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ECONOMIC COMMISSION FOR LATIN AMERICA

Trade Committee

Fourth Session

Santiago, Chile, 9 to 13 November 1964

SUMMARY RECORD OF THE TWENTY-THIRD MEETING

Held at ECLA Headquarters, Santiago, Chile, on
Tuesday, 10 November 1964, at 4.20 p.m.

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Trade in manufactures and semi-manufactures

PRESENT:

<u>Chairman:</u>	Mr. SECAIRA	(Guatemala) (Second Vice-Chairman)
<u>Rapporteur:</u>	Mr. LOZADA	Venezuela
<u>Members:</u>	Mr. BECERRA	Argentina
	Mr. GUITTON	Brazil
	Mr. SUMMERS	Canada
	Mr. PINTO	Chile
	Mr. RODRIGUEZ	Colombia
	Mr. SANCHO	Costa Rica
	Mr. GARCIA INCHAUSTEGUI	Cuba
	Mr. MARTINEZ MORAZA	Dominican Republic
	Mr. YEROVI	Ecuador
	Mr. BRUNEAU	France
	Mr. MENDEZ ESCOBAR	Guatemala
	Mr. MOLINA	Honduras
	Mr. HENRIQUEZ	Kingdom of the Netherlands
	Mr. GARCIA REYNOSO	Mexico
	Mr. NAVAS	Nicaragua
	Mr. JIMENEZ BARRETO	Paraguay
	Mr. SILVA	Peru
	Mr. FORD	Trinidad and Tobago
	Mr. KENNEDY	United Kingdom of Great Britain and Northern Ireland
	Mr. WEINTRAUB	United States of America
	Mr. AGUIRRE	Uruguay

ALSO PRESENT:

Observers from a State Member of the United Nations, not a member of the Commission, attending in a consultative capacity

Mr. MERAN Hungary

/Representatives of

Representatives of inter-
governmental organizations

Miss DELHAYE	European Economic Community
Mr. FRAGUIO	Inter-American Committee on the Alliance for Progress, and Organization of American States
Mr. OPAZO	Latin American Free-Trade Association

Representative of a non-
governmental organizationCategory B:

Mr. YAÑEZ	Centre for Latin American Monetary Studies (CEMLA)
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Secretariat:

Mr. MAYOBRE	Executive Secretary, Economic Commission for Latin America
Mr. Alfonso SANTA CRUZ	Deputy Executive Secretary, Economic Commission for Latin America
Mr. VALLES	Secretary of the Commission
Mr. MENDEZ	Secretary of the Trade Committee

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

(a) EVALUATION OF THE RESULTS OF THE CONFERENCE (continued)(b) LATIN AMERICA'S TRADE POLICY AFTER THE CONFERENCE (continued)

The CHAIRMAN said that, since none of the specific proposals on commodity trade announced at the previous meeting had yet been presented, some of the representatives might wish to comment in general on the United Nations Conference on Trade and Development. Afterwards, the Secretary of the Committee would make a statement concerning trade in manufactures and semi-manufactures.

Mr. HENRIQUEZ (Kingdom of the Netherlands) thanked the Executive Secretary for the welcome he had extended in his opening statement to the countries of the Caribbean area, which included part of the Kingdom of the Netherlands: the Netherlands Antilles and Surinam. The combined efforts of the Netherlands, a highly industrialized country, and of Surinam and the Netherlands Antilles, which were developing countries, facilitated the latter's progress towards industrialization. But the advances achieved by developing countries would depend, as stressed in the documents approved at the Geneva Conference, as much on their own close co-operation as on aid from the developed countries. The developing world should work towards the removal of trade barriers and the full utilization of their human potential to their mutual advantage. The speaker concluded by expressing his Government's deep interest in the work of the Conference on Trade and Development and its desire to take a constructive part in the future activities of the Conference.

Mr. BRUNEAU (France) voiced the interest felt by France in the activities of the Trade Committee. He reminded the meeting that France had long been seeking solutions for the trade and economic growth problems of the developing countries. At the Geneva Conference, his country's delegation had put forward proposals to that effect, such as the suggestion that trade in basic commodities should be remodelled through market organization, a system whereby prices could be stabilized at an appropriate level, with the resultant benefits for the producer countries. It had also been responsible for the proposal that the developed countries should

devote 1 per cent of their national income to promote the growth of the developing countries. France's interest in Latin America had been amply evidenced by President De Gaulle's recent tour of the countries of the region.

TRADE IN MANUFACTURES AND SEMI-MANUFACTURES

Mr. MENDEZ (Secretariat), referring to the document presented by the secretariat of the Economic Commission for Latin America and containing an analysis of the results of the United Nations Conference on Trade and Development and the prospects for Latin America deriving therefrom (E/CN.12/C.1/21), drew attention to the part of the study which indicated possible lines of action for the Latin American countries in respect of trade in manufactures and semi-manufactures. Although at the Conference the chief aim of the developing countries in that field - the establishment of a preferential system for their exports of manufactures and semi-manufactures - had not been fully satisfied, further efforts should be made in that direction. An appropriate opportunity for the countries in question to re-state their points of view, study alternatives and seek solutions for the problems arising out of a generally applicable system of preferences in favour of their manufactured products would be afforded by the discussion of the report which the Secretary-General of the United Nations was to request from a special group of government experts, to be set up under the terms of the relevant recommendation adopted at the Geneva Conference.

The decisions adopted to facilitate access to markets also had their promising aspects. In order to reap the benefit of the favourable prospects thus offered them, the Latin American countries could take further action through the General Agreement on Tariffs and Trade (GATT) so as to secure a reduction of the tariffs imposed by the industrialized countries and of other restrictions affecting the developing countries' trade in the products that were in the best position to compete openly on the world market. To that end, schedules of goods that they were interested in exporting should be drawn up, and everything possible should be done to promote the extension of the benefits obtained or ultimately obtainable,

on a basis of non-reciprocity, to all the developing countries, whether they were or were not members of GATT.

The Latin American countries might likewise concert sectoral agreements between them and the centrally-planned economies, as specified in a draft recommendation adopted at Geneva. For that purpose, it would be desirable that, with the assistance of the Economic Commission for Latin America and in accordance with the relevant procedure established by the Trade and Development Board, a thorough study should be made of extant complementarity agreements and of the types of industry that were best calculated to benefit by such arrangements, and that the countries concerned should communicate to one another the pertinent data obtained and co-ordinate their action accordingly.

The promotion and expansion of exports of Latin American manufactures and semi-manufactures to the market economies was equally advisable, on the lines recommended at the Geneva Conference, and after elimination of the obstacles and difficulties encountered by such products in the internal markets of the developed countries. The scope of the commitment whereby the centrally-planned economies had undertaken at the Conference to increase their industrial imports from the developing countries would have to be clarified and defined, and the desirability of multilateralism in trade between the two groups of countries would have to be urged.

Mr. KENNEDY (United Kingdom) alluded to the measures recently adopted by the Government of the United Kingdom to cope with the country's considerable trade imbalance. They included the imposition of a 15 per cent duty on imports from all countries, including those of the British Commonwealth. That surcharge was a temporary expedient, and would be abolished as soon as circumstances permitted, although for the moment a definite date could not be fixed. On no account should the measure be regarded as representing the abandonment of the British Government's liberal trade policy or a return to the protectionist system. The inescapable fact was that the United Kingdom's payments system had to be established on a sound footing, as a prerequisite for the continuance of the country's capital contributions and technical assistance to the developing countries.

Mr. VALDES

Mr. VALDES (Secretariat) said that the secretariat would be happy to collaborate with delegations that were studying specific proposals for presentation to the Trade Committee. That would be a means of preventing possible duplication of effort, and the subsequent discussion of such proposals by the Committee would thus be facilitated.

The CHAIRMAN, in reply to a question put by the representative of Cuba, said that the Trade Committee had not decided to set up working groups for the study of specific points or the formulation of proposals, although it had been announced at a previous meeting that some delegations were jointly considering recommendations that they wished to submit to the Committee.

The meeting rose at 4.55 p.m.

