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EXECUTIVE SECRETARY'S NOTE ON TRADE STUDIES AND MEETINGS OF
TRADE EXPERTS

The Resolution on Foreign Trade (E/1330/Rev.1, page 43), adopted by the Second Session at Havana on 10 June 1949, provided that:

"When, in the opinion of the Executive Secretary, the trade studies have reached a sufficiently advanced stage, he may call informal meetings of experts to be nominated by governments; it being understood that the meetings will be held after the member governments concerned have had opportunity to study the material prepared by the Executive Secretary."

It was planned to have a meeting of trade experts two or three months in advance of the Third Session, which was originally scheduled for the second half of 1950. Because the date of this Session was moved forward to June, it has not been possible to prepare the relevant documents far enough in advance for a meeting of experts. Furthermore, as the Secretariat proceeded with its analysis of the trade problem it became evident that further study was necessary and that various elements of the problem might be better dealt with on a different basis than contemplated when the resolution was passed by the Second Session.

The studies which have been prepared by the Secretariat and which are now presented to the Third Session attempt, among other things, to

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/analyze certain

analyze certain of the basic trade problems of the Latin American countries.

These may be listed as follows:

- a) The Economic Survey analyzes the long-term trends of exports and imports in relation to economic development. It shows that the rate of increase of population and economic activity (manifested in real income) has been greater than that of the capacity to import and thus has been an important factor towards persistent disequilibrium.
- b) The role of foreign investments needed to supplement imports of capital goods out of current receipts is discussed in a series of studies on the economic and legal status of foreign investments in a number of Latin American countries.
- c) The breakdown of the multilateral trading system presents the Latin American countries with the serious problem of inconvertibility, which has been solved only in part through bilateral agreements. The Secretariat paper on trade trends and policies shows that the inability to settle trade accounts multilaterally has affected intra-regional trade as well as that with Europe.
- d) The report on trade policy attempts to present the basic issues of commercial policy facing certain of the Latin American countries. These countries have felt obliged to apply quantitative controls in order to reduce the propensity to import; the clear implication of their experience is that other countries may have to do likewise unless more suitable solutions are found. In the last analysis these countries must find means for increasing their exports in order to satisfy their increasing import requirements and foreign obligations.

/The Secretariat

The Secretariat proposes to continue these studies 1/ in an effort to provide a better basis for an understanding and solution of these problems. The possibility of expanding trade within the region would seem to offer one of the best fields for investigation. It is suggested to make an intensive survey of individual products which might become specialties for trade within the region and would therefore lead to complementary development as between countries insofar as these products are concerned. A study of this nature would necessarily be limited to a few products and would have to be based on an exploratory survey in order to determine the best prospects. There may be an opportunity for certain industries in each country to specialize on a few items which could be sold in other Latin American countries, thus enabling them to introduce "assembly line" methods of production, to lower costs, and maintain high quality. The Secretariat is aware that the governments themselves are working on this problem but it feels that expert assistance in analyzing quality, markets, and other aspects of specialization might be useful to the governments. In this connection there are also possibilities of developing highly specialized products for the North American market.

The Secretariat is also of the opinion that a joint study by the Secretariats of the Economic Commission for Europe and this Commission may be of value in an effort to expand trade between Latin America and Europe. There would appear to be two areas in which the two Secretariats

1/ The Secretariat has collected a considerable amount of data on trade which have not yet been fully analyzed or presented in any of its reports.

/might collaborate:

might collaborate: a) commodity studies covering availabilities and market information; and b) specific problems of specifications, delivery dates, credit and payments. The Executive Secretary therefore proposes to consult with the Executive Secretary of the Economic Commission for Europe regarding such a study.

If the suggested work programme in the field of foreign trade were to be approved by the Third Session, the Executive Secretary would wish to retain the authority to call meetings of experts with the understanding that such a meeting or meetings might include as few as two or three experts to consider a particular item or topic, as may be deemed advisable.