

UNITED NATIONS

ECONOMIC  
AND  
SOCIAL COUNCIL



GENERAL

E/CN.12/682  
29 April 1963

ENGLISH  
ORIGINAL: SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA

Tenth Session

Argentina, Mar del Plata, May 1963

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Note by the secretariat

## UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

The United Nations has decided to convene an international Conference on Trade and Development, which will be held towards the middle of 1964. The Conference is being organized in compliance with resolution 1785 (XVII) of the General Assembly and resolution 917 (XXXIV) of the Economic and Social Council.<sup>1/</sup>

This Conference will undoubtedly arouse great interest in the States members of the Commission. The relation between Latin America's foreign trade and its economic development has been stressed in several documents being presented at the tenth session of the Commission, and particularly in two: Towards a Dynamic Development Policy for Latin America (E/CN.12/680) and The Economic Development of Latin America in the Post-War Period (E/CN.12/659).<sup>2/</sup>

The analyses presented in the foregoing documents bear eloquent witness to the decisive influence of the external sector on the rate of development of the Latin American economies, and to the difficulties arising in this connexion. Ever since the secretariat carried out its

---

<sup>1/</sup> The text of both resolutions is given in Information Document N° 1.

<sup>2/</sup> Other documents on questions of trade prepared for the tenth session are as follows: Trade with Europe and Latin American Trade Policy. Note by the secretariat (E/CN.12/667); Recent Developments and Trends in Latin American Trade with the European Economic Community (E/CN.12/631); The Achievement of Co-ordination in Latin American Trade Policy: Relations with the European Economic Community (E/CN.12/632); The Progress achieved by the Free-Trade Area and the Prospects for Latin American Economic Integration (E/CN.12/668); Multilateral Economic Co-operation in Latin America, Vol. I (E/CN.12/621), United Nations publication, Sales N°: 62.II.G.3; General Situation and Future Outlook of the Central American Integration Programme. Note by the secretariat (E/CN.12/666; E/CN.12/CCE/265/Rev.1); Report of the Third Special Session of the Central American Economic Co-operation Committee (E/CN.12/657; E/CN.12/CCE/268/Rev.1); Report of the Fourth Special Session of the Central American Economic Co-operation Committee (E/CN.12/658; E/CN.12/CCE/262/Rev.1); Report of the Eighth Session of the Central American Economic Co-operation Committee (E/CN.12/672; E/CN.12/CCE/303/Rev.1).

earliest studies, emphasis has been laid on this point, and on the concomitant need to keep the terms of trade at a satisfactory level, to obtain external aid, and to diversify exports, as well as to create a dynamic internal development policy, mainly on the basis of import substitution.

While the replacement of imports by domestic production gradually proceeded, and some countries achieved significant progress in respect of industrialization, balance-of-payments problems persisted, and in some instances were aggravated. It became clearer than ever that if the internal effort which had produced so many practical results were not to lose its momentum, a remodelling of the structure of foreign trade was absolutely essential. ECLA embarked upon a diligent study of the possibilities for the economic integration of the region, as a means of securing an over-all expansion of trade, import substitution at the multinational level, and an industrial costs structure more consistent with the eventual need to compete in the world markets. These efforts on the part of the Commission did much to promote the formation of the Central American Common Market and the Latin American Free-Trade Association.

The continuance of the secretariat's work on the relationship between international trade and economic development, in which the documents mentioned at the beginning of the present Note mark the attainment of a new milestone, has still more strongly underlined the urgency of the need to improve the Latin American countries' external position. The conclusion has been reached that substitution efforts will encounter more and more difficulties, and that in consequence the rate of economic development will be affected, unless external purchasing power improves substantially.

To achieve this, special conditions must be fulfilled, many of which will be discussed at the world trade conference. What is needed is not merely to expand the region's traditional export trade on sound bases and to secure footholds in new markets, but also to encourage exports of those manufactured and semi-manufactured goods in which Latin America can specialize because of the relative advantages it enjoys, and to press forward with all speed towards regional integration. Latin America's percentage share in world trade has been steadily dwindling. Given a well-directed effort, and given, too, the co-operation of the developed countries, the region could regain, and even improve upon, its former position.

/The following

The following is the provisional agenda adopted at the first session of the Preparatory Committee of the Conference:

I. Expansion of International Trade and its Significance for Economic Development

1. A review of trends in the world trade and its perspectives;
2. Trade needs of developing countries for their accelerated economic growth;
3. International trade and its relations with national development planning, policies and institutions;
4. Trade problems between countries:
  - (a) at similar level of development;
  - (b) at different stages of development;
  - (c) having different economic and social systems.
5. Principles governing international trade relations and trade policies conducive to development.

II. International Commodity Problems

1. Review of the long-term trends and prospects for primary commodity producers (including terms of trade).
2. Programme of measures and actions for the removal of obstacles (tariff, non-tariff and other) and of discriminatory practices and for expansion of market opportunities for primary commodity exports and for increases in their consumption and imports in developed countries.
3. Measures and actions for the promotion of trade in primary commodities among developing countries.
4. Measures for stabilization of primary commodity markets at equitable and remunerative prices including commodity arrangements.
5. International compensatory financing and measures for stabilization of primary export earnings at adequate levels.

III. Trade in manufactures and semi-manufactures

1. Measures and action for diversification and expansion of the exports of manufactures and semi-manufactures by developing countries with a view to increasing their share in world trade.
2. Measures for the expansion of markets of the developed countries for exports of manufactures and semi-manufactures of developing countries;
  - (a) Programme of measures and actions for the progressive reduction and elimination of tariffs on imports of manufactures and semi-manufactures;

- (b) Programme of measures and actions for the progressive reduction and elimination of quantitative and other restrictions and discriminatory practices to imports of manufactures and semi-manufactures;
  - (c) Programme of measures and actions for the expansion of market opportunities for exports of manufactures and semi-manufactures produced in developing countries and for increases in their consumption and imports.
3. Measures and actions for promotion of trade in manufactures and semi-manufactures among the developing countries.

IV. Improvement of the invisible trade of developing countries

- 1. Role of invisibles in the balance of payments of developing countries.
- 2. Measures for improving the invisible trade of developing countries through increasing receipts for services such as tourism and reducing payments for transportation, insurance and similar charges.

V. Implications of regional economic groupings

- 1. Implications for trade and development of developing countries of economic groupings of developed countries and/or preferential trading arrangements;
- 2. Implications for trade and development of developing countries of economic groupings in developing areas and/or preferential trading arrangements.

VI. Financing for an expansion of international trade

- 1. Importance of medium and long-term financing for trade of developing countries.
- 2. Co-ordination of trade and aid policies, including technical assistance, for accelerated economic development.
- 3. Measures for increasing the volume and improving the terms of financing for the promotion of the exports of developing countries and their imports of essential commodities and capital equipment.

VII. Institutional arrangements, methods and machinery to implement measures relating to the expansion of international trade

- 1. A reappraisal of the effectiveness of the existing international bodies dealing with international trade in meeting trade problems of developing countries, including a consideration of the development of trade relations among countries with uneven levels of economic development and/or different systems of economic organization and trade.

2. The advisability of eliminating overlapping and duplication by co-ordination or consolidation of the activities of such bodies, of creating conditions for expanded membership and of effecting such other organizational improvements and initiatives as may be needed, so as to maximize the beneficial results of trade for the promotion of economic development.

#### VIII. Final Act.

Resolution 917 (XXXIV) of the Economic and Social Council, in conformity with which it was decided to convene the United Nations Conference on Trade and Development, requests the Secretary-General, with the assistance of the regional economic commissions, the specialized agencies and other related international organizations, to prepare appropriate documentation and proposals for such a conference. The Preparatory Committee of the Conference, which held its first session at United Nations Headquarters from 22 January to 5 February 1963, stated that the co-operation of the regional economic commissions would be required in the preparation of the background documents, and, in particular, that case studies for each region should be carried out on certain subjects. It was also suggested, at the same session, that the documentation should be analysed by the competent organs of the regional commissions.

In considering the provisional programme drawn up by the Preparatory Committee of the Conference, ECLA might decide to contribute to the documentation additional studies to be prepared by the ECLA secretariat for the United Nations Conference on Trade and Development, in compliance with the request for co-operation formulated in resolution 917 (XXXIV) of the Economic and Social Council.

The Conference now in course of preparation offers the Latin American countries an opportunity to put forward, at the international level, problems and ideas with which they have been concerned for some considerable time.