	14	.25	.15	92	86

* Based on export figures

1/ Including Colombia and Venezuela

2/ All South American countries except Colombia and Venezuela

E/CN.12/87

Page 12

nearly one-third of all imports from them. Northern Latin American countries (including Venezuela and Colombia) carried on less than 5 per cent of their total trade with each other. Except for Peru and Ecuador intra-Latin American trade was more important for individual countries on the importing than the exporting side - because total exports were larger than total imports.

The reasons for this pattern are clear from the nature of production and trade of the various countries. Of the most important categories of Latin American imports the only one that could be supplied substantially from within the area was food. By far the largest part of intra-Latin American trade as a whole was in food. Exports, however, were often directly competitive and in any case there was a limit to the amount of their neighbors' coffee, cocoa, grain, etc., that Latin American countries could absorb. Nearly all foodstuffs produced as cash crops had to find markets outside the area. Markets for minerals such as copper, tin, gold and even petroleum require some industrialization. Manufactured goods which formed the bulk of every country's imports were produced only to a small extent within the area.

Before the war the most important foodstuffs exchanged within Latin America were wheat and meat from Argentina, coffee, rice and cacao from Brazil, sugar from Peru, fruit and vegetables from Chile, coffee and bananas from Ecuador. There was also a certain amount of local trade in livestock, sugar, rice, vegetables, etc., between the Central American republics. Petroleum was the most important mineral traded, and accounted for the export surpluses (within the region) of Peru and Ecuador. Timber was exported from Brazil.

The late war brought a great increase in trade within Latin America, and its value rose to \$350 million in 1943 and over \$500 million in 1945. The rise in value is exaggerated by the fact that goods traded within Latin America during the war, particularly food and textiles, were among those experiencing the greatest rise in prices in general, and there is evidence that higher prices were often obtained within the region than outside for similar products. Nevertheless there was a substantial increase in volume, and a country such as Mexico which before the war had sent less than 5 per cent of her exports to other Latin American countries was in 1945 sending over 15 per cent (cotton textiles and other consumer goods). Supplies which were unobtainable from overseas were sought within the area: Argentina turned to Brazil instead of Europe for cotton textiles and coal and to Ecuador instead of the Far East for rubber and rice. Brazil, Mexico, Argentina, Uruguay and other countries increased manufactures of consumer goods to replace lost sources of supply and in many cases also for export. Markets had to be found to replace European ones, and Chile, for instance, increased her exports of vegetables and coarse grains to neighboring countries. Peru's petroleum and sugar became more important and in 1945 Peru was sending one-half of her exports to other Latin American countries as compared to 15 per cent in 1937.

After the war

Intra-Latin American trade was still at a high level in 1946 and 1947 but the proportion to total trade had declined. Some of the new developments persisted; particularly where new industries had grown up or old ones expanded, as in textiles, iron and steel in Brazil and various light manufactures in Argentina and Uruguay, trade channels had permanently shifted. But in many cases the wartime changes had been forced and uneconomical, and as soon as possible Latin American countries tried to reestablish traditional overseas markets and sources of supply. In 1947 the proportion of intra-

Latin American to total trade, at about 10 per cent both ways, was still high than before the war.

In most ways the pattern of intra-regional trade in 1947 was similar to that before the war. Argentina still accounted for 60 per cent of the total, and trade between Argentina and Brazil was the biggest individual factor, though both proportions had decreased. A significant change was that Brazil, which in the thirties had been a net debtor in Latin American trade, with a debit balance with Argentina, had acquired a surplus early in the war and by 1947 was Latin America's largest net creditor. This was largely due to exports of cotton textiles, timber and coffee to Argentina, resulting in a credit balance of over \$30 million. Brazil's other export movements (textiles, timber and sugar to Uruguay and coffee and textiles to Chile) were less important. Argentina still had a net credit balance (of \$20 million) and surpluses with all important countries except Brazil. Her exports of wheat and wool to Brazil, of cattle, wheat and vegetable oils to Chile, of wheat, livestock and seeds to Uruguay, and of wheat to Peru were the most important trade movements. Peru's exports to Chile of sugar, petroleum and cotton and to Uruguay of petroleum were the biggest factor in her net creditor position of over \$20 million. Chile, whose total imports from other Latin American countries were second only to Argentina, was a big net debtor, and her biggest debits were with Argentina and Peru to both of whom she exported copper and nitrates. Chile had been a net debtor to the group also in the thirties, but not to such an extent. Uruguay, which also had been a net debtor in the thirties, had the highest debit balance (\$50 million) in 1947, having a debit balance with every important trader except Cuba. Cuba was a small all-round debtor, and Mexico a small all-round creditor, the positions of both being similar to those in earlier years.

Payments within Latin America

Payments between Latin American countries have usually been made in dollars, except where special arrangements were in force. When the large gold and dollar reserves of the war period began to decline, some payments relations got into difficulties, and bilateral agreements began to be made. Argentina was the center of this activity. The problem here was in two parts. With Brazil, Argentina was in 1946 and 1947 a debtor and was unwilling or unable to pay in dollars. With each of her other partners Argentina was a creditor and they were unwilling or unable to pay in dollars. Agreements made were of various sorts: payments agreements were negotiated with Brazil, Bolivia, Chile, Uruguay and Paraguay; compensation arrangements were made with Peru, Venezuela, Ecuador, Colombia and Costa Rica.

Relations with Brazil had been governed by an agreement made in 1941 by which accounts were kept in dollars, with a reciprocal credit of \$2.5 million. Credit balances were to be used for purchases from the debtor. At the request of Brazil, Argentina in 1947 paid off in dollars and sterling a debit balance of \$43 million. Brazil went on accumulating a surplus and in 1948 terminated the agreement and henceforth payments were to be made in dollars. This was unsatisfactory and after briefly returning to the old agreement a new one was made at the end of 1948. The account in future was to be carried in cruzeiros, a credit ceiling of \$35 million was established and balances above a certain limit were to pay interest. Payments other

than trade could only be carried on the account by special agreement. Final balances were to be liquidated over a period in gold, convertible exchange, or any currency acceptable to the creditor. Efforts to balance trade accompanied these negotiations and in the first ten months of 1948, owing to big exports of wheat and import restrictions, Argentina had reduced, but not transformed her abnormal debtor position.

Agreements with Chile, Bolivia, Uruguay and Paraguay had to provide for a continuance of trade with a persistent debt to Argentina. Argentina was accustomed to export more to Chile (cattle, vegetable oils, wheat) than she imported (copper, nitrates). At the end of 1946 an agreement was negotiated providing for short-term credits from Argentina to Chile and long-term loans for public works and joint development of industrial production. The agreement was never ratified but Argentina advanced funds to Chile to finance a continuing debit balance. In 1948 this situation caused difficulties which were temporarily resolved by an agreement for repayment of a part of the debt and postponement of settlement of the remainder. Owing mainly to a decrease of Argentine exports, the trade gap had narrowed in the first half of 1948, and by the end of 1948 Chile's debt had been reduced. Agreements with Bolivia followed somewhat the same lines. Provision was made for the exchange of certain goods (wheat, livestock, etc., from Argentina, tin, lead and other mineral products from Bolivia). Accounts were to be kept in the two currencies, an interest-bearing credit was to be granted in Argentine pesos to finance Bolivia's unforable balance and the final settlement was to be in Argentine pesos, gold or free exchange. Long-term loans were to be used in Bolivia for public works and industrial development on a joint basis. Difficulties arose, partly because provision had been made for special dollar payments for Bolivian tin, and in 1948 modifications were made by which Bolivia could in some cases use Argentine pesos for purchases in other countries if supplies in Argentina were too expensive. In the first half of 1948 Argentina's export surplus was diminishing, although imports from Bolivia appear to have been small. Argentina's agreement with Uruguay concluded in 1948 provided for all payments to be made in Argentine pesos with a reciprocal interest bearing credit to be cancelled in gold or free exchange at the end of each year. In 1947, Argentina was exporting to Uruguay wheat, seeds, fodder and textile and other industrial machinery at a higher rate than she was importing from Uruguay textiles and other light manufactures. The agreement aimed at more balance in the trade, and this was apparently being achieved in 1948, mainly by reduction of Argentina's exports. An interesting feature of Argentina's agreement with Paraguay was that Paraguay could use sterling for quarterly settlements of a debit balance. Final repayment of credits outstanding at the end of the agreement was to be in Argentine pesos. Owing to considerable Argentine investment in Paraguay (in the meat and quebracho industries, textiles and banking) invisible payments are important. Trade figures are misleading, because much of Paraguay's exports to Argentina are in transit, but Argentina in fact has a surplus on trade account.

Compensation agreements have been concluded by Argentina with Venezuela, Peru and Costa Rica. Argentina had a big debit balance with Venezuela owing to purchases of petroleum, for which she had to pay dollars. Under the agreement meat was to be traded for petroleum, and to this extent dollars were saved, but the first half of 1948 showed still a big Venezuelan surplus.

Argentina's need for petroleum also seems to have been a factor in the agreement with Peru made in August 1948. Peru has generally had a debit balance with Argentina, owing to her dependence on Argentine wheat. Delivery of a specified quantity of petroleum by Peru beginning in 1949 is to offset the sales of wheat.

As has been seen, Brazil developed a strong creditor position towards the rest of Latin America during and after the war as a result of her increased production and sales of cotton textiles. To strengthen this trade, agreements were made with Argentina, Bolivia, Chile, Uruguay and Paraguay for the supply of specified quantities of textiles on advantageous terms. Besides the arrangements with Argentina already mentioned Brazil concluded special payments agreements with Chile and Paraguay. With Chile Brazil had had a clearing system of payments for many years. A new agreement of 1947 confirmed and enlarged economic relations. Trade is substantial between the two countries; the new agreement provided particularly for the exchange of coffee and yerba mate for nitrates and copper. The account was carried in Chilean pesos; the accumulation of Chilean pesos owing to Chile's continuing debtor position caused difficulties. In 1948 provision was made for the gradual repayment in dollars of part of the debit balance. A credit limit was introduced and balances beyond this were to be settled in dollars. With Paraguay Brazil is habitually a small creditor on account of both trade and long-term lending. Payments between the two countries are made through a cruzeiro account. Paraguay had resumed her old practice of settling balances in sterling, but in 1948 Brazil became unwilling to accept sterling.

It could hardly be said in 1948 that lack of means of payment had seriously blocked intra-Latin American trade since the war. The two important creditors, Argentina and Brazil, had both extended credits to their principal debtors. Bilateral agreements had run into difficulties as always when one partner tends to a persistent credit position, (as Argentina did with all her partners except Brazil, and Brazil did with Chile) but ways had been found to continue exchanges at a high level without forcing strict bilateral balance. Trade between Argentina and Brazil and between Brazil and Chile, two points of strain in bilateral agreements, was running in the first six months of 1948 at almost the level of 1947, though it may have fallen off later in the year. Trade between Argentina and Chile did fall off in the early part of 1948, but not mainly for payments reasons. In many cases also, where exchanges did not take place "because of payments difficulties", the underlying cause is found to be the high prices asked for export goods. The methods of payment adopted effected some saving of dollars for working balances. As has been suggested, the insistence, which increased during the post war years, on dollar settlement of persistent debits was due to the general balance of payments position of Latin American countries. Whether this general position might be improved by an increase of mutual trade will be briefly touched on next, while the question of how bilateral debits might have been affected by the multilateral clearing of balances will be dealt with in Section IV.

Future possibilities

In discussions of intra-European trade it is sometimes suggested that regional supplies might be developed of goods formerly imported from dollar

sources, thus benefiting the balance of payments with the Western Hemisphere. In Latin America the possibilities of this are much more restricted, though by no means non-existent. Some substitution is already occurring. In the first half of 1948, imports of rice, wheat and flour from the United States showed marked reductions over 1947. To a certain extent this was a return to earlier practices from wartime or post war diversions. Brazil, for instance, in 1948 had gone back for wheat to Argentina, the traditional source. Theoretically there should be some possibilities of Caribbean countries getting a larger proportion of their wheat from say Argentina and of rice from Brazil and Ecuador. Other categories of goods imported from the United States that showed a decline more than proportional to the total decline in 1948 were textiles, iron and steel mill products and rubber tires. All these are produced to a certain extent within Latin America and in time might be able to substitute for North American goods. Before recommending any such development, however, the whole position would have to be much more carefully examined. If a substitution of home produced for imported dollar goods is not a result of satisfactory cost and price relations but is forced through for other reasons, it may result in a very uneconomical use of scarce resources. This could, from a purely economic point of view, only be justified if Latin American countries were to be permanently and grievously short of dollars with no prospect of increasing dollar earnings, using them more efficiently, or getting similar supplies elsewhere.

In any case, it would be some time before any development on these lines could seriously affect the overall balance of payments, while the proposal under discussion is for "a transitional measure". It seems unlikely, from the nature and capacity of productive resources in Latin American countries on the one hand, and their needs on the other, that mutual exchanges could be substantially increased over a short period. As already indicated, the problem is different for different parts of Latin America.

3. Relations with Europe

Trade and financial ties have always been strong between Latin American and European, particularly western European countries. At the time when Latin American republics, having gained their independence, were promising funds for investment, western European countries and particularly Britain were looking for outlets for capital, and supplies of food and raw materials which they could exchange for the products of their industry. Commercial relations developed on this basis, and up to the last war, a substantial trade was carried on. All sorts of manufactures came from Europe, textiles (and coal) principally from Britain, machinery and metal products from Britain and continental Europe as well. In return Latin American countries sent their own products. Most of the animal and vegetable products of the east coast countries went to Europe -- meat particularly to Britain, linseed and hides to continental Europe, cereals to both. A large part of the minerals of the west coast and Bolivia went to Europe, and a lesser proportion of the minerals and tropical foods of the Caribbean republics and Mexico. Between the two wars Europe (apart from Germany) was declining in importance as a supplier of Latin America. This was particularly true of Britain whose staple exports for consumption were among the first to be

replaced by home manufactures. The competition of the United States and Japan were other big factors. Germany's trade drive to Latin American countries after the middle thirties kept up the position of Europe as a whole and made the trend less apparent.

Britain was paying for an increasing proportion of her imports from the income on investment (estimated at \$160 million in 1931 and \$80 million in 1939). Total British investment in Latin America was estimated at over \$4 billion in 1939. French and German investment accounted for over one quarter of total foreign investment before the first war, but had greatly declined. Belgian investment was also significant. Shipping was the other big source of income to western European countries, particularly to Britain, Norway and the Netherlands, and may have netted \$100 million in favorable years.

The war disrupted all these relations. Imports into Latin America from Europe which in 1938 were still 47 per cent of total imports (Table 5) were only 12 per cent in 1946. Shipping was destroyed and diverted, and European investments were sold to pay for supplies. British investments were estimated to have declined by \$1 billion dollars between 1939 and 1946. (Britain's income from investment had actually increased at the end of the war on account of the rise in yield.)

Post war position

In 1946 Latin American countries as a whole were getting only 12 per cent of their total imports from Europe as compared to nearly half before the war, while imports from the United States had increased from one third of total imports to nearly 60 per cent. Exports to Europe had decreased from about one half to one quarter of total exports. The next two years saw Latin American and European countries trying to re-establish commercial relations in ways to fit changed conditions. During this time more than 40 bilateral agreements, regulating trade and payments were made between Latin American and European countries. The need for reestablishing workable exchanges was most acute for southern Latin America. Although the proportionate decline in imports from Europe was less for southern than northern Latin America, the absolute importance was greater because of former dependence on Europe. Dependence on United States imports had increased proportionately more for southern than for northern Latin America, and though the United States had also increased in importance as a market for southern Latin America's exports, that market was still much less important for southern than for northern Latin America. It is, therefore, not surprising that of the 40 agreements with Europe mentioned, over 30 were made by southern countries and of these 15 by Argentina.

The first negotiations between Latin American and European countries dealt with specific wartime measures, such as the unblocking of assets of nationals of ex-enemy or occupied countries. Then in 1945 and 1946 came the first crop of trade and payments agreements made by eastern South American countries. Brazil was the most active negotiator, concluding 6 agreements with Belgium, Czechoslovakia, Denmark, Finland, France and the United Kingdom; Argentina had agreements with Belgium, Spain and the United Kingdom; Uruguay with Belgium and France. (Appendix II)

Most of these agreements followed very much the same lines, dictated by the circumstances of the time. Latin American countries as already noted, were anxious to obtain the traditional supplies of consumer, and particularly capital goods of which they had been deprived for nearly six years. European countries were badly in need of food and raw materials but were not yet able, owing to wartime destruction and dislocation, to supply more than a trickle of goods in exchange. None of them could allow their currencies to be exchanged for gold or dollars, and although some European countries had considerable amounts of gold and dollars, most of these were needed for payments to the United States. The agreements, therefore, as well as in many cases specifying agreed lists of available goods, arranged for payments to be made through accounts kept in one or both of the partner's currencies at one or both of the Central Banks: in all cases in 1946 (with the exception of Spain and Argentina) the currency chosen was the European partners'. In most cases the exchange rate provided for was some average of cross rates on the dollar and provision was made to adjust balances in case of a change in rates. Short-term credits were a universal feature of these agreements. In many cases these credits were extended only to the European country, providing for the Latin American countries accumulating its currency up to an agreed limit. In some cases there was provision for reciprocal credits, often of lesser amount, to the Latin American partner. Often interest was to be paid, of anything up to 4 per cent, on balances held, sometimes of balances held above a certain limit. In nearly all the agreements with continental Europe in 1945 and 1946 balances above the credit limit had to be settled, in some agreed time, in gold or dollars. In a few cases there was provision for other forms of settlement as well, or as an alternative. Agreements between Argentina and France (1945) and Brazil and Denmark (1946) allowed balances to be settled in the debtor's goods, or in the latter case, in sterling. Argentina's settlement with Spain was to be in Argentine pesos or balances were to be converted into long-term obligations.

In 1947 Argentina was the most active negotiator, concluding seven new agreements and a further one with the United Kingdom. Brazil made only one (also with the United Kingdom) and Uruguay five. Mexico made agreements with Spain and Czechoslovakia. The 1947 agreements followed much the same lines, still strictly bilateral with accounts kept in the European currency except where this was of doubtful stability. Argentina's payments with Finland and Rumania were conducted in dollars, with unilateral credits for the European countries. As other currencies besides the dollar emerged as relatively "hard", a new provision began to appear by which eventual balances could be settled in gold, dollars, or an acceptable third currency.

Sterling agreements

Agreements between the United Kingdom and her chief trading partners in Latin America were frequent in 1946, 1947 and 1948, their terms varying with the changing circumstances affecting the status of sterling as an international currency. During the war sterling transactions with all Central American republics and Colombia, Venezuela and Ecuador were made through the "Central American Account" system, in which sterling was transferable within the sterling area and between other Central American Account

countries. After 1945 this system was incorporated into the "American Account" system, and its sterling was convertible into dollars. Chile and Peru had entered the American Account area in 1947 and trade between them and the United Kingdom had languished because their exports were equivalent to dollar exports. In 1948, therefore, new agreements were made with Chile and Peru. Chile was able to transfer her sterling freely only to other Transferable Account countries and the sterling area. For transfers to other countries previous agreement of the British authorities was required. In the case of Peru all transfers to countries outside the sterling area required agreement between the two governments. Trade increased under the new arrangements, but Peru accumulated sterling. Dollars continued to be paid to Chile for copper and nitrates.

Argentina, Brazil and Uruguay were in a different position. Exports to the United Kingdom during the war had resulted in frozen sterling balances amounting to over \$500 million in 1945. Unlike Chile and Peru these three countries were running big export surpluses with the United Kingdom and sterling balances continued to accumulate, reaching over \$800 million in 1947. Agreements made with the United Kingdom had to deal with both the disposal of frozen sterling and the mechanism of current payments. With Argentina in 1946 and with Brazil and Uruguay in 1947 agreement was reached in principle that part or all of the frozen sterling might be used to repatriate sterling debt and purchase British owned utilities, while small instalments were to be freed periodically for current payments. Arrangements for payments for current transactions varied. Argentina's current sterling, made convertible at the end of 1946 until the general suspension of sterling convertibility in August 1947 was "transferable" until 1948 when the Andes agreement instituted a bilateral account. Brazil and Uruguay became part of the transferable account system in 1946 and 1947 respectively, but their sterling lost automatic transferability in 1948.

Position in 1948 and after

In many ways the end of 1947 marked the end of one phase in Latin America's post war relations with Europe. The peak of trade surpluses and credits **extended** was reached with an export surplus of approximately \$1,100 million and credits extended (including accumulation of foreign balances under payments agreements) of perhaps \$500 million.

The effects of these unbalanced relations were felt in 1948 when many of the trade and payments agreements ran into difficulties, because credits granted had been fully used. In some cases fresh credits were extended. Argentina, for instance, obtaining machinery and equipment for her development plans from Czechoslovakia, raised the credit ceiling and made the obligation to settle balances annually in goods instead of dollars. In the case of Spain, whose credit granted by Argentina in 1946 had been fully used, further credits were extended, and final balances were to be used by Argentina for investment in Spain, including the setting-up of a free port at Cadiz. In other cases (Brazil with Czechoslovakia and France) credit conditions were tightened and provision was made to use the accumulated balances immediately (instead of carrying them forward) for purchases of

petroleum refineries. In the case of Denmark, Brazil required balances to be paid partly in dollars. At one point exports from Argentina to Switzerland were stopped because Argentina wished Switzerland to liquidate her debit balance. In most cases where European debits had accumulated to an uncomfortable extent and means were sought to liquidate them, there was also an effort to bring about a better future balance in trade and payments. It was becoming easier to do this by expanding rather than contracting trade because Europe's ability to supply Latin America with needed goods was increasing. As many Latin American countries were painfully short of dollar exchange they became more inclined to import from Europe, even if what was offered was less desirable or more expensive than North American goods. Argentina particularly explored every possibility for satisfying her import needs from European sources. Agreements were made with Eastern European countries in 1948 (Hungary, Poland and Yugoslavia) which provided for substantial balanced exchanges of goods on a compensation basis, though any necessary payments might be in dollars. From Poland and Yugoslavia, Argentina proposed to obtain coal, cement, chemicals and timber and from Hungary machinery and transport material. Much of this represented new trade channels.

The problem of financing a surplus with Europe was easier in 1948 than in 1947. For one thing the trade deficit of Europe was smaller. In 1948 (Tables U and V) exports from Latin America were \$2 billion as compared to \$2.1 billion in 1947 and imports \$1.3 billion as compared to \$1 billion in 1947. \$350 million had been appropriated by the ECA for off-shore purchases in Latin America, although only about half of this had actually been spent. By far the largest factor in financing the deficit was the repurchase of British railways and other utilities and public debt. This amounted to somewhere about \$680 million and was reflected in a reduction of balances and a noticeable hardening of sterling. These big capital movements between Britain and Argentina largely determine the appearance of the overall financing of Latin American payments with Europe, as they obscure other movements. If sterling is removed from the picture, balances held under payments agreements with other European countries show an increase during 1948 of over \$50 million, representing net credits extended. This is a marked decline from the amount of credit extended in 1947. In many individual cases the net movement was a repayment of credit by European countries. In the case of Belgium and Argentina, Belgium's debit balance turned in 1948 to a rather obstinate credit, which at one time held up further exports from Belgium.

From a brief survey of payments arrangements since the war which in 1948 covered roughly 75 per cent of total trade with Europe, it seems fair to conclude that the bilateral payments agreements served their purpose pretty well. They enabled trade with Europe to be resumed and owing to the credits extended by Latin America the acute phase of Europe's low productivity was tided over. In only a few cases, which have been mentioned, did lines of real strain, such as were common in Europe, appear, and even then some way round was discovered to allow trade to continue. Nevertheless, the strictly bilateral payments covering so much of the commerce between the two continents was far from an ideal system, and in Section IV the possibilities of multilateral arrangements will be considered.

The desire for dollar payments which was always a potential brake on trade relations between Europe and Latin America in the post war period (though partially by-passed in payments agreements and the use of sterling) was due to the overall balance of payments disequilibrium of both Europe and Latin America. As regards Latin America, it is hard to avoid the conclusion that the overall disequilibrium particularly of South American countries would benefit from a more balanced trade with Europe. The large export surplus with Europe in 1947 and the lesser one in 1948 were admittedly financed by temporary expedients. In 1947 some European countries still had fairly large reserves and the United States was giving dollar loans. Latin American countries still had good reserves from wartime export surpluses and were able to extend credits. The selling-out of European investment was a big help to financing in 1947 and even more in 1948. In 1948 there were ECA dollars. It cannot be taken for granted that the relatively favorable conditions of 1947 and 1948 will persist and it is probable that some means of adjustment to the new situation between Europe and Latin America will have to be found. One of the more promising paths is the expansion of European exports to Latin America.

III. Possibilities of Compensation among Latin American Currencies and with Europe

1. General

In 1948 perhaps one-half of trade within Latin America and three-quarters or more of trade of all Latin American countries with Europe was being conducted under some form of bilateral agreement. This did not mean rigid bilateral financing over the whole field: sterling for instance was available for use in the sterling area and in varying degrees in other transferable account countries. Where the limit of credit provided for working balances had been reached, partners might have reverted to dollar and gold payments. But on the whole, trade under payments agreements was bilaterally financed and agreements for minimizing payments by planning equal exchanges were a limiting factor on trade. This is the situation that inspires proposals for making currencies to some degree interchangeable, so that surpluses acquired with one country can be used elsewhere.

There are various methods by which the transferability of currencies for current account purposes and the pooling of credits can be arranged through a special clearing system. There can be a central clearing office, where the net position of each member is registered, or members can acquire in exchange for their own currencies up to a given amount units of an international currency which is accepted to an unlimited degree for transactions within the group. Where there already exists an extensive system of bilateral payments agreements, the bilateral credits already granted or new ones can be made available anywhere in the group, and the balances under the agreements at Central Banks can be subject to periodic compensation operations. All types of integral compensation involve the possible concentration on one strong currency of all the credits allowed to each member. The total amount of these credits may exceed the claim on its resources that the strong currency's owner is prepared to put at the disposal of the group. In the mechanism of the IMF, where many countries contribute their own currencies to a central fund to be drawn on by other members, and the holdings of currency are supplemented by holdings of gold, the claims on any one currency are likely to be less difficult to meet.

A limited compensation can sometimes be arranged involving only the reduction of debit balances, or the use of one country's currency in settling accounts, where three or more countries have payments to make to each other in a closed circuit. This is similar to the "first category" type of compensation in the European Payments Agreement.

In what follows, the expression "a closed system" has been used to mean a system in which the means of payment can be used only within the group. A clearing system may also provide for the conversion of net balances into dollars or some other currency that can be used outside the group. It has not been considered useful anyhow at this stage to consider in detail the practical application of a comprehensive clearing union. The present section deals with some possibilities of triangular

offsets, the operation of which would be comparatively simple and most of the immediate consequences of which could be foreseen. It also tries to draw some general conclusions as to the effects that might be expected from complete or partial convertibility within either of the two groups under discussion, with or without convertibility into dollars.

The difficulty here is to collect the information on which to base even general conclusions. If, as in Europe, current bilateral transactions were nearly all conducted under payments agreements, and the balances of these agreements were available periodically in non-confidential form, it would not be too difficult to indicate the effects of a clearing of balances. In the absence of essential information on payments of this kind, figures of annual trade balances between pairs of countries have been used as giving some sort of a rough approximation to the position. These figures fail to represent the true position in significant ways. A uniform basis has been sought by using only export figures. This means, for instance, that in the case of European and Latin American trade both European and Latin American reports have been used. There will clearly be great discrepancies of timing, as well as in valuation, conversion rates, different usages as to countries of origin and destination, and so forth. In some cases export figures were not available, and the appropriate import figure, less a deduction for freight, was used. Apart from the unsatisfactory nature of trade reports themselves, this method neglects service payments entirely. This is serious mainly for relations with Europe, which may involve substantial payments for transport and investment income; in some accounts with the United Kingdom invisible payments may entirely alter the picture. Another difficulty arises when trade balances are used to show the possibilities of multilateral clearing. Except where transactions have been carried on for the whole period under review below the credit limit of a payments agreement, the trade balances do not indicate the amount of purely bilateral financing that in fact took place. In all cases, all or some of the payments were made in dollars, gold, or some partially transferable currency, and were therefore "cleared" multilaterally. The effects of complete multilateral clearing, if traced from the starting point of these figures, would therefore be exaggerated. With all these limitations it has nevertheless been thought worthwhile to present the trade balances between the various countries for 1938, 1947, and the first six months of 1948 and to try to draw some general conclusions from them.

2. Compensations within Latin America

Tables A to F show trade and trade balances between Latin American countries for 1938, 1947 and the first six months of 1948. For 1938 and 1947 figures are given for all twenty republics, although in some cases the export figure was not available and the importing country's report, less a standard deduction for freight, was used. For January-June 1948 it was not possible to tabulate all countries, even on this basis, and fourteen countries only are shown. Trade figures, owing to varying practices in valuation and reporting and other difficulties, show great

discrepancies, and the error in a small figure may sometimes be so great as to change a positive balance to a negative one. For this, among other reasons, the figures shown for illustrative purposes should be treated with great reserve. Because the proportionate error is greater the smaller the figure, trade values have been rounded to the nearest \$100 thousand. This involves the disappearance of many of the smaller positions, but was held to be unavoidable. Most of the smaller countries are together in the north, and do a considerable amount of trade with each other. This trade, though it does not show up significantly in total intra-Latin-American trade, is of considerable importance to the countries involved, and it would have been useful to devote a table solely to this trade, rounding to a smaller figure. However, the shortage of trade statistics in the area made this procedure look unprofitable, at least until more information can be obtained.

Bilateral balance and surpluses

According to tables G, H and J, the average degree of balance or unbalance in intra-Latin-American trade varied little between 1938, 1947 and 1948. The proportion of total trade bilaterally balanced was just over half, 15 per cent to 20 per cent was multilaterally compensable, and 25 per cent to 30 per cent was net surplus for the country reporting. This average conceals considerable variations in the position of individual countries. Brazil and Argentina increased their respective proportions of bilaterally balanced trade to among the highest of the group in 1947 and 1948. Cuba, El Salvador and Perú were among those offsetting most surpluses and deficits within the group throughout the period, while Bolivia had one of the highest degrees of net import surplus. Uruguay changed from a high degree of offset and a small net import surplus in 1938 to a high net import surplus in 1947. This was apparently exceptional, and the import surplus had fallen again in 1948. Colombia very materially increased her proportion of import surplus during the period, while Mexico decreased her proportion of multilateral trade and increased her export surplus.

Closed regional clearing

The countries that would presumably benefit most from a closed system of transferability would be those with a high proportion of surpluses and deficits that offset each other, and a low net surplus. In the first six months of 1948 Perú answers best to this description; her marked export surplus of 1947 was diminishing (possibly diminishing petroleum exports to Uruguay), and in 1948 the rather difficult debtor position with Argentina could theoretically have been more than offset by the credit position with Chile. Cuba and Guatemala, also with a high degree of multilaterally compensable trade had marked import surplus positions. In a closed clearing system, instead of being debtors of Mexico, they would have been debtors to the group as a whole. If countries in a net creditor position were unwilling to extend credit, Cuba and Guatemala, after losing their inter-group reserves might have had to adjust to a more balanced payments position.

The discussion of these possibilities is, of course, rather academic, because in early 1948 Cuba and Guatemala had adequate dollars, which may have been partly why their trade was multilateral.

The three countries with the highest degree of import surplus in early 1948 -- the Dominican Republic, Bolivia and Colombia -- would have had much the same experience as Cuba and Guatemala, except that as all their balances were negative, they could have taken part in no compensations at all.

The general effect on individual countries would be largely independent of what particular clearing mechanism was adopted. This might be a new clearing unit, acceptable for all transactions within the group. If, initially, credits were to be allotted on the basis of net import balances in the first six months of 1948, the total size of the union would be \$68 million (see Table F). This means that every country with a net deficit would be allowed to draw units of the group currency, each according to its quota, to a total of \$68 million, to be received in payment by other members for use anywhere in the group. If these credits had been allocated at the beginning of 1948 and had been fully used at the end of June, they might conceivably all have been used in payments to Argentina, or to Mexico. This is not perhaps very likely, but it is possible, since both countries were substantial all-round creditors even when payments were on a scarce dollar basis or payments agreements had run into difficulties. Thus in June Argentina or Mexico might have been net creditors to the group of \$68 million, instead of \$27 million and \$10 million respectively. Ways can be devised for limiting the liability of potential large net exporters, but only by rationing the use of the credit medium in payments to countries which are becoming too attractive as exporters.

It does not appear, however, from the rather fragmentary evidence presented, that any currency would have become particularly "scarce." In 1947, when Brazil was a large all-round creditor, the cruzeiro would probably have been a hard currency. Before the war Brazil was a net debtor in intra-Latin-American trade. She may not return to this position, but at least trade was becoming more balanced in 1948, although this was largely due to the big decrease in surplus with Argentina. The Argentine peso might be most likely to become hard, along perhaps with the Mexican peso in northern Latin America. On the whole the problem of "scarce currencies" does not seem one that would trouble intra-Latin-American convertibility very much. It has been shown, however, that one or two currencies (perhaps Bolivia and Colombia) might be rather weak, within the group. The position could be met by balance of payments adjustments or credits from other members. Mechanical difficulties might arise if the clearing took the form of a central fund into which members paid their own currencies and bought others. The lack of demand for certain currencies would cumber the working of such a system.

The main basis for success in a clearing union of this type is the willingness of surplus countries to extend credits to their neighbors,

who though not necessarily in over-all balance of payments difficulties, are in a net debtor position within the group.

Regional clearing backed by dollars

If net credits were convertible into dollars, net debtor countries, if they had to use their own limited reserves, might try to reduce their import surpluses from the group. In the first half of 1948 such all-round net debtors as Colombia and Bolivia would have had to use scarce dollars to meet their net debits, which would not even have been reduced by compensation. Net debtors with some credit positions, such as Chile, Cuba and Uruguay (in 1948) might have saved some dollars on working balances, even if they had to cover net deficits in dollars. Net creditors, if they were able to get dollars, might try to increase their surpluses, either by restricting imports or expanding exports; particularly if, like Argentina, they were in great need of dollars to meet a deficit with the United States.

If dollar convertibility for net positions was provided through pooled hard currency resources instead of individual reserves, the burden would not fall necessarily on debtor countries themselves, but on those whose dollar earnings contributed mainly to the pool. In early 1948 this might have been Venezuela, Panamá, Cuba, the Dominican Republic and some other northern countries. Contributions of hard currency from outside the group would remove some of the strains but also the stimulus to adjustments (mainly by creditors if credits were frozen, by debtors under dollar convertibility), which would bring some sort of balance.

Triangular compensations

It may be that some bilaterally strained positions could be eased by individual compensations involving three or more countries in a closed circle of indebtedness.

In early 1948 some of Argentina's credit positions could theoretically have been compensated. The surplus with Perú could have been compensated through Venezuela, a debtor to Perú and a creditor of Argentina. In theory, and on the basis of the trade balances for January-June 1948, which, as already explained, may give a misleading impression, Argentina might have paid part of her debt to Venezuela in pesos to be used by Venezuela in payment to Perú and by Perú for part payment to Argentina. Among other drawbacks here would be that Venezuela's debt to Perú was so small (\$300,000) compared to Perú's debt to Argentina (\$14 million) and Argentina's debt to Venezuela (\$10 million). Then Perú might have been unwilling to accept pesos instead of dollars from Venezuela.

Argentina's debt to Venezuela (which also was a point of stress and led to the compensation agreement already described) could also theoretically have been compensated in part through Brazil. In this case an amount of \$400,000 (Brazil's credit with Venezuela) could have been offset, wiping

out the debt between Brazil and Venezuela and reducing that between Venezuela and Argentina (\$10 million) and between Argentina and Brazil (\$9 million) by the same amount. Here again the reluctance of any country short of dollars to cancel a debt payable in dollars has to be reckoned with. Another point is that the credit position of Argentina with Brazil was temporary (due to wheat deliveries) and might be expected to be reversed. In 1947 Brazil had been Argentina's large creditor and this position was developing again later in 1948. Another triangular offset involving Argentina and Venezuela would have been with Chile, a small creditor with Venezuela. If Venezuela would have accepted Argentine pesos, this would also have helped Chile in her temporary difficulties with Argentina. Again, the compensable sum would have been very small.

A combination to help the position between Argentina and Chile could have included Cuba, a debtor to Chile of over \$2 million, and a small creditor of Argentina (\$200,000). Here again there is the drawback that Cuba at this time had dollars to pay which would have been welcome to Chile. The two last offsets might have been combined, since Argentina was creditor to Chile, Chile to Cuba, Cuba to Venezuela and Venezuela to Argentina. The only opportunity apparently afforded for compensating Chile's large debit position with Perú was also through Cuba. Debts all round might have been reduced by the amount of Cuba's credit with Peru (\$400,000).

Triangular compensations might be explored in all cases where bilateral strains appear, and undoubtedly some offer fruitful possibilities. In general, however, these solutions could only be temporary and partial, and many practical drawbacks attend any individual deal. The main difficulties within Latin America seem to be that one of the vital balances is sure to be very small and that so many of the theoretical compensations involve northern countries that in 1948, at any rate, were not short of dollars.

3. Compensations with Europe

Tables K to Q show trade and balances between the Latin American and European countries most concerned in trade with each other in 1938, 1947 and the first six months of 1948. Tables R to T give a rough indication of the extent to which each country's trade with the other continent taken as a whole was bilaterally balanced, showed a net surplus, or was able to offset individual surpluses and deficits.

According to Tables R and S, it appears that a higher proportion of trade was bilaterally balanced in 1938 than in 1947. The 1938 position was weighted by Germany, with a very high degree of bilateralism, in an over-all trade with Latin America second only to Great Britain. Nevertheless, even excluding Germany's trade, the proportion of balanced trade showed a decline between 1938 and 1947, while the proportion of net surplus (export surplus for Latin America) rose. The first six months of 1948 showed a decline in the proportion of bilaterally balanced trade and

a rise in the multilateral offsetting of surpluses and deficits. Net surpluses showed little change. For what they are worth, these figures tend to support the doubts already expressed as to the importance in global multilateral financing of the net surplus with Europe before the war. In-visible payments would have reduced the possibilities still more. Another point of interest is the small proportion of multilaterally compensable trade in 1938. Of course 1938 is a single year, and not necessarily typical even of the late thirties.

As regards individual countries, Perú and Venezuela seem to have changed from net importers from Europe before the war to net exporters, while Colombia and Ecuador have changed to net importers. Other Latin American countries maintained a net export surplus. In 1947 and 1948 Brazil and Uruguay had the largest proportions of their trade bilaterally balanced, while the chief net surplus countries (apart from Cuba and the Dominican Republic) were Argentina (export) and Colombia (import). Ecuador, Venezuela and Mexico are shown as the countries with the highest proportion of multilaterally compensable trade with Europe.

On the European side, Sweden and Switzerland lost in 1948 the high degree of balance they had in 1947. Sweden increased a net export surplus, while Switzerland changed from a small net export surplus to a larger net import surplus. Apart from Germany, the European countries showing the highest degree of net import surplus were the Netherlands and Denmark. The United Kingdom, with the highest absolute import surplus, had reduced it considerably in 1948. European countries showing the highest proportion of multilateral trade with Latin America were Switzerland and Czechoslovakia.

Positions under a general clearing scheme

The actual working-out of a clearing scheme would depend on its effects on individual countries and this again would depend on whether net balances were wholly or partially convertible into dollars.

The actual mechanism of clearing, whether net positions were registered centrally, or members were allotted quotas of a new currency unit acceptable within the group, or members' currencies were exchangeable with each other, is not material for the argument. If credit balances could only be used in Europe or Latin America, a certain amount of benefit would result for Latin American countries in an intermediate position. Brazil, for instance, in early 1948 had credit and debit trade balances fairly evenly distributed throughout Europe and Latin America, and general convertibility would have done away with the necessity of many bilateral agreements, some of which, as described in Section II.3, got into difficulties in 1947 and 1948. Ecuador, half of whose total trade in early 1948 was with other Latin American countries, with a persistent creditor position, might have benefitted if the surplus had been available to settle a small European deficit. Venezuela was another country which theoretically would have benefitted from multilateral clearing, but

Venezuela is one of the few Latin American countries without balance of payments difficulties. Of the big net surplus countries, Argentina, both in 1947 and early 1948, was a net creditor with all European countries (except Sweden and, in 1947, Czechoslovakia) and with all Latin American countries except Brazil and Mexico (Venezuela in 1948). A clearing within Latin America and Europe would, on the basis of trade balances in the first half of 1948, have given Argentina a credit of perhaps \$450 million. Unless she was able to increase her imports from other members, this balance would have remained frozen. Instead of the present relation with the United Kingdom, which, abstracting from sterling balances, investments, etc., is a large trade debt from the United Kingdom, there would be a new relation, with Argentina a creditor of the group as a whole, and the United Kingdom contributing according to her net deficit with the group as a whole. If inter-convertibility extended to relations within Europe, the United Kingdom might not even have a net deficit with the group. Argentina's problem, of course, is her dollar deficit, which would not be affected directly, although it might be affected indirectly by a substitution of dollar goods from Europe. In the absence of trade statistics for 1948, it is not known how the situation developed, but it may be that a decrease in Argentina's export surplus lessened the possibility of the peso becoming a "scarce currency" in a clearing union. The other country with a large net (import) surplus, Colombia, had in 1947 and early 1948 deficits with almost every country in Latin America and Europe. There would, therefore, have been no possibilities of compensation, and if other members had been willing to extend credit, Colombia would have been in debt to the group for about \$32 million at June 1948. Otherwise, she would have had to adjust to the position by expanding exports or reducing imports.

On the more realistic assumption that dollars or gold were in part introduced into the system, the problems would be different. If debit balance were wholly or in part payable in hard currency from members' own reserves, a big net creditor such as Argentina would be on the way to solve her dollar problem, but her debtors who now pay in their own currencies under bilateral agreements and who may be short of dollars might take steps to safeguard their reserves by reducing their imports. Argentina and other creditors might also reduce imports to increase balances convertible into dollars. The big net debtors would also face adjustments which they might have transferred to their creditors under the previous assumption.

If debts within the clearing were backed by hard currency in a central reserve, the position would be different again. If the reserve was merely pooled resources, the burden would fall very unevenly, since it would have to be contributed to mainly by Central American countries, Venezuela, and one or two European countries. The advantage from it would go to countries which were net creditors within the group, but debtors outside it.

If the reserve was set up as partially a gift from outside, the effects would be as described in the sub-section on a general clearing.

Triangular compensations

It is possible that some bilateral points of strain could be eased by triangular currency deals. This can only be discovered by examining relations between individual countries. The theoretical possibility of an offset of this type is no guarantee of its usefulness. In many cases the sums involved would be trifling, or bilateral relations quickly change, or one of the countries involved is not interested or would prefer to retain a particular debt for future bargaining purposes.

Of countries which seem to offer themselves as possible subjects, Belgium in 1948 was a persistent net creditor in Europe with a scarce currency causing difficult relationships. Trade balances in the first half of 1948 (Table Q) show Brazil as a creditor of Belgium and France of Brazil. This latter was a temporary relationship, due to abnormal circumstances, but on the basis of these figures, and with Belgium a creditor of France, there might have been some agreement to cancel debts mutually, thus renewing credit margins, or payments might have been made in Belgian francs. Similarly Belgium, Sweden and Chile might have come to some agreement. One of the difficulties here might have been that Chile was able to get dollars for her exports of copper and nitrate to Belgium, and might have preferred free dollars to spend in the United States rather than Belgian francs to settle a debt with Sweden. Theoretically the two triangles would have offered possibilities of combination, Brazil showing a credit balance with Chile (Table F).

One of the reasons why it is not very profitable to suggest triangular compensations between Latin American and European countries on the basis of trade balances, is that other financial payments may be very important. For instance it might be concluded from the trade surplus of Argentina with Italy in 1948 (Tables Q and V) and the hardening of the Italian lira in European relations in the first few months of the European payments agreement, that these two might be combined in a useful triangular offset, but in fact the non-trade payments of Argentina to Italy would quite alter the picture.

There are other possibilities of this type of compensation which might be explored if it was thought worthwhile. Uruguay, for instance, had credits in Europe that might have been offset against debits in Latin America.

Use of sterling

Some degree of multilateral financing of trade between Latin American and European countries is already provided by the use of sterling. About fourteen countries in Central and South America are "American Account" countries, and holders of sterling in these countries are free to transfer it automatically to "Transferable Account" countries and administratively almost anywhere in the world. They also have the right automatically to convert into dollars.

In Europe, Italy, the Netherlands, Norway, Spain, Sweden, Czechoslovakia, Poland, Finland and the U.S.S.R. are "Transferable Account" countries, and holders of sterling there can make payments for direct current transactions through Transferable Accounts to residents of other Transferable Account countries, as well as to the Sterling Area. Chile is also a Transferable Account country.

The general position of sterling in Latin American depends basically on the capacity of the sterling area to produce essential goods. The use of sterling in multilateral financing between Latin America and Europe is likely to run into difficulties whenever there are large net holders of sterling. For instance, in default of sterling convertibility into dollars, Argentina might have liked to use her accumulated sterling balances in Belgium, where she was in payments difficulties in 1948. For the United Kingdom this would probably have meant gold payments to Belgium under the terms of their bilateral agreement.

IV. Summary

The most important elements in the regional payments problems of a limited group of countries are the over-all positions of the group itself and of its separate members. In Latin America as a whole the inflationary effects of export surpluses during the war and of the needs of development combined with the restoration of sources of supply to expand imports greatly in 1946 and 1947. The great reduction in the possibility of importing from Europe concentrated the balance-of-payments strain on relations with the dollar area and caused a serious decline in gold and dollar reserves. These problems, while serious, seemed in 1948 to be for most countries in process of being overcome, with a reduction in imports from the United States and the restoration of sources of supply in other areas. Latin American countries need increased supplies of capital and other goods for development purposes. If export markets in the United States cannot be significantly expanded, it is probable that non-dollar sources of supply will have to be developed. In any case, an increase of imports from Europe is likely to be desirable, since at the end of the Recovery Program Europe may be unable to pay for a large import surplus from Latin America in convertible currency or balance it with service income. Statements about Europe and Latin America as units do not necessarily apply equally, or even at all, to individual countries. Some Latin American countries may be able to earn net dollars in Europe, and some European countries in Latin America.

Trade relations between Latin American countries themselves are a small proportion (10 per cent, on the average) of their total trade, though for some countries they are quite important. Intra-Latin American trade has increased in volume since the 'thirties, though it has declined from the high and uneconomic level reached during the war. Owing to difficulties in dollar payments, perhaps one-half of intra-regional trade (mainly in the south and east) was bilaterally financed in 1948. Bilateral financing in 1947 and 1948 was producing some difficulties and a tendency towards bilateral balance. An increase and a diversification in trade with each other can be expected as Latin American countries grow away from the specialized export economy which is not conducive to mutual trade. Industrialization and agricultural diversification will mean new neighboring markets for products of new industries (particularly of consumer goods) and new demands for food and raw materials. These developments will take time, and as meanwhile capital goods must continue to come from overseas, the conservation of dollar resources and the fostering of trade relations with non-dollar areas must remain an over-riding consideration. An expanded regional system could not in the short run be expected materially to help the main balance-of-payments problems. More flexibility in payments arrangements and greater opportunities for multilateral financing within Latin America are desirable. Freer convertibility between Latin American

currencies would require some adjustments but probably not of a major character. A comprehensive multilateral clearing scheme within Latin America (or between Latin America and Europe) would necessarily be a complicated experiment, entailing much labor and organization. There would be many effects in various directions which it would be difficult to forecast, and some of which might not be beneficial. Among the technical difficulties in Latin America would be multiple exchange rates, the disposition of the foreign exchange proceeds of foreign-owned export companies, and the lack of a tradition of close cooperation between central banks. The effort involved would almost certainly be out of proportion to the benefits received. For the immediate future, perhaps the most promising approach is an exploration of the possibilities of triangular offsets and of some further use of sterling. The problem, however, will not be solved without restoration of over-all balance, so that more local currencies may be made convertible, and dollars used more freely in payments between Latin American countries, particularly in the north.

Trade relations with Europe are a more important part of the general Latin American picture, and possibilities should be explored to smooth and expand them, without however creating a protected system in which the persistence of high costs and uneconomic exchanges is encouraged. This would be against the wider international interests of both areas. It is important that European countries develop the production, on a competitive basis, of the capital goods required in Latin America. For the present, perhaps payments could be improved by administering and adapting existing agreements in a cooperative spirit, some triangular compensations could be explored in cases of strain, and wider use of sterling could be considered, particularly in the south.

The present paper, according to its terms of reference, deals only with the short-run position. Owing to the inevitable time lag in receiving information, some of the interpretations may be more applicable to the position of 1948 than to that of 1949. As world conditions change, policies will have to be adapted to meet them, the Fund and its members working together towards the establishment of general convertibility.

APPENDIX I

Contents

Tables

A	Intra-Latin American Trade, 1938	
B	Trade Balances between Latin American Countries, 1938	
C	Intra-Latin American Trade, 1947	
D	Trade Balances between Latin American Countries, 1947	
E	Intra-Latin American Trade, January-June 1948	
F	Trade Balances between Latin American Countries, January-June 1948	
G	Nature of Trade within Latin America, 1938	
H	Nature of Trade within Latin America, 1947	
J	Nature of Trade within Latin America, January-June 1948	
K	Trade of Largest Latin American Trading Countries with Specified European Countries, 1938	
L	Trade Balances between Latin American and European Countries, 1938	
M	Export Trade of Largest Latin American Trading Countries with Specified European Countries, 1947	
N	Import Trade of Largest Latin American Trading Countries with Specified European Countries, 1947	
O	Trade Balances between Latin American and European Countries, 1947	
P	Trade of Largest Latin American Trading Countries with Specified European Countries, January-June 1948	
Q	Trade Balances between Latin American and European countries, January-June 1948	
R	Nature of Trade between Latin America and Europe, 1938	
S	Nature of Trade between Latin America and Europe, 1947	
T	Nature of Trade between Latin America and Europe, January-June 1948	
U	Trade of Largest Latin American Trading Countries with Specified European Countries, 1948	
V	Trade Balances between Latin American and European Countries, 1948	

(in millions of dollars)

Importing countries		Exporting countries																			Total Exports	
		Argentina	Bolivia	Brazil	Colombia	Costa Rica	Cuba	Chile	Dom. Rep.	Ecuador	El Salvador	Guatemala	Haiti	Honduras	Mexico	Nicaragua	Panama	Paraguay	Peru	Uruguay	Venezuela	
Argentina																						50.5
Bolivia																						1.3
Brazil		6	13.1																			18.2
Colombia																						.7
Costa Rica																						.2
Cuba																						2.3
Chile																						6.4
Dom. Republic																						.0
Ecuador																						2.9
El Salvador																						.6
Guatemala																						.0
Haiti																						.0
Honduras																						.2
Mexico																						1.5
Nicaragua																						.3
Panama																						.2
Paraguay																						1.6
Peru																						15.4
Uruguay																						8.6
Venezuela																						1.7
Total Imports		30.1	5.0	37.7	1.7	.2	2.2	11.9	.1	.7	.5	.3	.0	.4	.7	.1	.7	4.0	6.0	9.6	.7	112.6

* Based on export figures.
 .0 = less than \$50,000.
 --- = no balance recorded.

Table B. Trade Balances between Latin American Countries - 1938

(millions of dollars)

(+) or (-) refers to country in column head

	Argentina	Bolivia	Brazil	Colombia	Costa Rica	Cuba	Chile	Dom. Repub.	Ecuador	El Salvador	Guatemala	Haiti	Honduras	Mexico	Nicaragua	Panama	Paraguay	Peru	Uruguay	Venezuela
Argentina	-	-2.5	-18.9	-1.1	+0.0	+0.6	-2.4	-0.0	+0.0	-0.0	-0.0	-0.0	-0.0	-0.3	-	-0.1	-2.2	+2.3	+3.3	-0.1
Bolivia	+2.5	-	-0.4	-0.0	-	+0.0	+0.7	-	-	-	-	-	-	+0.0	-	-0.0	-	+0.9	-0.0	-
Brazil	+18.9	+0.4	-	-0.2	-	+0.0	+0.2	-	+0.4	-	+0.0	-	-	+0.3	-	-	-0.1	+1.5	-1.9	-0.0
Colombia	+0.1	+0.0	+0.2	-	+0.1	-0.0	+0.1	-	+0.2	-	-	-	-	+0.1	-	-	-	+0.1	-	+0.2
Costa Rica	-0.0	-	-	-0.1	-0.0	+0.0	+0.0	-	+0.0	+0.0	-0.0	-0.0	-0.0	+0.0	+0.0	+0.0	-	-0.0	+0.0	-
Cuba	-0.6	-0.0	-0.0	+0.0	-0.0	-	+0.4	-0.1	-0.2	+0.0	+0.0	-0.0	-0.0	+0.6	+0.0	-0.1	-0.0	-0.1	-0.2	+0.1
Chile	+2.4	-0.7	-0.2	-0.1	-0.0	-0.4	-	-0.0	+0.2	+0.0	+0.0	-0.0	-	+0.1	-	-0.1	-	+3.6	-0.2	+0.9
Dom. Republic	+0.0	-0.0	-0.4	-0.2	-	+0.1	-0.2	-	-	-	-	-0.0	-	-0.0	-	-0.0	-0.0	-0.8	-0.7	-0.0
Ecuador	+0.0	-	-	-0.0	-0.0	+0.2	-0.0	-	-	+0.1	-0.1	-	-0.2	+0.0	+0.1	-	-	+0.3	-	-0.0
El Salvador	+0.0	-	-0.0	-	-0.0	+0.0	-0.0	-	-	-	-	-	-	+0.1	-0.0	-0.0	-	+0.0	-	-0.0
Guatemala	+0.0	-	-0.0	-	+0.0	-0.0	-0.0	-	-	-	-	-	-	+0.1	-0.0	-0.0	-	+0.0	-	-0.0
Haiti	+0.0	-	-	-	-	+0.0	-	+0.0	-	-	-	-	-	+0.1	-0.0	-0.0	-	+0.0	-	-0.0
Honduras	+0.3	-0.0	-	-	+0.0	+0.0	-	-	-	-	-	-	-	-0.0	-0.0	-0.0	-	+0.0	-	-0.0
Mexico	-	-0.0	-0.3	-0.1	-0.0	-0.6	-0.1	+0.0	-	+0.2	-0.0	-	-	-0.0	-0.0	-0.0	-	+0.0	+0.1	-0.1
Nicaragua	-	-	-	-0.0	-0.0	-0.0	-	-	-	+0.0	-0.1	-	-	+0.0	-0.0	-0.0	-	+0.0	-	-0.0
Panama	+0.1	+0.0	-	+0.1	-0.0	+0.1	+0.1	-	+0.0	+0.0	-0.1	-	-	+0.0	-0.0	-	-	+0.0	+0.0	-0.0
Paraguay	+2.2	-	-	-	-	+0.0	-	-	-	-	-	-	-	+0.0	-0.0	-	-	+0.0	-	-0.0
Peru	-2.3	-0.9	+1.5	-0.1	+0.0	+0.1	-3.6	-	+0.8	-0.3	-0.0	-	-	-	-	-	-	+0.1	-	-
Uruguay	+3.3	+0.0	+1.9	-0.0	+0.2	+0.2	+0.2	-	+0.7	-	-	-	-	-	-	-	-	-1.6	-	-
Venezuela	+0.1	-	+0.0	-0.2	-	-0.1	-0.9	+0.0	+0.0	-	+0.0	-	-	-1.1	-	-0.0	-0.1	+1.6	-	-0.1
Gross (+)	26.6	.4	2.2	.1	.1	1.3	1.7	.0	2.3	.3	.0	.0	.0	1.3	.1	.0	.0	10.3	3.6	1.2
Gross (-)	6.2	4.1	21.7	1.1	.0	1.1	7.2	.1	.2	.3	.3	.0	.2	.4	.0	.4	2.4	.9	4.6	.3
Net Balance	+20.4	-3.7	-19.5	-1.0	+0.1	+0.2	-5.5	-0.1	+2.1	.0	-0.3	.0	-0.2	+0.9	+0.1	-0.4	-2.4	+9.4	-1.0	+0.9
																				+34.1

Note: .0 = figure less than \$50,000.
- = no balance recorded.

(in millions of dollars)

* Based on export figures.

2/ Estimate.

.0 = less than \$50,000.

— no figure recorded.

Table D. Trade Balances between Latin American Countries - 1947
(in millions of dollars)

(+) or (-) refers to country in column head

	Argentina	Bolivia	Brazil	Colombia	Costa Rica	Cuba	Chile	Dom. Rep.	Ecuador	El Salvador	Guatemala	Haiti	Honduras	Mexico	Nicaragua	Panama	Paraguay	Peru	Uruguay	Venezuela
Argentina	+9.3																			
Bolivia	-9.3																			
Brazil	+33.4	+1.3																		
Colombia	+5.5	+1.1																		
Costa Rica	+0.5	+0.1																		
Cuba	+0.1	+0.1																		
Chile	+3.6	+0.1																		
Dom. Rep.	+7.1	+0.1																		
Ecuador	+0.5	+0.1																		
El Salvador	+0.1	+0.1																		
Guatemala	+0.1	+0.1																		
Haiti	+0.1	+0.1																		
Honduras	+0.1	+0.1																		
Mexico	+0.1	+0.1																		
Nicaragua	+0.1	+0.1																		
Panama	+0.1	+0.1																		
Paraguay	+0.1	+0.1																		
Peru	+0.1	+0.1																		
Uruguay	+0.1	+0.1																		
Venezuela	+0.1	+0.1																		
Gross (+)	+73.2	+17.4	+72.7	+1.5	+0.5	+10.2	+9.8	+7.1	+5.9	+2.5	+0.2	+0.1	+0.8	+24.6	+0.4	+0.7	+1.5	+57.4	+4.7	+290.9
Gross (-)	-10.1	-17.4	-72.7	-1.5	-0.5	-10.2	-9.8	-7.1	-5.9	-2.5	-0.2	-0.1	-0.8	-24.6	-0.4	-0.7	-1.5	-57.4	-4.7	-290.9
Net	+63.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

n.a. = not available.
-0 = less than \$50,000.
- = no figure recorded.

Table E. Intra-Latin American Trade, January-June 1948 *

(in millions of dollars)

Exporting countries	Importing countries	Argentina	Bolivia	Brazil	Chile	Colombia	Cuba	Dom. Rep.	Ecuador	Guatemala	Mexico	Paraguay	Peru	Uruguay	Venezuela	Other Latin American Republics	Totals
Argentina		n.a.		48.9	10.4	3.6	n.a.	—	0.1	—	1.1	6.7	17.6	6.0	4.3	—	103.6
Bolivia		4.9		0.1 1/	.1 1/	—	—	—	—	—	—	—	.1 1/	.0	—	—	.3
Brazil		.4		1.9	5.4	2.1	1.6	—	.2	—	.4	.8	.2	10.2	4.4	.2	66.2
Chile		.9		.1 1/	.1 1/	.5	2.8	—	.4	—	n.a.	.1	1.2	.4	.3	.2	17.1
Colombia		n.a.		—	.4	—	n.a.	n.a.	—	—	n.a.	—	—	n.a.	n.a.	.1	.3
Cuba		.2		—	n.a.	.1	—	.1	—	—	.1	—	.4	.2	3.1	.6	5.2
Dom. Rep.		n.a.		n.a.	n.a.	n.a.	—	—	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	—	—	—
Ecuador		.1		.1 1/	n.a.	—	—	—	n.a.	—	—	—	1.1	.9 1/	.15	.2	7.3
Guatemala		.1		.1 1/	.5	1.2	2.95	—	—	—	—	—	—	—	.3	.1	0.5
Mexico 2/		—		.2 1/	—	—	0.1	—	—	1.3	—	—	.2 1/	.4 1/	.1	.6	12.3
Paraguay		3.0		.1	—	—	6.0	—	—	—	—	—	—	.9	—	.5	5.1
Peru		4.1		.1	17.3	4.9	—	—	.6	—	—	—	—	2.6	.3	.4	32.5
Uruguay		4.0		3.3	—	.1	2.5	.2	0.1	—	.1	.1	—	—	—	.5	9.7
Venezuela		2.5		4.0 1/	.25 1/	n.a.	n.a.	—	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	—	—	18.55
		14.3 1/	n.a.	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		76.7	9.2	58.8	34.95	12.5	15.95	0.3	1.4	1.3	1.9	7.7	20.8	21.6	12.95	2.9 =	278.95

* Based on export figures, unless otherwise indicated.

1/ Based on partner's import figures reduced by 10 per cent.

2/ Projection of four months' figures.

n.a. = not available.

— = no figure recorded.

Table F. Trade Balances between Latin American Countries, January-June 1948 *
(in millions of dollars)

(+ or (-) refers to country in column head

	Argen- tina	Bolivia	Brazil	Chile	Colom- bia	Cuba	Dom. Rep.	Ecuador	Guate- mala	Mexico	Paraguay	Peru	Uruguay	Venezuela	Others
Argentina															
Bolivia	+ 4.9		-8.6	-2.2	-3.6	+ 2.2	--	--	--	+1.9	-2.6	-13.6	-3.5	+10.0	--
Brazil	+ 8.6	- .3	+ 3.3	+ .8	n.a.	--	--	+ 1.1	--	n.a.	--	+ 2.4	+ 2.4	--	n.a.
Chile	+ 2.2	--	--	-3.5	-2.6	-1.6	--	- .1	--	- .2	- .7	- .1	-6.9	- .4	- .2
Colombia	+ 3.6	n.a.	+3.5	--	--	-2.4	--	+ 1.1	--	+ .3	- .1	+16.1	- .4	- .05	--
Cuba	- .2	--	+1.6	+ .4	- .1	+ 1.1	--	+1.2	--	n.a.	--	+ 4.9	+ 1.1	n.a.	- .1
Dom. Rep.	--	--	--	+ 2.4	--	--	- .1	+2.95	+ .1	+5.9	--	--	+2.3	-3.1	- .6
Ecuador	--	- .1	+ 1.1	--	--	+ 1.1	--	--	--	--	--	--	+ .2	n.a.	n.a.
Guatemala	--	--	--	- .1	-1.2	-2.95	--	--	--	--	--	- .5	- .8	- .15	- .2
Mexico	- 1.9	n.a.	+ .2	- .3	n.a.	- .1	--	--	-1.3	+1.3	--	--	--	- .3	- .1
Paraguay	+ 2.6	--	+ .7	+ .1	--	-5.9	--	--	--	--	--	- .2	- .3	- .1	- .6
Peru	+13.6	-2.4	+ .1	-16.1	-4.9	+ .4	--	--	--	--	--	--	- .8	--	--
Uruguay	+ 3.5	- .4	+6.9	+ .4	- .1	-2.3	- .2	+ .5	--	+ .2	+ .8	+ 2.6	-2.6	- .3	- .5
Venezuela	-10.0	--	+ .4	+ .05	n.a.	+3.1	n.a.	+ .8	--	+ .3	--	+ .3	--	--	- .4
Others	--	--	+ .2	+ .2	+ .1	+ .6	n.a.	+ .2	+ .3	+ .6	--	+ .5	--	n.a.	n.a.
Gross (+)	+39.0		+16.0	+ 4.35	+ 1.1	+ 4.5		+6.0	+ .5	+10.6	+ .8	+26.8	+3.4	+10.0	+122.05
Gross (-)	-12.1	-8.9	-8.6	-22.2	-12.3	-15.25	- .3	- .1	-1.3	- .2	-3.4	-14.8	-15.3	-4.4	-2.9
Net	+26.9		+ 7.4	-17.85	-12.2	-10.75	- .3	+5.9	- .8	+10.4	-2.6	+12.0	-11.9	+ 5.6	-2.9
															+ 68.2

* Based on export figures.

n.a. = not available.

-- = no figure recorded.

Table G. Nature of Trade within Latin America, 1938 ^{1/}
(in millions of dollars)

Country	Total turnover	Bilaterally balanced	%	Multilaterally compensable	%	Net surplus export or import	%
Argentina	80.6	47.8	59	12.4	16	20.4	25
Bolivia	6.3	1.8	28	.8	13	3.7	59
Brazil	55.7	31.8	57	4.4	8	19.5	35
Colombia	2.4	1.2	50	.2	8	1.0	42
Costa Rica	.4	.3	75	--	--	.1	25
Cuba	4.5	2.1	47	2.2	49	.2	4
Chile	18.3	9.4	51	3.4	19	5.5	30
Dominican Republic	.1	--	--	--	--	.1	100
Ecuador	3.6	1.1	31	.4	11	2.1	58
El Salvador	1.1	.5	45	.6	55	--	--
Guatemala	.3	--	--	--	--	.3	100
Haiti	--	--	--	--	--	--	--
Honduras	.6	.4	67	--	--	.2	33
Mexico	2.2	.5	23	.8	36	.9	41
Nicaragua	.4	.3	75	--	--	.1	25
Panama	.9	.5	56	--	--	.4	44
Paraguay	5.6	3.2	57	--	--	2.4	43
Peru	21.4	10.2	48	1.8	8	9.4	44
Uruguay	18.2	10.0	55	7.2	40	1.0	5
Venezuela	2.4	.9	38	.6	24	.9	38
	225	122	54	34.8	16	68.2	30

^{1/} Method adopted from an E.C.E. report on East-West Trade in Europe, August 1948.

Table H. Nature of Trade within Latin America - 1947
(millions of dollars)

	Total Turnover	Bilaterally balanced	%	Multilaterally compensable	%	Net Surplus exp or imp	%
Argentina	379.0	256.9	68	97.8	26	24.3	6
Bolivia	21.7	4.3	20	--	--	17.4	80
Brazil	251.5	176.8	70	2.0	1	72.7	29
Colombia	33.0	8.2	25	3.0	9	21.8	66
Costa Rica	4.1	2.6	64	1.0	24	0.5	12
Cuba	32.8	7.3	22	20.4	62	5.1	16
Chile	142.4	72.2	51	19.6	14	50.6	35
Dominican Republic	9.5	1.0	11	2.8	29	5.7	60
Ecuador	23.4	8.3	36	6.4	27	8.7	37
El Salvador	8.4	4.6	55	2.6	31	1.2	14
Guatemala	9.7	.8	9	.4	3	8.5	88
Haiti	.9	.1	11	.2	22	.6	67
Honduras	7.7	4.7	61	1.6	21	1.4	18
Mexico	40.7	16.1	40	--	--	24.6	60
Nicaragua	2.6	1.7	65	.8	31	.1	4
Panama	6.8	1.9	28	1.4	21	3.5	51
Paraguay	26.3	17.6	67	3.0	11	5.7	22
Peru	92.3	18.9	20	32.0	35	41.4	45
Uruguay	76.6	16.7	22	9.4	12	50.5	66
Venezuela	74.1	41.0	55	20.2	27	12.9	18
	1,243.5	661.7	53	224.6	18	357.2	29

Table J. Nature of Trade within Latin America,
January-June 1948

(in millions of dollars)

	Turnover	Bilaterally balanced	%	Multilaterally compensable	%	Net Surplus Export or Import	%
Argentina	180.3	129.2	72	24.2	13	26.9	15
Bolivia	9.5	.6	6	--	--	8.9	94
Brazil	125.0	100.4	80	17.2	14	7.4	6
Chile	52.0	25.5	49	8.7	17	17.8	34
Colombia	12.8	.4	3	.2	1	12.2	95
Costa Rica	21.2	1.4	7	9.0	43	10.8	50
Cuba	.3	--	--	--	--	.3	100
Dom. Rep.	8.7	2.6	30	.2	2	5.9	68
Ecuador	1.8	--	--	1.0	56	.8	44
Guatemala	14.2	3.4	24	.4	3	10.4	73
Mexico	12.8	8.6	67	1.6	13	2.6	20
Paraguay	53.6	12.0	22	29.6	55	12.0	23
Peru	31.3	12.6	40	6.8	22	11.9	38
Uruguay	31.5	17.1	54	8.8	28	5.6	18
Venezuela							
Other L. A. countries	2.9	--	--	--	--	2.9	100
	557.9	313.8	56	107.7	19	136.4	25

EXPORTS

(Export figures)

	Argentina	Brazil	Chile	Colombia	Cuba	Ecuador	Dominican Republic	Mexico	Peru	Uruguay	Venezuela	Total
Belgium-Luxembourg	33	11	12	1	2	-	-	9	3	2	1	74
Czechoslovakia	6	2	1	1	-	-	-	1	-	2	-	13
Denmark	5	5	2	-	-	-	-	1	1	-	-	14
France	24	19	10	4	2	1	1	4	5	4	3	77
Germany	52	56	17	12	3	2	1	14	8	15	9	189
Italy	11	6	7	1	-	-	-	1	-	3	1	30
Netherlands	32	13	2	1	1	-	-	4	1	2	-	56
Norway	4	-	-	-	-	-	-	1	-	-	-	5
Portugal	1	2	-	-	-	-	-	-	-	-	-	3
Spain	2	-	1	-	-	-	-	-	-	-	-	4
Sweden	8	6	6	-	-	-	-	-	-	-	-	23
Switzerland	1	1	1	-	-	-	-	1	1	1	-	4
United Kingdom	144	26	33	-	1	-	-	17	14	16	-	283
Total	323	147	92	20	30	4	8	53	33	45	20	775

IMPORTS

(European export figures)

	Argentina	Brazil	Chile	Colombia	Cuba	Ecuador	Dominican Republic	Mexico	Peru	Uruguay	Venezuela	Total
Belgium-Luxembourg	24	9	1	1	1	-	-	1	1	1	2	41
Czechoslovakia	5	3	-	1	-	-	-	1	1	1	1	13
Denmark	1	2	3	-	-	-	-	-	-	-	-	7
France	21	9	2	2	2	-	-	4	1	1	3	45
Germany	60	65	25	17	4	3	-	19	13	15	15	236
Italy	22	5	4	1	1	-	-	2	1	3	2	41
Netherlands	7	4	1	1	1	-	-	1	3	1	2	21
Norway	2	1	-	-	-	-	-	-	-	1	-	5
Portugal	-	3	-	-	-	-	-	-	-	-	-	3
Spain	2	-	-	-	-	-	-	-	-	-	-	4
Sweden	9	4	2	1	1	-	-	2	-	1	-	20
Switzerland	8	4	1	1	1	-	-	2	-	1	-	20
United Kingdom	94	25	8	9	4	1	-	4	5	11	7	168
Total	255	134	47	34	18	4	-	36	26	36	34	624

Source: The Network of World Trade

Table L. Trade Balances between Latin American and European Countries, 1938
(millions of dollars)

(+) or (-) refers to countries of column head

	Argentina	Brazil	Chile	Colombia	Cuba	Ecuador	Dominican Republic	Mexico	Peru	Uruguay	Venezuela	European Balances	
												Gross (+)	Net
Belgium-Luxembourg	+9	+2	+11	-0	+1	--	--	+8	+2	+1	-1	34	-33
Czechoslovakia	+1	-1	+1	+0	--	--	--	+0	-1	+1	-1	3	0
Denmark	+4	+3	-1	--	--	--	--	+1	+1	--	-1	9	-7
France	+3	+10	+8	+2	+0	+1	+1	+0	+4	+3	+0	32	-32
Germany	-8	-9	-8	-5	-1	-1	-1	-5	-5	0	-6	1	+47
Italy	-11	+1	+3	+0	-1	--	--	-1	-1	+0	-1	4	+11
Netherlands	+25	+9	+1	+0	+0	--	--	+3	-2	+1	-2	39	-35
Norway	+2	-1	--	--	-1	--	--	+1	--	-1	--	3	0
Portugal	+1	-1	--	--	--	--	--	--	--	--	--	1	0
Spain	+0	--	+1	--	-1	--	--	--	--	--	--	1	0
Sweden	-1	+2	+4	-1	-1	--	--	-1	+1	+0	--	7	-3
Switzerland	-7	-3	+0	-1	+0	--	--	-2	-1	-1	-1	0	+16
United Kingdom	+50	+1	+25	-9	+16	+0	+6	+13	+9	+5	-1	125	-115
Gross (+)	95	28	54	2	17	1	8	26	17	11	0	+259	+108
Gross (-)	27	15	9	16	5	1	0	9	10	2	14		
Net Balance	+68	+13	+45	-14	+12	0	+8	+17	+7	+9	-14		+151

+0 = less than \$500,000.

-- = not recorded

Source: "The Network of World Trade".

Table M. Export Trade of Largest Latin-American Trading Countries with Specified European Countries - 1947
(In million of dollars)

Based on Latin-American Statistics, Unless Otherwise Indicated

	Argentina	Bra- zil	Chile	Colombia	Cuba	Dom. Rep.	Ecuador	Mexico	Peru	Uru- guay	Vene- zuela	Total
Belgium-Luxembourg	85.9	53.8	4.6	1.7	6.1	.6	1.2	5.8	1/4.6	11.1	1.0 1/	176.4
Czechoslovakia	5.0 1/	17.5	4.4	—	.3	—	—	.3	—	.3	.7 1/	28.5
Denmark	12.6	13.0	1.7	—	—	—	—	1.1 1/	.4	2.4	—	31.2
France	82.1	40.7	24.7	1.1	4.3	1.1	.3	21.0 1/	5.2	9.6	42.9 1/	233.0
Germany	8.7	.6	1.1	—	7.0	—	—	—	—	.8	—	18.2
Italy	80.5	27.5	12.2	.4	5.5	—	.8	1.3 1/	1.8	4.8	3.3 1/	138.1
Netherlands	76.9	38.3	3.9	2.2	8.2	1.6	.8	5.0 1/	2.6	13.2	10.0 1/	162.7
Norway	25.9	8.9	.7	—	—	—	—	.6 1/	—	.5	.6 1/	37.2
Portugal	17.4	14.1	.8	.2	—	—	—	1.6 1/	—	—	.2 1/	33.7
Spain	92.7	40.5	1.9	.1	6.7	.9	.05	2.3 1/	—	—	3.8 1/	148.5
Sweden	46.4	27.6	8.0	3.6	.8	.1	.2	4.8 1/	.8	9.8	10.2 1/	112.3
Switzerland	57.4	20.0	2.2	.4	5.9	.1	.1	—	3.5	7.5	2.3 1/	99.4
United Kingdom	484.1	89.3	29.6	1.7	133.2	34.5	.5	7.6	13.3	20.0	16.7 1/	830.5
Total	1,075.6	391.8	95.8	11.4	178.0	38.9	3.95	50.8	32.2	80.0	91.7	2,050.15

1/ European import figures reduced by 15%, as estimated shipping expenses.

Table N. Import Trade of Largest Latin-American Trading Countries with Specified European Countries - 1947
(In millions of dollars)

Based on European Export Figures

	Argentina	Brazil	Chile	Colombia	Cuba	Dominican Republic	Ecuador	Mexico	Peru	Uruguay	Venezuela	Totals
Belgium-Luxembourg	42.1	22.2	2.6	--	--	--	--	3.5	1.5	5.7	6.6	84.2
Czechoslovakia	11.9	5.5	.3	.3	.4	.2	.3	2.0	.5	1.1	2.3	24.8
Denmark	1.7	1.0	.1	.7	.2	--	.2	.3	.1	.8	1.0	6.1
France	33.4	25.6	3.0	4.9	2.9	.2	.6	5.5	.8	3.8	7.4	88.1
Germany	--	--	--	--	--	--	--	--	--	--	--	--
Italy	59.8	18.9	5.1	2.3	1.1	--	--	2.1	1.2	6.9	5.9	103.3
Netherlands	8.5	4.7	.6	1.7	.5	.1	.1	1.8	.4	1.6	3.8	23.8
Norway	9.3	7.2	1.2	0.9	3.7	--	.1	1.1	.9	.5	.3	25.2
Portugal	2.5	10.9	--	--	--	--	--	.9	--	--	0.7	15.0
Spain	15.0	3.5	3.7	.4	7.3	.2	--	3.0	.2	1.45	1.7	36.45
Sweden	53.1	27.8	6.0	6.9	4.4	--	.7	6.8	2.7	3.9	5.3	117.6
Switzerland	40.6	32.5	3.5	7.3	4.6	--	--	--	--	4.8	7.6	100.9
United Kingdom	140.6	70.2	15.0	12.4	6.9	1.0	4.7	11.9	9.3	16.4	32.4	323.8
Total	418.5	230.0	41.1	37.8	32.0	1.7	6.7	38.9	17.6	46.95	75.0	946.25

Table O. Trade Balances between Latin American and European Countries - 1947
(in millions of dollars)

(+) or (-) refers to Latin American countries

	Argentina	Brazil	Chile	Colombia	Cuba	Dominican Republic	Ecuador	Mexico	Peru	Uruguay	Venezuela	European Balances	
												Gross (-)	Net
Belgium-Luxembourg	43.8	31.6	2.0	1.7	6.1	0.6	1.2	2.3	3.1	5.4	-5.6	97.8	5.6
Czechoslovakia	-6.9	12.0	4.1	-3	-1	-2	-3	-1.7	-5	-8	-1.6	16.1	12.4
Denmark	10.9	12.0	1.6	-7	-2	-	-2	8	3	1.6	-1.0	27.2	-3.7
France	18.7	15.1	21.7	-3.8	1.4	0.9	-3	15.5	4.4	5.8	35.5	149.0	2.1
Germany (Bizone)	3.7	6	1.1	-	7.0	-	-	-	-	8	-	18.2	4.1
Italy	20.7	8.6	7.1	-1.9	4.4	-	8	-0.8	6	2.1	-	42.2	-
Netherlands	68.4	33.6	3.3	5	7.7	1.5	7	3.2	2.2	11.6	6.2	138.9	7.4
Norway	16.6	1.7	5	-9	-3.7	-	-1	5	-9	-	3	18.6	6.6
Portugal	14.9	3.2	8	2	-	-	-	1	-	-	-	19.2	5
Spain	77.7	37.0	1.8	-3	-6	7	0.5	-7	-2	-1.45	2.1	117.55	5.05
Sweden	-6.7	-2	2.0	-3.3	-3.6	1.1	-5	-2.0	-1.9	5.9	4.9	12.9	18.2
Switzerland	16.8	-12.5	-1.3	-6.9	1.3	1.1	1	-	3.5	2.7	-5.3	24.5	26.0
United Kingdom	343.5	19.1	14.6	-10.7	126.3	33.5	-4.2	-4.3	4.0	3.6	-15.7	544.6	34.9
Gross (+)	670.7	174.5	58.3	2.4	154.2	37.4	2.85	21.9	18.1	37.4	49.0	1,226.75	122.85
Gross (-)	-13.6	-12.7	-3.6	-28.8	-8.2	-0.2	-5.60	-10.0	-3.5	-4.35	-32.3		
Net Balance	657.1	161.8	54.7	-26.4	146.0	37.2	-2.75	11.9	14.6	33.05	16.7		1,103.9

Table P. Trade of Largest Latin American Trading Countries with Specified European Countries
January-June 1948

(in millions of dollars)

EXPORTS	Based on Latin American export figures, unless otherwise indicated											
	Argentina	Brazil	Chile	Colombia	Cuba	Dominican Republic	Ecuador	Mexico	Peru	Uruguay	Venezuela	Total
Belgium-Luxembourg	66.0	26.2	4.1	-	-	-	.9	.1	1.9	8.6	2.0	109.7
Czechoslovakia	7.3	1.0	5.2	-	-	-	.2	.1	.3	.3	.5	15.2
Denmark	11.5	6.8	.4	-	-	-	-	1.0	.3	-	-	20.0
France	57.9	8.5	9.0	.2	1.0	.2	-	5.5	.6	1.8	28.5	113.2
Germany (Bizone)	n.a.	7.0	.3	.0	-	-	.1	.8	.5	2.4	.8	10.35
Italy	125.7	17.8	6.7	.2	4.8	.1	.45	4.1	1.2	5.7	5.9	164.25
Netherlands	29.0	15.6	1.9	.5	7.5	.3	.6	.2	1.4	7.6	.3	74.4
Norway	3.8	6.4	-	-	1.5	-	-	.1	.2	.1	2.5	12.5
Portugal	14.4	2.3	-	-	-	-	.1	.4	.1	1.3	.4	21.1
Spain	68.7	10.8	1.1	.1	3.7	.6	-	1.4	-	-	7.4	86.7
Sweden	6.2	7.6	.6	1.1	2.2	-	-	2.6	1.3	1.0	1.1	29.1
Switzerland	52.8	6.2	1.8	.3	11.3	-	-	-	6.5	3.3	1.1	78.1
United Kingdom	198.4	44.2	10.1	1.1	50.1	19.6	.1	10.8	6.5	12.6	3.7	357.2
Total	641.7	160.5	41.2	3.45	82.1	20.8	2.45	27.3	14.6	44.7	53.1	1,091.9

Based on Euro zone export figures

Based on Euro zone export figures												
IMPORTS	Argentina	Brazil	Chile	Colombia	Cuba	Dominican Republic	Ecuador	Mexico	Peru	Uruguay	Venezuela	Total
Belgium-Luxembourg	31.1	13.7	1.0	-	-	-	-	-	.8	3.9	3.7	54.2
Czechoslovakia	3.7	4.1	.1	.25	-	-	.1	-	.4	.6	.8	10.05
Denmark	.5	.7	.1	.2	-	-	-	.1	-	.05	1.4	3.05
France	7.2	13.0	.8	2.1	1.6	.1	.4	1.1	.3	1.5	4.5	32.6
Germany (Bizone)	.3	.2	.05	.05	-	-	.2	.2	.05	.1	.1	1.05
Italy	36.8	10.9	1.2	2.1	.7	.05	.1	6.3	.4	3.1	5.0	66.75
Netherlands	3.8	2.6	.3	.7	.4	.1	.1	.9	.1	.5	2.5	12.0
Norway	2.7	3.0	.2	.4	1.4	-	-	.2	.1	.2	.2	8.4
Portugal	.7	5.2	-	-	-	-	-	.5	.1	.1	.9	7.5
Spain	3.9	1.9	1.4	.2	4.2	.1	-	1.0	.1	.2	.7	13.7
Sweden	30.7	11.8	2.0	3.5	2.2	-	.4	4.8	.8	2.1	2.8	61.1
Switzerland	15.3	19.5	1.1	4.6	2.6	-	-	-	-	1.6	4.8	49.5
United Kingdom	79.5	55.5	7.5	9.6	4.6	.6	1.8	7.9	4.2	13.3	25.1	209.7
Total	216.2	142.1	15.75	23.70	17.7	.95	3.0	23.0	7.45	27.25	52.5	529.6

... cost as estimated shipping expenses.

1/ European import figures reduced by 15 per cent as estimated shipping expenses.

Table Q. Trade Balances between Latin American and European Countries
January-June 1948

(in millions of dollars)

(+ or (-) refers to Latin American countries

	Argentina	Brazil	Chile	Colombia	Cuba	Dominican Republic	Ecuador	Mexico	Peru	Uruguay	Venezuela	Gross (-)	Gross (+)	Net
Belgium-Luxembourg	+ 34.9	+ 12.5	+ 3.1	--	--	--	+ 0.9	--	+ 1.1	+ 4.7	- 1.7	57.2	1.7	- 55.5
Czechoslovakia	+ 3.6	- 3.1	+ 5.1	- 0.25	--	--	+ 0.1	+ 0.5	- 0.2	- 0.3	- 0.3	9.3	4.15	- 5.15
Denmark	+ 11.0	+ 6.1	+ 0.3	- 0.2	--	--	--	+ 0.9	+ 0.3	- 0.05	- 1.4	18.6	1.65	- 16.95
France	+ 50.7	- 4.5	+ 8.2	- 1.9	- 0.6	+ 0.1	- 0.4	+ 4.4	+ 0.3	+ 0.3	+ 24.0	88.0	7.4	- 80.6
Germany	- 0.3	+ 6.8	+ 0.25	--	--	--	+ 0.1	- 0.2	+ 0.45	+ 2.3	- 0.1	9.9	0.6	- 9.3
Italy	+ 88.9	+ 6.9	+ 5.5	- 1.9	+ 4.1	+ 0.05	+ 0.25	- 5.5	+ 0.8	+ 2.6	- 4.2	109.1	11.6	- 97.5
Netherlands	+ 25.2	+ 13.0	+ 1.6	- 0.2	+ 7.1	+ 0.2	+ 0.5	+ 3.2	+ 1.3	+ 7.1	+ 3.4	62.6	0.2	- 62.4
Norway	+ 1.1	+ 3.4	- 0.2	- 0.4	+ 0.1	--	--	--	+ 0.1	- 0.1	+ 0.1	4.8	0.7	- 4.1
Portugal	+ 13.7	- 2.9	--	--	--	--	+ 0.1	- 0.1	--	+ 1.2	+ 1.6	16.6	3.0	- 13.6
Spain	+ 64.8	+ 8.9	- 0.3	- 0.2	- 0.5	+ 0.5	--	+ 0.4	- 0.1	- 0.2	- 0.3	74.6	1.6	- 73.0
Sweden	- 24.5	- 4.2	- 1.4	- 2.4	--	--	- 0.4	- 2.2	- 0.4	- 1.1	+ 4.6	4.6	36.6	+ 32.0
Switzerland	+ 37.5	- 13.3	+ 0.7	- 4.3	+ 8.7	--	--	--	+ 1.3	+ 1.7	- 3.7	49.9	21.3	- 28.6
United Kingdom	+ 118.9	- 11.2	+ 2.6	- 8.5	+ 45.5	+ 19.0	- 1.7	+ 2.9	+ 2.2	- 0.7	- 21.4	191.1	43.5	- 147.6
Gross (+)	+ 450.3	+ 57.6	+ 27.35	--	+ 65.5	+ 19.85	+ 1.95	+ 12.3	+ 7.85	+ 19.9	+ 33.7	+ 696.3		
Gross (-)	- 24.8	- 39.2	- 1.90	- 20.25	- 1.1	--	- 2.50	- 8.0	- 0.7	- 2.45	- 33.1		+ 134.0	
Net Balance	+ 425.5	+ 18.4	+ 25.45	- 20.25	+ 64.4	+ 19.85	- 0.55	+ 4.3	+ 7.15	+ 17.45	+ 0.6			+ 562.3

Table R. Nature of Trade between Latin America and Europe - 1938
(Percentage of Total Turnover)

	Bilaterally balanced	Multilaterally compensable	Net surplus export or import	
<u>Latin American Countries with Europe</u>				
Argentina	79	9	12	E
Brazil	85	11	4	E
Chile	55	13	32	E
Colombia	67	7	26	I
Cuba	54	21	25	E
Ecuador	75	25	--	
Dominican Republic	--	--	100	E
Mexico	61	20	19	E
Peru	54	34	12	E
Uruguay	84	5	11	E
Venezuela	<u>74</u>	<u>--</u>	<u>26</u>	<u>I</u>
		11	15	A
	74	15	11	B
<u>European Countries with Latin America</u>				
Belgium-Luxembourg	70	2	28	I
Czechoslovakia	77	23	--	
Denmark	48	19	33	I
France	74	--	26	I
Germany	88	1	11	E
Italy	73	11	16	E
Netherlands	44	10	46	I
Norway	40	60	--	
Portugal	67	33	--	
Spain	75	25	--	
Switzerland	33	--	67	E
Sweden	74	19	7	I
United Kingdom	<u>70</u>	<u>4</u>	<u>26</u>	<u>I</u>
		5	21	A
	74	15	11	B

A gives proportion of multilaterally compensable trade and net surplus without allowance for compensation among individual countries in each continent of their export and import surpluses in trade with the other continent.
B gives proportions taking these possibilities into account.

Table S. Nature of Trade between Latin America and Europe - 1947
(Percentage of Total Turnover)

	Bilaterally balanced	Multilaterally compensable	Net Surplus export or import
<u>Latin American Countries with Europe</u>			
Argentina	54	2	44 E
Brazil	70	4	26 E
Chile	55	8	37 E
Colombia	37	10	53 I
Cuba	23	8	69 E
Dominican Republic	7	1	92 E
Ecuador	18	55	27 I
Mexico	65	22	13 E
Peru	56	14	30 E
Uruguay	67	7	26 E
Venezuela	51	39	10 E
		6	39 A
	55	8	37 B
<u>European Countries with Latin America</u>			
Belgium	60	4	36 I
Czechoslovakia	46	46	8 I
Denmark	22	11	67 I
France	52	3	45 I
Germany	-	-	100 I
Italy	80	6	14 I
Netherlands	26	-	74 I
Norway	60	21	19 I
Portugal	60	2	38 I
Spain	34	5	61 I
Sweden	87	11	2 E
Switzerland	75	24	1 E
United Kingdom	50	6	44 I
		8	37 A
	55	8	37 B

A gives proportion of multilaterally compensable trade and net surplus without allowance for compensation among individual countries in each continent of their export and import surpluses in trade with the other continent.

B gives proportion taking these possibilities into account.

Table T. Nature of Trade between Latin America and Europe,
January-June 1948

(Percentage of Total Turnover)

	Bilaterally balanced	Multilaterally compensable	Net surplus export or import
<u>Latin American Countries with Europe</u>			
Argentina	45	6	49 E
Brazil	68	26	6 E
Chile	49	7	44 E
Colombia	25	--	75 I
Cuba	33	2	65 E
Dom. Rep.	9	--	91 E
Ecuador	18	71	1 I
Mexico	60	32	8 E
Peru	61	6	33 E
Uruguay	69	7	24 E
Venezuela	37	62½	½ E
		14	37 A
	49	16	35 B
<u>European Countries with Latin America</u>			
Belgium	64	2	34 I
Czechoslovakia	47	33	20 I
Denmark	12	14	74 I
France	35	10	55 I
Germany	8	10	82 I
Italy	48	10	42 I
Netherlands	27	½	72 I
Norway	74	7	19 I
Portugal	31	21	48 I
Spain	24	3	73 I
Sweden	54	10	36 I
Switzerland	44	33	23 I
United Kingdom	59	15	26 I
		13	38 A
	49	16	35 B

A gives proportion of multilaterally compensable trade and net surplus without allowance for compensation among individual countries in each continent of their export and import surpluses in trade with the other continent.

B gives proportion taking these possibilities into account.

Table U. Trade of Largest Latin American Trading Countries with Specified European Countries - 1948
(In millions of dollars)

Based on Export Figures, Unless Otherwise Indicated

	Argentina	Brazil	Chile	Colombia	Cuba	Dominican Republic	Ecuador	Mexico	Peru	Uruguay	Venezuela	Total
	Exp. 4/	Exp. 1/	Exp. 2/	Exp. 4/	Exp. Imp	Exp. 4/	Exp. 1/	Exp. 4/	Exp. 1/	Exp. Imp	Exp. 4/	Exp. Imp
Belgium-												
Luxembourg 1/3	88.8	57.4	6.4	-	10.4	-	1.5	-	7.3	16.9	3.8	175.5
Czechoslovakia	7.6	1.6	6.4	.5	-	-	-	1.1	.1	.7	1.4	27.4
Denmark	14.7	14.3	1.1	.5	-	-	-	.4	.7	.2	2.5	32.0
France 1/	20.8	28.2	21.9	3.8	20.0	.3	.7	9.2	2.9	5.6	34.3	175.9
Germany 1/	.6	11.6	1.2	n.a.	3.3	n.a.	-	n.a.	.6	3.4	n.a.	21.1
(Bizone)												2.9
Italy 1/	165.9	31.0	13.5	3.6	13.2	.3	.6	5.0	2.2	11.1	3.0	247.3
Netherlands 1/	88.0	30.4	4.5	.7	22.1	1.2	.1	9.4	3.3	12.8	9.9	183.4
Norway	3.4	11.6	.2	.6	3.2	-	-	.7	.3	2.6	.4	33.2
Portugal 2/	20.9	4.0	1.4	-	-	-	-	1.0	.1	1.2	6.1	15.9
Spain 2/	105.6	29.6	3.0	-	10.6	.8	.1	1.9	-	1.1	1.5	34.5
Sweden 1/	9.1	3.7	3.1	.4	8.0	.2	-	5.8	.6	4.5	1.6	158.1
Switzerland	43.9	20.1	1.4	6.4	2.1	-	1.0	8.2	2.9	2.4	4.9	76.1
United Kingdom	27.0	32.2	3.9	7.8	3.5	.3	.7	7.5	2.9	6.0	2.1	109.7
	213.0	105.6	23.3	176.4	83.7	22.1	4.0	16.7	28.2	23.2	10.4	736.9
Total	1,068.9	357.2	88.2	7.6	172.1	25.0	5.70	55.0	49.9	90.9	90.6	2011.1
	561.7	227.7	37.4	201.6	35.8	4.4	9.0	50.0	16.6	58.9	109.5	1312.6

1/ Projection of eleven months export figures

2/ Projection of ten months export figures

3/ Projection of eight months export figures

4/ European partners' import figure reduced by 15% as estimated shipping expenses

5/ Estimated figures based on official data for Guayaquil's trade which represents about 90% of total Ecuadorian Foreign Trade

6/ Latin American import figures reduced by 15% as estimated shipping expenses

Table V. Trade Balances between Latin American and European Countries - 1948
(in millions of dollars)

(+) or (-) refers to country in column head

		Argentina	Brazil	Chile	Colombia	Cuba	Dom. Rep.	Ecuador	Mexico	Peru	Uruguay	Venezuela	European Balance	
													Gross (-)	Net (+)
Belgium-Luxembourg	- 17.0	+ 34.1	+ 3.5	-	+ 7.4	-	-	-	-	+ 5.6	+ 7.5	- 4.2	58.1	21.2
Czechoslovakia	+ 9.2	- 5.8	+ 6.2	-	- .3	-	-	- .3	- .1	- .5	- .6	- .7	15.4	8.8
Denmark	+ 13.9	+ 12.7	+ .7	- .5	-	-	-	-	- .1	+ .6	+ .6	- 2.5	28.5	3.1
France	+ 33.0	+ 10.4	+ 20.1	- 3.5	+ 17.8	- .1	-	- .7	+ 6.8	+ 2.4	+ 1.8	+ 26.1	118.4	4.3
Germany	- .6	+ 11.0	+ 1.1	- .2	+ 3.2	n.a.	-	+ 1.0	- .5	+ .6	+ 3.0	- .4	19.4	1.7
Italy	+ 31.4	+ 12.0	+ 11.0	- 3.1	+ 11.5	- .2	-	+ 1.0	- 4.4	+ 1.2	+ 5.2	- 8.1	73.3	15.8
Netherlands	+ 77.0	+ 23.3	+ 3.8	- .7	+ 21.4	+ 1.0	-	+ .2	+ 7.6	+ 3.2	+ 11.1	+ 4.3	153.7	.7
Norway	+ 7.5	+ 4.9	- .6	- .6	+ .5	-	-	-	+ .1	-	+ .8	+ 3.1	18.5	1.2
Portugal	+ 19.7	+ 3.0	+ 1.3	-	-	-	-	-	- .2	-	-	+ 4.6	29.4	.2
Spain	+ 96.5	+ 25.9	+ .1	- .4	+ 2.6	+ .6	-	- .1	+ 3.9	-	- 3.4	+ 1.4	130.9	4.0
Sweden	- 16.3	+ 17.9	- 3.0	- 3.3	- 1.5	-	-	- .9	- 4.7	- .9	- 2.2	+ 10.3	28.2	32.8
Switzerland	+ 48.6	- 20.4	+ .8	- 6.7	- 1.9	- .1	-	- .6	- 5.1	- .1	+ 2.3	- 7.4	51.5	42.3
United Kingdom	+ 204.3	+ .5	+ 6.0	- 174.5	+ 75.6	+ 19.4	-	- 3.2	+ 1.7	+ 21.2	+ 3.7	- 45.4	332.4	223.8
Gross (+)	+ 541.1	+ 155.7	+ 54.5	-	+ 140.0	+ 21.0	+ 3.2	+ 3.2	+ 20.1	+ 34.8	+ 38.2	+ 49.8	+ 1,058.4	+ 359.9
Gross (-)	- 33.9	- 26.2	- 3.7	- 194.0	- 3.7	- .4	- 6.5	- 6.5	- 15.1	- 1.5	- 6.2	- 68.7	-	-
Balance	+ 507.2	+ 129.5	+ 50.8	- 194.0	+ 136.3	+ 20.6	- 3.3	- 3.3	+ 5.0	+ 33.3	+ 32.0	- 18.9	-	+ 698.5

APPENDIX II

Trade and Payments Agreements of Latin American Countries

Appendix II contains the main trade and payments agreements relevant to the subject matter of the present paper, entered into by Latin American countries among themselves and with certain European countries in the years 1946-1949. In a few cases, and for special reasons, references to earlier agreements have been included. In an effort to present clearly and comparably the main provisions of the agreements, they have been set out in tabular form. It should be pointed out that as the agreements are by means of a standard character, being very varied both in construction and subject matter, attempts at tabulation are bound to create difficulties.

The main common features of the agreements chosen for tabulation are provisions for bilateral financing of trade transactions, or for limiting the necessity for payments by means of compensation of specific quantities or values of goods exchanged. Even within this limited field the list of agreements is by no means complete. For various reasons many governments are reluctant to publish or make available to the Fund the detailed texts of the trade and payments agreements they conclude. The staff has therefore been obliged to gather some of its information from various other sources, official or otherwise. Any inaccuracies in the present summary, or in the main paper, which has also had to draw on these sources, may well be attributable to this circumstance.

The expression "payments agreement" has not been used in any strictly defined technical sense, but as a general term to cover any agreement dealing with the conditions attaching to current payments. Use of the term "clearing agreement" has been avoided because in post war conditions it has not yet acquired an unequivocal and generally acceptable meaning. In some cases the expression "clearing mechanism" or "clearing arrangement" has been used broadly to indicate arrangements by which foreign exchange payments are avoided by means of accounts, usually maintained in central banks, into which domestic importers pay and from which domestic exporters are reimbursed. The term "compensation agreement" has also been avoided because it has not at present a precise meaning; but "compensation mechanism" or "settlement by compensation" has been used where an exchange of goods of equal value is provided for, and the accounting is based on the principle that no cash settlement will be necessary.

1. Payments Agreements Between Latin American Countries 1946-1949

ARGENTINA

Partner Country	Date of Signature, Tenure & or Expiration Date	Currency	Credits in millions U.S. \$	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of Overdrawings, & b) Final Balances	Remarks
Bolivia 1/	3/26/47, 10/23/52	Arg. pesos	50 ⁴ / ₁₀	Argentine pesos	Cross-rate on the dollar	3 3/4%	b) Argentine pesos, gold, third agreed currency; Amortization in 10 semi-annual installments.	Exchange of products. Revolving credit for trade.
Supplement	7/26/48, 10/23/52			Dollars				Argentina to pay for tin in U.S. dollars
Brazil	10/22/48, 11/26/51, Renewable	Cruzeiros	650 ⁴ / ₁₀	Cruzeiros, single account	Cross-rate or the dollar	Balances less than 280 million no interest; 280 to 560 million 2%; above 560 million 2 3/4%.	In currency of creditor country, in gold, or third agreed currency, in two installments: 1st, one year after termination; 2nd, after 1 1/2 year	
Chile	3/23/48, Mar. 1949			Argentine pesos	Preferential rate of 401 Argentine pesos per dollar	Current rates in monetary market in Buenos Aires.	b) Repayment of Chilean trade indebtedness to Argentina, 40 Argentine pesos, in Mar. 1949.	Regulates repayment of debts incurred by Chile under the Economic Cooperation Treaty of 1946, not ratified.
Paraguay (and U.K.)	2/25/49, 7/31/50			Argentine pesos	As above	As above.	b) Partial payment; balance postponed to 7/31/50.	Gold guarantee of outstanding balance against currency devaluation.
	12/20/40 Indefinite; denounceable upon three months' notice			Argentine pe-sos and ster-ling.	Argentine pe-Sterling rates quoted in Buenos Aires			Tripartite Agreement. Purchase and sale of sterling between Argentina and Paraguay.

1/ Payments section of a comprehensive Treaty on "Economic Cooperation". 4/ R=reciprocal credit; U=unilateral credit

2/ Rate of Exchange 3.36 Argentine pesos per 1.00 U.S. dollar

3/ Parity: Cruzeiros 18.50 per dollar.

卷之四

1. Payments Agreements Between Latin American Countries 1946-1949

BRAZIL

Partner Country	Date of Signature, Tenure &/ or Expiration Date	Currency	Credits Equiv. in U.S. \$	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & b) Final Balances	Remarks
Argentina	10/22/48, 1951	Cruzeiros 650 R ¹	35.1	Cruzeiros, single account	Cross-rate on the dollar	a) Balance less than 280 mil. no interest; b) 280 to 560 mil. 2%; c) above 560 2½%	a) In currency of creditor country, in gold or 3rd agreed currency; b) As a); in two installments: 1st, 1 year after termination and 2nd, 1½ year after termination.	—
Chile	11/5/34, and modifications 1941. Indefinitely			Chilean pesos	Cross-rate on the dollar	—	b) In dollars	Clearing mechanism
	6/7/48, Indefinitely	U.S. \$ 3.23 R	3.23	Dollars	31 Chilean pesos and 18.50 cruzeiros per dollar.	¾ on old clearing account balances	a) in dollars. b) in dollars, within 1 year in case of denunciation.	Clearing mechanism.
Paraguay	5/11/46, 1951			Cruzeiro		¾ on old balances	In cruzeiros.	Settlement of accumulated balances and mechanism of current payments.

1/R Reciprocal Credit.

1. Payments Agreements Between Latin American Countries - 1946-1949

CHILE

Partner Country	Date of Signature, Tenure &/ or Expiration Date	Currency	Equiv. in US \$ (in millions)	Exchange Rate	Interest Provision	a) Settlement of Overdrawings, & b) Final Balances	Remarks
Argentina	3/23/48, Mar. 1949	Argentine pesos		Preferential rate of 401 Argentine pesos per dollar	Current rates in money market in Buenos Aires.	b) Repayment of Chilean trade indebtedness to Argentina, in Argentine pesos, in March 1949.	Regulates repayment of debts incurred by Chile under the Economic Cooperation Treaty of 1946, not ratified.
Brazil	11/5/34, and modifications 1941 Indefinitely 6/7/48, Indefinitely	Chilean pesos		Cross-rate on the dollar	—	b) In dollars	Clearing mechanism
	US\$ 3.23 R	Dollars	3.23	31 Chilean pesos and 18.50 cruzeiros per dollar	on old clearing account balance	a) In dollars; b) In dollars, within 1 year in case of denunciation	Clearing mechanism

COLOMBIA

Ecuador	4/4/49	Colombian pesos and sucres		Cross-rate on the dollar			Trade transactions to be paid in either currencies. Other payments, in dollars.
---------	--------	----------------------------	--	--------------------------	--	--	---

1. Payments Agreements Between Latin American Countries - 1946/1949

ECUADOR

Partner Country	Date of Signature, Tenure &/ or Expiration Date	Currencies (in millions)	Equiv. in U.S. \$	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of Overdrawings, & b) Final Balances		Remarks
Colombia	4/4/49			Colombian pesos and sucres	Cross-rate on the dollar	-	-	-	Trade transactions to be paid in either currency. Other payments, in dollars.
Argentina (and U.K.)	12/20/40, Indefinite. Denounce-able upon 3 months' notice.			Argentine pesos and sterling	Sterling rates as quoted in Buenos Aires 1	None	-		Tripartite Agreement. Purchase and sale of sterling between Paraguay and Argentina.
Brazil	1/7/44, Indefinite. Denounce-able upon 3 months' notice.			Argentine pesos	Sterling rates as quoted in Buenos Aires		Holdings of Paraguayan currency by the Argentine Central Bank, if any, should be redeemed in Argentine pesos quarterly.		Interbank agreements on negotiation of sterling.
	5/11/46, 1951			Cruzeiros		3 1/2% on old balances	In Cruzeiros		Settlement of accumulated balances and mechanism of current payments.

1/ At the present time, the Banco del Paraguay quotes sterling directly, without reference to the Argentine peso.

2. Trade Agreements^{1/} and Special Arrangements Between Latin American Countries - 1946-1949
ARGENTINA

Partner Country	Date of Signature & Tenure	Trade Arrangements	Settlement	Other Provisions	Remarks
Bolivia	3/26/47, 5 years	Exchange of products listed	Under payments agreements.	—	Trade section of a comprehensive treaty on "Economic Cooperation"
Brazil	11/29/46	Exchange of products listed	Under payments agreements	—	--
Supplement	4/30/47 5 years	Supply of Brazilian textiles	Under payments agreements	—	Textile Agreement.
Colombia	12/17/48 3 years	Barter of products to the value of \$150 million	By compensation	Port facilities in Colombia for Argentine ships	--
Costa Rica	10/14/48 1 year	Barter of wheat for alcohol	By compensation	—	--
Ecuador	8/5/46 3 years	Barter of yearly quantities of raw rubber for wheat	By compensation	—	--
Peru	8/12/48 4 years	Barter of wheat for petroleum to the value of about \$40 mil.	By compensation	Interest at the rate of 3% on balances in the compensation account. Final balance, if any, shall be settled within 6 months after termination.	Other trade transactions continue to be governed by regular system of payment between Argentina and neighboring countries
Venezuela	2/13/48 2 years	Barter of petroleum for meat, to the value of \$100 million.	By compensation	—	Other trade transactions continue on dollar basis.

^{1/} Excluding agreements for tariff reduction and "most-favored-nation" treatment.

2. Trade Agreements and Special Arrangements Between Latin American Countries - 1946/1949

BOLIVIA

Partner Country	Date of Signature	Trade arrangements	Settlement	Other Provisions	Remarks
Argentina	3/26/47 5 years	Exchange of products listed	Under payments agreement	--	Trade section of treaty on "Economic Cooperation"
Brazil	5/17/47 6 years	Supply of Brazilian textiles	Regular system of payment	--	"Textile Agreement"
<u>BRAZIL</u>					
Argentina	11/29/46 5 years	Exchange of products listed	Under payments agreement	--	--
(Supplement)	4/30/47 5 years	Supply of Brazilian textiles	Under payments agreement	--	"Textile Agreement"
Bolivia	5/17/47 6 years	Supply of Brazilian textiles	Regular system of payments	--	"Textile Agreement"
Chile	12/27/46 6 years	Supply of Brazilian textiles	Under clearing agreement	--	"Textile Agreement"
	7/4/47	Exchange of products listed	Under clearing agreement	Special facilities for marketing of nitrate in Brazil	Agreement on Economic Cooperation
Paraguay	1/16/47 6 years	Supply of Brazilian textiles	Under payments agreement	--	"Textile Agreement"
Uruguay	12/27/47 6 years	Supply of Brazilian textiles	Regular system of payments	--	"Textile Agreement"
<u>CHILE</u>					
Brazil	12/27/46 6 years	Supply of Brazilian textiles	Under clearing agreement	--	"Textile Agreement"

2. Trade Agreements and Special Arrangements Between Latin American Countries - 1946/1949

CHILE (cont.)

Partner Country	Date of Signature & Tenure	Trade arrangements	Settlement	Other Provisions	Remarks
Brazil	7/4/47	Exchange of products listed	Under clearing agreement	Special facilities for marketing of nitrate in Brazil	Agreement on Economic Cooperation.
Argentina	12/17/48 3 years	Barter of products to the value of \$150 million	<u>COLOMBIA</u> By compensation	Port facilities in Argentina for Colombian ships.	--
Argentina	10/14/48 1 year	Barter of wheat for alcohol	<u>COSTA RICA</u> By compensation	--	--
Argentina	8/12/48 4 years	Barter of wheat for petroleum to the value of about \$40 million	<u>PERU</u> By compensation	Interest at the rate of 3% on balances in the compensation account. Final balance, if any, shall be settled within 6 months after termination.	Other trade transactions continue to be governed by regular system of payment between Argentina and neighboring countries
Argentina	2/13/48 2 years	Barter of petroleum for meat, to the value of \$100 million	<u>VENEZUELA</u> By compensation	--	Other trade transactions continue on dollar basis
Brazil	12/27/46 6 years	Supply of Brazilian textiles	<u>URUGUAY</u> Regular system of payments	--	"Textile Agreement"

C.3. Trade and Payment Agreements Between Latin American and European Countries. 1946-1949

ARGENTINA

Partner Country	Date of Signature, Term & Expiration Date	Currency	Credits (in millions)	Equiv. in U. S. \$	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & b) Final Balances	Remarks
Belgium-Luxembourg	5/14/46, 1 year and renewable	Arg. pesos 110	R ^{2/}	32.7	Belgian francs	Cross-rate on the dollar	1 1/2% on balances above 20 million B fr. After termination, 2 1/2%	Gold or third agreed currency, within three years	Exchange of products listed.
Czechoslovakia	7/2/47, 12/31/51	"	20 R	6.0	Czech. koruna\$, single account	Cross-rate on the dollar	3%	Gold or third agreed currency. Annual settlement.	Exchange of products listed.
(modification)	9/28/48, 12/31/51	"	50 R	14.9	As above	As above	Balances up to 20 million Argentine pesos interest free; excess 3%	Gold or third agreed currency. Final settlement after Dec. 31, 1951	--
Denmark	12/14/48, 1953	DKr	40 R	8.3	Danish kroner	As above	--	In dollars.	Exchange of products listed. Settlement of accounts partly in Danish currency and partly in dollars.
Finland	3/10/47, 12/31/52	Arg. pesos 75	U	22.3	U.S. dollars	--	3 1/2%	a) in dollars b) 1) Gold, dollar or 3rd agreed currency; 2) Alternative, amortization of 10% of balance semiannually.	Exchange of products listed. Alternative b) 2) involves 4 1/2% interest
	7/8/47, 12/31/52	US\$	18.3 U	18.3	U.S. dollars		3 1/2%	Same as above	Same as above

1/ Rate of exchange used for the Argentine peso 3.36 to the dollar (the basic buying rate for exports).

2/ R=reciprocal credit. U=unilateral credit granted by Latin American partner.

3. Trade and Payment Agreements Between Latin American and European Countries. 1946-1949

Argentina (cont.)

Partner Country	Date of Signature, or Expiration Date	Currency	Credits	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of Overdrawings & b) Final Balances	Remarks
France	7/23/47, 12/31/51	Arg. pesos 600 U	178.6	French franc, single account	Cross-rate on the dollar	a) Up to 150 mil. Arg. pesos, French Treasury rate on 3 months' bonds; b) 2-3/4% on the balance in excess of that amount; c) 3% on the total balance from 1950 on.	a) Gold or 3rd agreed currency; b) 1) as a; 2) Amortization in 6 equal semi-annual installments	Exchange of products listed.
Hungary	7/14/48, 1952	-	-	U.S. dollars	-	-	-	Exchange of products listed. Payments in dollars, except 40% of goods sold to Argentina under list "A" which may be paid in sterling, Belgian franc Dutch guilders and dollars held under "Convenio Argentina-Italy", in equal proportions.
" (Modification)	12/6/48, 1952	US\$ 3 R	3---	U.S. dollars	-	3%	In dollars, gold, or 3rd agreed currency.	Clearing mechanism, except List "A" to be paid in dollars.
Italy	10/13/47, 12/31/52	Arg. pesos 350 U	104.2	U.S. dollars	-	2-3/4%	a) In dollars b) Argentine pesos or Italian securities, within 25 years	Exchange of products listed. Unblocking of assets Revolving Credit for current transactions. Agreement includes provision for long-term loan of 350 million pesos.

3. Trade and Payment Agreements Between Latin American and European Countries. 1946-1949

Argentina (cont.)

Partner Country	Date of Signature, Renewal &/or Expiration Date	Credits Currency (in millions)	Equiv. in U.S. \$	Currency of Accounts	Exchange Rate	Interest Provision	Settlement of overdrawings, & final balances	Remarks
Netherlands	3/18/48, 12/31/52	Arg. pesos 235 (110 R 125 U)	69.9	Guilders, two accounts	Cross-rate on the dollar	2-3/4% on unilateral credit	a) in gold, dollar or 3rd currency; b) Balance of reciprocal account, to be amortized in gold, dollars, or 3rd currency; no provision for final payment of unilateral credit.	Exchange of products listed. Unilateral credit to finance purchase of ships by Argentina.
Poland	12/7/48	US\$ 5 R	5.--	Dollars	As above	a) Up to a balance of \$2 million, interest free; b) 3% above that amount.	a) In gold or dollars; within six months after Dec. 1951. b) Gold or free currency	Exchange of products listed. Trade equilibrium sought.
Romania	10/10/47, 7/31/50	U.S.\$ 25 U	25.--	Dollars	As above	3 1/2%	a) In gold or dollars; b) Gold or free currency	Exchange of products listed. Deposit of Rumanian gold as guarantee.
Spain	10/30/46 12/31/52	Arg. pesos 350 U	104.2	Argentine pesos	As above	2-3/4%	a) No provisions; b) Argentine pesos or Spanish securities, final settlement, within 25 yrs	Exchange of products listed. Revolving credit. Agreement include provision for long-term loan of 400 million pesos.
	4/9/48	Arg. pesos 1,400 U	416.7	Argentine pesos, annually converted in- pesetas.	As above	2-3/4%	b) Investments in Spain; final settlement within 10 years.	Revolving credit.

9. Trade and Payment Agreements between Latin American and European Countries. 1946-1949
Argentina (cont)

Partner Country	Date of Signature, Renewal &/or Expiration Date	Credits Currency (in millions)	Equity, in U.S.\$	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrafts, & b) Final Balances	Remarks
Spain (Modification)	3/25/49 12/31/51							Guarantee against devaluation of peseta balances in terms of gold.
Sweden	11/22/48, 12/1/53	SKr 50 R	13.9 1/2	Swedish kronor	Cross-rate on the dollar, and pound sterling	a) None when balance does not exceed 20 mil.; b) 2% above that amount.	a) In sterling; b) In sterling; exceptionally, in goods.	Exchange of products listed.
Switzerland	1/20/47, 12/31/51	Unlimited U			Cross-rate on the dollar	-	b) Goods, Swiss francs; Argentine pesos; 3rd agreed currency, or gold.	Exchange of products listed. No provisions for current payments. Central Banks authorized to establish suitable mechanism.
	8/19/47 12/31/51	(Sw fr. 40) $\frac{2}{U}$	(10.-)	Swiss franc, single account	Cross-rate on the dollar			Switzerland agreed to make available 2 million Swiss francs monthly for Argentine current payments.

1/ Official selling rate: 3.6 Swedish kronor per dollar
2/ In favor of Argentina against her grant of unlimited credit to Switzerland. Rate of Exchange Sw fr. 44 per dollar.

Inter-bank Agreement. Argentina entitled to ask for conversion of her Swiss franc holdings into gold or other currency.

3. Trade and Payment Agreements between Latin American and European Countries. 1946-1949

Argentina (cont.)

Partner Country	Date of Signature, Tenure & Expiration Date	Credits		Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & Final Balances b) Schedule of release of Argentine balances	Remarks
		Currency	Equiv. in U.S.\$ (in millions)					
United Kingdom	9/17/46, 1950	-	-	Sterling	Cross-rate on the dollar	2%	b) Release and disposal of Argentine balances, including financing of railways purchase.	Exchange of products listed. Replaced by "Andes Agreement".
	3/19/48, 3/31/49	-	-	Sterling	Cross-rate on the dollar	2%	70% outright barter; 33% of Yugoslavian purchases to be paid in dollars; any balance to be paid off annually.	"Andes Agreement" Exchange of listed products. New agreement under negotiation.
Yugoslavia	6/7/48, 12/31/51			U.S. dollars	Rates according to type of transaction			Exchange of listed products.
	8/23/48, 12/31/51			U.S. dollars				
Spain				<u>BOLIVIA</u>				
	2/25/48, 1951	US\$ 1 R	1.0	U.S. dollars	-	None	With merchandise, 6 months after termination of agreement	Exchange of products listed. Barter basis. Compensation account.

BRAZIL

Partner Country	Date of Signature, Tenure &/or Expiration Date	Credits		Currency	Equiv. in U. S. \$	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & b) Final Balances	Remarks
		Currency (in millions)								
Belgium-Luxembourg	5/17/46, 5/17/48, Renewable	B fr 990 (U) 1/	22.7 2/	B fr single account			Cross-rate on the dollar	Current rate on 3 months Belgian bonds	a) Gold or U.S. dollars; b) Gold or U.S. dollars, within 3 years.	Exchange of products listed. The "unilateral credit" was granted in a protocol by which Brazil undertook not to request reimbursement up to 1 billion B fr. Not ratified by Brazil though the credit was used up under provisory enforcement. Unblocking of assets.
Czechoslovakia	10/16/46, 10/1948 Renewable	US\$ 20 (U)	20.-	Koruna, single account.			Cross-rate on the dollar	%	b) 20% annual amortization beginning on 1/1/52, in gold, dollars, or 3rd agreed currency.	Exchange of products listed.
"(Modificatory)	10/1948			As above			As above	%	b) Repayment to be made with 50% of Czech exports to Brazil, to start immediately	
Denmark	3/23/46, 3/23/48	DKr 10 (R)	2.1	Kroner and cruzeiros, semi-annual conversion into sterling			Cross-rate on sterling	-	In sterling	Capital transfers excluded.
"(Renewal and modification)	9/30/48, 3/24/50	DKr 15 (R)	3.15	Dollars			DKr 4.799 per dollar	a) None on balance up to 7.5 DKr. b) 2% on the excess.	In dollars	The balance under previous agreement to be paid in sterling.

1/ U=unilateral credit granted by Latin-American partner; R=reciprocal credit.
2/ Cruzeiro's parity 18.5 per dollar

3. Trade and Payment Agreements Between Latin American and European Countries. 1946-1949

Brazil (cont.)

Partner Country	Date of Signature, Tenure &/or Expiration Date	Credits		Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & b) Final Balances	Remarks
Finland	6/26/46, 6/1/51	U.S.\$ 10	U	Dollars	--	4%	a) In dollars; b) In dollars, amortization plan, 10 years	Exchange of products listed.
France	3/8/46, 3/8/48	(U.S.\$ 19.32)	U	Franc, two accounts	20 cruzeiros per dollar; dollar-franc cross rate on sterling.	--		Exchange of products listed. Formation of a "Liquidation Fund" to redeem Brazilian Public Debt to France.
(modification)	3/1/48, March 1950	U.S.\$ 15.--	U	Fr. single account	Cross-rate on the dollar	--	a) In dollars; b) In dollars; 4 semi-annual installments.	Revolving credit. Reduced by the 1948 agreement.
Germany (Bizone)	July 1948	--	--	Dollars	--	--	In dollars	Compensated trade on dollar basis.
Hungary	5/30/48 Annually renewable	--	--	Dollars	--	--	In dollars	Compensated trade on dollar basis.
Netherlands	9/1/48	--	--	Cruzeiros, single account	Cross-rate on the dollar	--	b) Balance if any, to be paid in dollars.	Clearing mechanism with provision for balanced trade.
Norway	3/1948 Indefinite	--	--	Cruzeiros	As above	--	In goods or cruzeiros	Barter of codfish for coffee. Compensation mechanism
Poland	12/17/48, Indefinite	--	--	Dollars	--	--	--	Payments in dollars.

3. Trade and Payment Agreements Between Latin American and European Countries. 1946-1949

Brazil (con't)

Partner Country	Date of Signature, Tenure &/ or Expiration Date	Currency (in millions)	Credits Equiv. in U. S. \$.	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & b) Final Balances	Remarks
United Kingdom	2/46, 4 years	-	-	Standing		$\frac{1}{2}\%$ on account "B"	---	Exchange of products. Released quotas of frozen sterling and organization of current payments mechanism.
	6/47							Brazil became transferable account.
	5/21/48 4/1/51			Sterling	Cross-rate on the dollar	$\frac{1}{2}\%$ on account "A"		New payments and financial arrangements. Administrative transferability.
<u>CHILE</u>								
France	11/25/48, 1949, renewable	-	-	Dollars	-	-	---	Free dollars for copper and nitrates trade. Dollars of restricted use for other items.
Germany (Western Zone)	2/17/49, 1 year	-	-	Dollars	-	-	In dollars, if any.	Exchange of products, payments in dollars.
United Kingdom	6/24/48, 3 years	-	---	Sterling	Cross-rate on the dollar	-	-	Makes Chile a sterling "Transferable Account" country.
<u>COLOMBIA</u>								
Finland	3/24/49, 1 year	-	-	Dollars	-	-	In dollars, if any.	Compensated exchange of products. Barter on dollar basis.
Netherlands	3/29/49, 1 year	-	-	Dollars	-	-	In dollars, if any.	Compensated exchange of products. Barter on dollar basis.
Sweden	12/31/48	-	-	Dollars	-	-	In dollars, if any.	Exchange of products partly compensated on a barter basis; partly paid in dollars.

3. Trade and Payment Agreements Between Latin American and European Countries. 1946-1949

MEXICO

Partner Country	Date of Signature, Tenure &/ or Expiration Date	Currency (in millions)	Credits Equiv. in U.S. \$	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & b) Final Balances	Remarks
Czechoslovakia	8/19/47 Denounceable upon 3 months' notice	Mex. pesos 8 R ¹ / ₂	1.7 ² / ₂	Single koruna account	Based on parities reported to IMF	None on working balances; $\frac{3}{8}$ on final balances	a) In merchandise, creditor currency, gold, or 3rd agreed currency; b) In bonds of public debt $\frac{3}{8}$ interest; to be amortized in creditor currency, gold or 3rd agreed cy., 5 yrs.	Clearing system.
Spain	9/25/47; 3 years, renewable	" " 30 R	6.2	Mexican pesos, Pesetas	2.2577 pesetas per peso; 3.3814 pesetas per peso for certain operations	None on working balances; $\frac{3}{8}$ on final balances.	a) In merchandise, creditor currency, gold or 3rd agreed currency; b) In bonds of public debt $\frac{3}{8}$ interest; to be amortized in creditor currency, gold or 3rd agreed cy.; 3 yrs.	Clearing system, compensated every 2 months. One account for each rate of exchange. The second rate is applied to family remittances and tourists expenditures.
1/ R-Reciprocal credit 2/ Rate: 4.86 Mexican pesos per 1.00 U.S. currency.								
United Kingdom	7/20/48, 1950	-	-	Sterling	<u>PERU</u> Cross-rate on the dollar	--	Sterling	Withdrawal of Peru from "American Accounts" group.

3. Trade and Payment Agreements Between Latin American and European Countries. 1946-1949

PARAGUAY

Partner Country	Date of Signature, Tenure &/ or Expiration Date	Currency (in millions)	Credits Equiv. in U.S.\$ (in millions)	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & b) Final Balances	Remarks
United Kingdom	7/1940 1/ Indefinite. Renewable	--	--	Sterling	Based on sterling quotations in Buenos Aires	--	--	Payments mechanism
United Kingdom (and Argentina)	12/20/40 1/ Indefinite; denounceable upon three months' notice.	--	--	Argentine pesos	As above	--	--	Tripartite Agreement for purchase and sale of sterling between Paraguay and Argentina.

1/ Earlier agreement included because provisions are still in force.

URUGUAY

Belgium-Luxembourg	8/14/46, 1947. Indefinite-ly, renewable	B fr 45 5	1/ U 1.35 R 0.35	Belgian franc, single ac- count	Cross-rate on the dollar	--	a) In gold or dollars; b) Balance may be used for payments within the debtor country. Remainder shall be paid in gold or dollars, with- in one year.	Exchange of products listed.
Czechoslovakia	1/2/47, 2/15/48, Renewable.	US\$ 1	R 1.-	Single Czech koruna ac- count	As above	--	In gold, dollars, 3rd agreed currency, or merchandise. Time of settlement: one year.	Exchange of products listed.
(supplement)	2/15/47							

1/ R-reciprocal credit; U-unilateral credit granted by Latin-American partner.

3. Trade and Payment Agreement Between Latin American and European Countries. 1946-1949

URUGUAY

Partner Country	Date of Signature, Tenure &/ or Expiration Date	Currency	Credits	Currency of Accounts	Exchange Rate	Interest Provision	a) Settlement of overdrawings, & b) Final Balances	Remarks
France	9/17/46, 1949	Urug. pesos	6 U (in millions)	French francs	Cross-rate on the dollar	--	a) In gold, dollar, or 3rd agreed currency; b) Balance used for payments within debtor country. (no other alternative)	Exchange of products listed.
Germany (Western Zone)	10/26/48			Dollars			In goods or dollars	Exchange of products listed. Compensated trade. Clearing mechanism on dollar basis.
Italy	2/26/47, 12/31/47, Renewable	Urug. pesos	3 U	Uruguayan pesos and Italian lire	As above	--	a) In freely disposable currency; b) No provision	Exchange of products listed. Unblocking of assets, current payments in freely disposable exchanges.
Netherlands	7/19/47, 1948, renewable 7/15/48 annually renewable	Guil-ders	0.25 R	Single guilder account	As above		In gold, or U.S. dollars	--
United Kingdom	7/15/47, 1952	-	-	Sterling	As above	1% on Frozen account	In gold, or U.S. dollars	Exchange of products listed.
	4/10/48	-	-		As above	-		Release of quotas from accumulated balances; earmarking of blocked balance for capital transactions. "Meat pact"

1/ Rate: 1.519 Uruguayan pesos per dollar.

