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LETTER DATED 29 AUGUST 1960 FROM THE SECRETARY GENERAL OF THE
ORGANIZATION OF AMERICAN STATES ADDRESSED TO THE SECRETARY-GENERAL
OF THE UNITED NATIONS, TRANSMITTING THE FINAL ACT OF THE SEVENTH
MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS

I have the honour to send you herewith a copy of the Final Act of the Seventh Meeting of Consultation of Ministers of Foreign Affairs.

In accordance with paragraph 2 of resolution II contained in the said Final Act, I request you to transmit the text thereof to the Security Council of the United Nations.

I have the honour to be, etc.

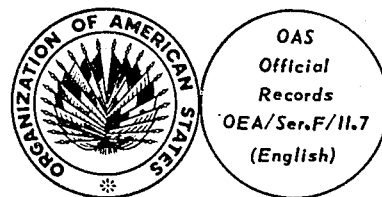
(Signed) José A. MORA
Secretary General

ORGANIZATION OF AMERICAN STATES

SEVENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS

San José, Costa Rica

August 1960



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SEVENTH MEETING OF CONSULTATION
OF MINISTERS OF FOREIGN AFFAIRS

FINAL ACT

San José, Costa Rica

August 1960

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FINAL ACT OF THE SEVENTH MEETING OF CONSULTATION
OF MINISTERS OF FOREIGN AFFAIRS

The Seventh Meeting of Consultation of Ministers of Foreign Affairs, was held in the city of San José, Costa Rica, from August 22 to August 29, 1960. The Meeting was convoked, at the request of the Government of Peru, by means of a resolution approved by the Council of the Organization of American States on July 18, 1960.

The following Members, listed in the order of precedence determined by lot, attended the Meeting:

UNITED STATES OF AMERICA:	The Honorable Christian A. Herter Secretary of State
BOLIVIA:	His Excellency Eduardo Arze Quiroga Minister of Foreign Affairs and Worship
VENEZUELA:	His Excellency Ignacio Luis Arcaya Minister of Foreign Affairs
HAITI:	His Excellency Raymond Moyses Secretary of State for Foreign Affairs and Worship
MEXICO:	His Excellency Manuel Tello Secretary of Foreign Affairs
PANAMA:	His Excellency Miguel J. Moreno, Jr. Minister of Foreign Affairs
PARAGUAY:	His Excellency Raúl Sapena Pastor Minister of Foreign Affairs
URUGUAY:	His Excellency Homero Martínez Montero Minister of Foreign Affairs

BRAZIL: His Excellency Horacio Lafer
Minister of Foreign Affairs

PERU: His Excellency Raúl Porrás Barrenechea
Minister of Foreign Affairs

ARGENTINA: His Excellency Diógenes Taboada
Minister of Foreign Affairs and Worship

GUATEMALA: His Excellency Jesús Unda Murillo
Minister of Foreign Affairs

ECUADOR: His Excellency Neptalí Ponce Miranda
Special Delegate

COLOMBIA: His Excellency Julio César Turbay Ayala
Minister of Foreign Affairs

CUBA: His Excellency Raúl Roa García
Minister of Foreign Affairs

NICARAGUA: His Excellency Alejandro Montiel Anguello
Minister of Foreign Affairs

CHILE: His Excellency Enrique Ortúzar Escobar
Minister of Foreign Affairs

EL SALVADOR: His Excellency Alfredo Ortiz Mancía
Minister of Foreign Affairs

HONDURAS: His Excellency Andrés Alvarado Puerto
Minister of Foreign Affairs

COSTA RICA: His Excellency Alfredo Vargas Fernández
Minister of Foreign Affairs

The Dominican Republic was not represented at the Meeting.

The Meeting was also attended by His Excellency José A. Mora, Secretary General of the Organization of American States.

In accordance with a decision taken at the preliminary session, His Excellency Marco Tulio Zeledón, Secretary General of the Organization of Central American States, also attended the Meeting as a Special Guest.

The Government of the Republic of Costa Rica designated the Minister of Foreign Affairs, His Excellency Alfredo Vargas Fernández, as Provisional President and he was elected Permanent President by acclamation at the first plenary session, held on August 22.

In accordance with the Regulations, the Government of the Republic of Costa Rica appointed Mr. Alvar Antillón Salazar, Director of the Department of International Organizations of the Ministry of Foreign Affairs, as Secretary General of the Meeting.

In accordance with the provisions of the Charter of the OAS, the Agenda of the Meeting was prepared by the Council of the Organization and approved thereby at the meeting held on August 8, 1960. The Agenda comprised four topics, as follows:

- I. Strengthening of continental solidarity and of the inter-American system especially in the face of threats of extracontinental intervention that might affect them.
- II. Inter-American cooperation, in accordance with the principles and standards set forth in the Charter of the Organization of American States, for the defense of democratic American institutions against the subversive activities of any organization, government, or its agents, directed against the said institutions.
- III. Consideration of the economic and social factors that give rise to political instability in the Hemisphere and intensification of collective action to promote a raising of the standard of living of the underdeveloped regions in the Americas.
- IV. Consideration of the international tensions existing in the Caribbean region, in order to assure harmony, unity, and peace in the Americas.

The Meeting was governed by the Regulations of the Meeting of Consultation of Ministers of Foreign Affairs, approved by the Council of the Organization at the meeting held on March 1, 1951, to which were added temporary provisions applicable to the Seventh Meeting of Consultation, by a resolution approved by the Council on August 8, 1960.

Pursuant to the Regulations a Credentials Committee, composed of Bolivia, Panama, and Paraguay, was appointed.

Likewise, pursuant to the Regulations a Coordinating and Style Committee was appointed, composed of the United States of America, Haiti, Brazil, and Guatemala.

Pursuant to the provisions of the aforementioned temporary provisions applicable to the Meeting, a General Committee, composed of all the members, was entrusted with consideration of the matters to be discussed and the submittal of its conclusions to a plenary session for approval. His Excellency Julio César Turbay Ayala, Minister of Foreign Affairs of Colombia, was designated Chairman of the General Committee and His Excellency Andrés Alvarado Puerto, Secretary of Foreign Relations of Honduras, was designated as Rapporteur.

For the purpose of facilitating the work of the Committee, three working groups were established and charged with the study of the four topics of the Agenda of the Meeting:

- Working Group 1. Topics I and II. Panama and Peru were elected Chairman and Rapporteur, respectively.
- Working Group 2. Topic III. Bolivia and Brazil were elected Chairman and Rapporteur, respectively.
- Working Group 3. Topic IV. El Salvador and Mexico were elected Chairman and Rapporteur, respectively.

The closing session of the Meeting took place on Monday, August 29, 1960. At that session this Final Act was signed, in the Spanish language. The speakers at that session were His Excellency Alfredo Vargas Fernández, **Minister of Foreign Affairs** of Costa Rica and President of the Meeting of Consultation, who thanked the Foreign Ministers for coming, and His Excellency Neptali Ponce Miranda, Special Delegate of Ecuador who responded on behalf of all the delegation

As a result of its deliberations, the Seventh Meeting of Consultation of Ministers of Foreign Affairs approved the following resolutions:

I

THE DECLARATION OF SAN JOSE, COSTA RICA

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

1. Condemns emphatically intervention or the threat of intervention, even when conditional, from an extracontinental power in the affairs of the American republics and declares that the acceptance of a threat of extracontinental intervention by any American state jeopardizes American solidarity and security, wherefor the Organization of American States is under obligation to disapprove it and reject it with equal vigor.
2. Rejects, also, the attempt of the Sino-Soviet powers to make use of the political, economic, or social situation of any American state, inasmuch as that attempt is capable of destroying hemispheric unity and jeopardizing the peace and the security of the hemisphere.
3. Reaffirms the principle of nonintervention by any American state in the internal or external affairs of the other American states, and it reiterates that each state has the right to develop its cultural, political, and economic life freely and naturally, respecting the rights of the individual and the principles of universal morality, and as a consequence, no American state may intervene for the purpose of imposing upon another American state its ideologies or political, economic, or social principles.
4. Reaffirms that the inter-American system is incompatible with any form of totalitarianism and that democracy will achieve the full scope of its objectives in the hemisphere only when all the American republics conduct themselves in accordance with the principles stated in the Declaration of Santiago, Chile, which was approved at the Fifth Meeting of Consultation of Ministers of Foreign Affairs, the observance of which it recommends as soon as possible.
5. Proclaims that all member states of the regional organization are under obligation to submit to the discipline of the inter-American system, voluntarily and freely agreed upon, and that the soundest guarantee of their sovereignty and their political independence stems from compliance with the provisions of the Charter of the Organization of American States.
6. Declares that all controversies between member states should be resolved by the measures for peaceful solution that are contemplated in the inter-American system.

7. Reaffirms its faith in the regional system and its confidence in the Organization of American States, created to achieve an order of peace and justice that excludes any possible aggression, to promote solidarity among its members, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity, and their political independence, since it is in this Organization that the members find the best guarantee for their evolution and development.

8. Resolves that this declaration shall be known as "The Declaration of San José, Costa Rica."

II

AD HOC GOOD OFFICES COMMITTEE

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

To reiterate its faith in the effectiveness of the methods and procedures of pacific resolution of controversies as contemplated in the inter-American system,

RESOLVES:

1. To create an ad hoc committee composed of representatives at the highest level of the Governments of Venezuela, Mexico, Brazil, Colombia, Chile, and Costa Rica.
 - a. This Committee, at the request of the governments directly interested will facilitate, by clarifying the facts and extending its good offices, the settlement of controversies between American governments and will report to the Council of the Organization of American States.
 - b. The Secretary General of the Organization of American States shall furnish the Committee, in the American capital which serves as its site, with the services of a secretariat.
2. To authorize the Secretary General of the Organization of American States to transmit the text of this resolution to the Security Council of the United Nations.

III

ESTABLISHMENT OF A COMMITTEE BY THE COUNCIL OF
THE ORGANIZATION OF AMERICAN STATES

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

To transmit to the Council of the Organization of American States, for its study, the draft resolution presented by the Delegation of Argentina regarding the establishment of a committee by the said Council (Document 54).

IV

ELECTORAL PROCEDURES

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

To transmit to the Council of the Organization of American States the draft resolution presented by the Delegation of the United States entitled "Electoral Procedures" (Document 52).

V

ADDITIONAL PROTOCOL ON ECONOMIC ASSISTANCE TO THE
INTER-AMERICAN TREATY OF RECIPROCAL ASSISTANCE

HEREAS:

Economic security, which is indispensable to the progress of all the American peoples, is the best guarantee of the political security of the hemisphere and of the success of the joint effort of the American states for the maintenance of the peace of the hemisphere;

The obligation of economic cooperation among the American states is essential to the strengthening of hemisphere solidarity and the reinforcement of the inter-American system in the face of threats of intervention that might affect it politically or economically;

The solution to the problem of underdevelopment in the hemisphere is of vital interest to the collective security of the West;

In accordance with the basic concepts of Operation Pan America, the defense of the permanent values of Pan Americanism demands an unbreakable collective decision to revitalize economic cooperation;

At the Inter-American Conference for the Maintenance of Continental Peace and Security, held in Rio de Janeiro in 1947, the close relationship between the problems of economic security and those of collective security was evident;

That close relationship was expressed in Resolution IX of the Conference, which nevertheless did not accomplish the high purposes for which it was designed; and

The obligations undertaken by the American states under the Inter-American Treaty of Reciprocal Assistance cannot be effectively carried out by economically weakened countries,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

DECLARES:

That the advancement of the economic development of the American countries is inseparable from the system of continental security, and should be an essential part of the concept of the strategy of Western defense;

RECOGNIZES:

The urgent and essential need for the American countries to have an "Additional Protocol on Economic Assistance to the Inter-American Treaty of Reciprocal Assistance," which would make more explicit the obligations of economic cooperation set forth in the Charter of the Organization of American States and establish adequate means for their effective fulfillment, with a view to strengthening hemisphere solidarity and the inter-American system in the face of threats of intervention that might affect them; and

RESOLVES:

To entrust to the Council of the Organization of American States the preparation, in consultation with the governments, of a draft "Additional Protocol on Economic Assistance to the Inter-American Treaty of Reciprocal Assistance," with a view to strengthening continental solidarity and the inter-American system in the face of threats of intervention, having in mind the postulates and opinions expressed in the preamble to the present resolution;

VI

CONVOCATION OF A SPECIALIZED CONFERENCE OF PLENIPOTENTIARIES

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

To transmit to the Council of the Organization of American States the proposal presented by the Delegation of the Republic of Argentina entitled "Convocation of a Specialized Conference of Plenipotentiaries" (Document 10).

VII

ECONOMIC UNDERDEVELOPMENT AND POLITICAL INSTABILITY

HEREAS:

One of the purposes of the Organization of American States is to seek the solution to the political and economic problems of the hemisphere and to promote, by cooperative action, its economic and social development;

Economic underdevelopment is a preponderant factor in political and social instability;

The Fifth Meeting of Consultation declared that the stability of democracy, the safeguarding of human rights, the security of the hemisphere, and its preservation from the dangers that threaten the liberty and the independence of the American republics make necessary an increase in economic cooperation among them, in order to raise the standard of living of a rapidly expanding population;

The national and collective efforts made so far by the American peoples to eradicate underdevelopment have been insufficient, in view of which much more should be done in the future than has been done in the past; and

In the meeting that will open in Bogotá on September 5, 1960, within the framework of Operation Pan America, undertaken at the initiative of the President of Brazil, the representatives of the American republics will consider plans for a cooperation that will be more effective and more in accord with present needs,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

REITERATES:

The principles and purposes of Resolution XI of the Fifth Meeting of Consultation of Ministers of Foreign Affairs;

DECLARES:

That the elimination of economic underdevelopment, which is a collective responsibility of the member states, is essential to the attainment of political stability;

That it is necessary to intensify inter-American economic cooperation by a substantial increase of existing resources and the improvement and the adaptation of the agencies devoted to the said cooperation, or by the possible creation of new ones appropriate to the urgent problems of underdevelopment; and

RESOLVES:

1. To recommend to the governments of the member states that they make a maximum effort to ensure hemisphere cooperation in the struggle against economic underdevelopment.

2. To recommend to the governments of the member states that they pledge their maximum efforts to making a success of the forthcoming meeting of the Special Committee to Study the Formulation of New Measures for Economic Cooperation (Committee of Twenty-one), which on the basis of the work of the Subcommittee of Nine, will be held in Bogotá within the framework of Operation Pan America.

VIII

LIMITATION OF ARMAMENTS

HEREAS:

The Fifth Meeting of Consultation of Ministers of Foreign Affairs agreed in Resolution XIII to urge the governments of the American states to study the problem of military expenditures in order that, should these be excessive in relation to the requirements of national and hemispheric defense, they might gradually and progressively reduce them;

On April 6 the Government of Chile presented for consideration by the Council of the Organization of American States a proposal that a specialized conference, which it called "Limitation and Balance of Armaments," be convoked; and

The abovementioned proposal is an outgrowth of the basic principles of the Charter of the Organization of American States that set forth peace and solidarity as standards of harmonious relationships between the states and provides for the pacific solution of disputes,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

DECLARES:

That an agreement to the effect that expenditures be avoided for armaments that are not essential to the noble mission that the armed forces are called upon to perform with respect to the preservation of internal order in each country, the defense of the territorial integrity, and the actual demands of continental defense, would in many countries free considerable financial resources, which would increase the funds available for the economic and social development of Latin America; and

RESOLVES:

To transmit to the Council of the Organization of American States the text of this resolution, recommending that it continue to consider with the greatest interest and urgency the necessary measures for the convocation, as soon as possible, of a specialized conference on the subject.

IX

SPECIALIZED CONFERENCE FOR THE ESTABLISHMENT OF
AN INTER-AMERICAN ORGANIZATION FOR
ECONOMIC COOPERATION

WHEREAS:

It is advisable to study the creation of a specialized organization that would, in a permanent manner and within the system of the Organization of American States, have as its purpose the carrying out of measures designed for the full achievement of continental economic cooperation,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

To transmit to the Special Committee to Study the Formulation of New Measures for Economic Cooperation (Committee of Twenty-one), for consideration, the draft resolution presented by Argentina to the Seventh Meeting of Consultation of Ministers of Foreign Affairs under the title "Specialized Conference for the Establishment of an Inter-American Organization for Economic Cooperation" (Document 22, Appendix 1).

X

REQUEST THAT THE SECRETARY GENERAL OF THE OAS TRANSMIT
TO THE COMMITTEE OF TWENTY-ONE THE DRAFT RESOLUTIONS PRESENTED
BY THE DELEGATIONS OF BOLIVIA, THE UNITED STATES, AND COSTA RICA

WHEREAS:

Proposals of an economic nature have been presented to the Seventh Meeting of Consultation of Ministers of Foreign Affairs by the delegations of Bolivia, the United States, and Costa Rica, which call for measures and plans of an economic nature in the field of hemisphere economic cooperation;

The Special Committee to Study the Formulation of New Measures for Economic Cooperation (Committee of Twenty-one), established by the American governments to determine the nature and the scope of the measures necessary to inter-American economic cooperation, is to open on September 5 next; and

The Committee of Twenty-one is, therefore, the most appropriate entity to evaluate and discuss directly the specific proposals presented to the Seventh Meeting of Consultation,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

To take cognizance of those proposals and to request the Secretary General of the Organization of American States to take the necessary steps to transmit to the Committee of Twenty-one, for consideration, the aforesaid proposals presented to the Seventh Meeting of Consultation. (Docs. 51, 23, 28, appendices 2, 3 and 4).

XI

VOTE OF THANKS

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

1. To express to His Excellency Mario Echardi, the President of the Republic of Costa Rica, its appreciation for the cordial hospitality of the Government and the people of Costa Rica and for all the attentions and courtesies extended to the Members of the Meeting.
2. To congratulate His Excellency Alfredo Vargas Fernández, the Minister of Foreign Affairs of Costa Rica, for his wise and intelligent guidance of the deliberations of the Meeting and for the effective collaboration of the personnel of his Ministry.
3. To express to Dr. José A. Mora, and to all those who collaborated with him, its appreciation for the organization of this Seventh Meeting of Consultation.
4. To thank Mr. Alvar Antillón Salazar, Secretary General of the Meeting, and all the personnel of the Secretariat of the Meeting, for their efficient collaboration.
5. To extend its thanks to the press of the hemisphere for the efficient services it has rendered to the Meeting.

XII

VOTE OF APPRECIATION

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

To render a vote of thanks to His Excellency the Minister of Foreign Affairs of Colombia, Doctor Julio César Turbay Ayala, the Chairman of the General Committee, for the equanimity and tact with which he directed the discussions of the General Committee of the Seventh Meeting of Consultation of Ministers of Foreign Affairs.

XIII

PREPARATION OF THE FINAL ACT

HEREAS:

The preparation of the Final Act of this Meeting in the four official languages requires careful coordination, which cannot be accomplished in the limited time available,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

1. To prepare the Final Act of this Meeting for signature in only one of the official languages of the Meeting.
2. To request the Council of the Organization of American States to designate a committee of four of its members, representing the four official languages of the Organization, to supervise the translation and the coordination of the texts of the Final Act in the other three official languages of the Organization.
3. To authorize the Council to approve the said texts, which shall be considered to be official texts of the Final Act and which shall be integral parts thereof as signed by the Ministers of Foreign Affairs of the American Republics.
4. All official texts of the Final Act shall be equally authentic.

STATEMENTS

Statement of Mexico

Regarding the Declaration of San José, Costa Rica, the Delegation of Mexico wishes to make it a matter of record that, in voting in favor of the said Declaration, it has done so with the following understanding:

The Delegation of Mexico believes that, in reaffirming that each state has the right to develop its cultural, political, and economic life freely and naturally, it has removed even the most remote possibility that that inseparable attribute of sovereignty which is the right of self-determination can be impugned, even theoretically.

The Delegation of Mexico is also of the opinion that the principle of nonintervention--the irreplaceable basis of peace and understanding among states--has been strengthened very effectively.

Finally, the Delegation of Mexico is convinced that this is a resolution general in character, for all the member states of the Organization and that in no way is it a condemnation or a threat against Cuba, whose aspirations for economic improvement and social justice have deepest sympathy of the Government and the people of Mexico.

Statement of Guatemala

The Delegation of Guatemala, in voting in favor of the Declaration of San José, Costa Rica, does so in an eminently American spirit, although it is convinced that the action of the Government of the Republic of Cuba in adopting a policy disposed toward the Soviet Union and contrary to the inter-American system is jeopardizing the peace and the security of America, and that the American states would have been justified in assuming a stronger attitude in order to protect the interests of the hemisphere, in compliance with the Charter, agreements, and resolutions of the Organization of American States.

IN WITNESS WHEREOF, the Ministers of Foreign Affairs sign the present Final Act.

DONE in the city of San José, Costa Rica, on August twenty-ninth, nineteen hundred sixty. The Secretary General shall deposit the original of the Final Act in the Archives of the Pan American Union, which will transmit authenticated copies thereof to the governments of the American republics.

FOR THE UNITED STATES OF AMERICA

FOR BOLIVIA

FOR VENEZUELA

FOR HAITI

FOR MEXICO

FOR PANAMA

FOR PARAGUAY

FOR URUGUAY

FOR BRAZIL

FOR PERU

FOR ARGENTINA

FOR GUATEMALA

FOR ECUADOR

FOR THE DOMINICAN REPUBLIC

FOR COLOMBIA

FOR CUBA

FOR NICARAGUA

FOR CHILE

FOR EL SALVADOR

FOR HONDURAS

FOR COSTA RICA

Appendix 1
Doc 22 (English)
24 August 1960
Original: Spanish

SPECIALIZED CONFERENCE FOR THE ESTABLISHMENT OF AN
INTER-AMERICAN ORGANIZATION FOR ECONOMIC COOPERATION

Draft Resolution presented by the Delegation of Argentina

(Topic III of the Agenda)

WHEREAS:

One of the essential purposes assigned to the Organization of American States by its Charter with a view to giving effect to the principles on which it is founded and fulfilling its regional obligations under the Charter of the United Nations, is to promote, by cooperative action, the economic, social, and cultural development of the member states;

The Fourth and Fifth Meetings of Consultation of Ministers of Foreign Affairs have recognized the need for intensifying economic cooperation and technical assistance between the member states, in order to preserve representative democracy, defend human rights, and safeguard the security of the hemisphere;

The measures adopted to date within the inter-American system for encouraging the economic and social development of Latin America have been limited in relation to the magnitude of the development needs of a majority of the countries;

Present needs of economic and social development of Latin America, obviously unequal and unbalanced with respect to the rest of the Western world, require an exceptional effort to intensify economic cooperation and preserve political solidarity among all the members of the Organization;

Such collaboration should be provided by those members that are in the best position to give assistance and aid to national development programs, including support in international credit institutions and with the countries of Western Europe;

It is essential in view of the fact that existing Pan American agencies are not now adequate for a solution of the economic and social problems that must be solved, that the proposed cooperative effort be carried out through a specialized organization capable of consultation, coordination, and the promotion of development and trade, with full technical and administrative autonomy within the Organization; and

The work of the Special Committee to Study the Formulation of New Measures for Economic Cooperation should be considered in establishing such an agency,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

1. To convoke, through the Council of the Organization of American States, under the terms of Article 93 of the Charter and within a period of ninety (90) days, a specialized conference of plenipotentiaries for the purpose of:

a. Negotiating and signing a treaty that would establish the inter-American Organization for Economic Cooperation, whose aims shall be: to find a solution for the economic and social problems of the member states; to promote their economic and social development through cooperative action; to contribute to the coordination of official inter-American activities of an economic and social nature; to propose measures for encouraging the member states to provide technical assistance for making studies and for the formulation and execution of development plans and projects; to obtain and to prepare reports on economic and social matters, and to undertake studies on its own initiative or at the request of any member country; and to cooperate with the member states in shaping their policy with a view to the best use of their natural resources, to agricultural and industrial development, and to the expansion of trade and social progress.

b. Presenting in due time to the Eleventh Inter-American Conference, through the Council of the Organization, a report on its work and conclusions.

2. To transmit to the aforesaid specialized conference of plenipotentiaries the preliminary draft Agreement Establishing the Inter-American Organization for Economic Cooperation, presented to this Meeting of Consultation by the Delegation of Argentina.

3. To instruct the Special Committee to Study the Formulation of New Measures for Economic Cooperation to report on:

a. Present needs for the economic development of Latin America as shown by the development plans that each member state presents at the meeting to be held soon in Bogotá, Colombia;

b. Possible sources of capital available in international credit agencies, the United States of America, Japan, and the countries of Western Europe for use in financing the economic programs that are outlined in the report called for in paragraph a, above;

c. Measures that will effectively remove the barriers to inter-American trade and trade between the member states and the countries of Western Europe.

4. To request the Special Committee to Study the Formulation of New Measures for Economic Cooperation to present to the specialized plenipotentiary conference to be convoked through the Council of the Organization, the reports called for in paragraph 3.

5. To request the abovementioned Committee, in preparing the reports requested, to bear in mind the purposes of the specialized conference insofar as they refer to the Inter-American Organization for Economic Cooperation.

6. To instruct the Secretary General of the Organization to make available the staff of the Executive Secretary of the Inter-American Economic and Social Council to provide the services of General Secretariat of the specialized conference of plenipotentiaries.

7. To request the Council of the Organization to extend invitations for the conference to the Organization for European Economic Cooperation (OEEC), the European Economic Community (EEC), the European Free Trade Association (EFTA), the Economic Commission for Latin America (ECLA), the Latin American Free Trade Association (ALLC), General Agreement on Tariffs and Trade (GATT), the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), The Inter-American Development Bank (IADB), and the International Finance Corporation (IFC).

Preliminary Draft Agreement Establishing
The Inter-American Organization for Economic Cooperation

The countries in whose name the present agreement is being signed, agree to create the Inter-American Organization for Economic Cooperation, which shall be governed by the following provisions:

ARTICLE I

PURPOSE AND FUNCTIONS

Section 1. Purposes

The Inter-American Organization for Economic Cooperation, established as an Inter-American Specialized Organization in accordance with Article 95 of the Charter of the CAS, has as its principal purpose the promotion of economic and social welfare in the American countries through cooperation and mutual consultation for better utilization of natural resources, agricultural and industrial development, expansion of trade, and an improved standard of living for the people of these countries.

Section 2. Functions

To accomplish these objectives, the Inter-American Organization for Economic Cooperation shall perform the following functions:

- a. Find a solution for the economic and social problems that may arise among the member states;
- b. Promote by cooperative action the economic and social development of the member states;
- c. Contribute to the coordination of official inter-American activities of an economic and social nature;
- d. Propose the means by which the member countries might offer technical assistance for conducting studies and carrying out plans and projects of development;
- e. Obtain and prepare reports on economic and social matters and undertake studies, on its own initiative, or at the request of any member country;
- f. Assist the member countries in shaping their policy with a view to the better utilization of their natural resources, to agricultural and industrial development, to the expansion of trade, and to social advancement.

ARTICLE II

MEMBER COUNTRIES

The members of the organization are those members of the Organization of American States which ratify the present Agreement.

ARTICLE III

THE ORGANS

The Inter-American Organization for Economic Cooperation accomplishes its purposes by means of:

1. A Council
2. A General Secretariat

ARTICLE IV

THE COUNCIL

Section 1. Membership

The Council is composed of one Representative from each member state of the Organization, especially appointed by the respective government. During the absence of the titular Representative, the government may accredit an interim Representative.

The Council shall also hold special meetings at the ministerial level.

Section 2. Officers

The Council shall elect a Chairman and a Vice-Chairman, who shall serve for one year and shall not be eligible for election to either of those positions for the term immediately following.

Section 3. Relations with other organizations

- a. The Council may conclude agreements or special arrangements for cooperation with the Inter-American Specialized Organizations of the United Nations and similar international organizations and, if the occasion should arise, with national organizations whose purposes are related to those of the Council.
- b. The Council may arrange for representatives of the specialized organizations to participate, without vote, in its deliberations and for its own representatives to participate in the deliberations of those organizations.

Section 4. Rules of Procedure

The Council shall formulate its own rules of procedure which shall set the dates and duration of regular sessions and for special sessions at the ministerial level, and shall include provisions for the convocation of sessions when requested to do so by a majority of its members.

Section 5. Special Meetings of Consultation

If the economy of an American state appears to be affected by adverse conditions that it cannot satisfactorily resolve through its own efforts, the said state may present its economic problems to the Council to seek, by means of consultation, the most favorable solution to such problems, through a special meeting called for the purpose.

Section 6. Headquarters

The headquarters of the organization shall be located in Washington, D. C., however, the Council may hold meetings in any city of the American countries by a majority decision of the member states.

ARTICLE V

THE GENERAL SECRETARIAT

Section 1. Organization

The Secretariat shall be composed of a Secretary General and such staff as the organization may require. The Secretary General shall be elected by the Council for a five-year term. The Secretary General shall be the highest administrative authority of the organization and shall be its legal representative.

Section 2. Powers and duties of the Secretary General

- a. The Secretary General participates, with voice, but without vote, in the deliberations of the Council and shall fulfill any other functions that this organ may assign to that office.
- b. The Secretary General shall bring to the attention of the Council any matter which, in his opinion, requires its consideration.
- c. The Secretary General shall report to the Council annually on the activities of the organization.
- d. It is the duty of the Secretary General to establish, with the approval of the Council, the technical and administrative offices of the secretariat and to determine the number of employees of the secretariat, to

appoint them, to regulate their powers and duties, and to fix their compensation, in accordance with general standards established by the Council.

Section 3. Staff

- a. The first consideration to be borne in mind in the appointment of the staff of the secretariat and in the establishment of working conditions, is the need to ensure the highest degree of efficiency, competence and integrity. Consideration shall also be given to the importance of hiring staff members on the basis of as wide a geographical distribution as possible.
- b. In the performance of their duties, neither the Secretary General nor the staff members of the secretariat, shall seek or receive instructions from any government or from any authority other than the Organization, and shall refrain from any action that might reflect upon their position as international civil servants responsible only to the organization.
- c. Each member of the organization pledges itself to respect the exclusively international character of the functions of the Secretary General and the personnel of the secretariat, and not to try to influence them in the discharge of their duties.

ARTICLE VI

BUDGET

1. The Council shall establish the bases for fixing the quota that each member state is to contribute to the maintenance of the organization.
2. The Secretary General shall submit to the Council the budget estimates which, after approval, shall be transmitted to the member states with a statement of the annual quota of each country.

ARTICLE VII

PRIVILEGES AND IMMUNITIES

1. The Inter-American Organization for Economic Cooperation shall enjoy in the territory of each member, such privileges and immunities as are necessary for the accomplishment of its purposes.
2. The Representatives of the member states, the personnel of their delegations, as well as the Secretary General shall enjoy the privileges and immunities necessary for the independent performance of their duties.

3. The staff members of the Organization shall enjoy the same privileges and immunities as those accorded the personnel of other international organizations located in the same area.

4. The correspondence of the Organization, including printed matter and parcels, bearing the frank thereof, shall be carried free of charge in the mails of the member states.

ARTICLE VIII

RATIFICATION AND ENTRY INTO FORCE

1. The present Agreement shall remain open for signature by the member states of the Organization of American States, and shall be ratified in accordance with their respective constitutional procedures.

2. The original instrument, the Spanish, English, Portuguese and French texts of which are equally authentic, shall be deposited with the Pan American Union, which shall transmit certified copies thereof to the governments for purposes of ratification.

3. The instruments of ratification or acceptance shall be deposited with the Pan American Union, which shall notify the signatory States of such deposit.

4. The present Agreement shall enter into force among the ratifying States when half of the Signatory States have deposited their ratification. It shall enter into force with respect to the remaining States in the order in which they deposit their ratifications.

5. Amendments to the present Agreement may be adopted only at a special session of the Council at the ministerial level convened for that purpose and with the consenting vote of one-third of the members.

6. The present Agreement may be denounced by any member state by a notification in writing, and shall cease to be in force with respect to the denouncing state after one year from the date on which the notice of denunciation is received.

Appendix 2
Doc. 51 (English)
25 August 1960
Original: Spanish

POLITICAL STABILITY AND UNDERDEVELOPMENT

DRAFT RESOLUTION

Presented by the Delegation of Bolivia

(Topic III of the Agenda)

WHEREAS:

The political stability of all the countries of Latin America, and the freedom and the security of the peoples as well, are being constantly threatened by the dangers brought about by economic underdevelopment;

The Fourth Meeting of Consultation of Ministers of Foreign Affairs considered it essential for the preservation of democracy that the measures for collective defense and the provisions for internal security be integrated with others designed to promote economic and social well-being;

The Fifth Meeting of Consultation considered that the stability of democracy, the safeguarding of human rights, the security of the hemisphere, and its preservation from the dangers that threaten the liberty and the independence of the American republics make necessary an increase in economic cooperation among them, in order to raise the standard of living of a rapidly expanding population;

Agrarian reform programs tend to create a strong economy for the rural masses of the hemisphere and thereby require the financing needed to fulfill their objectives;

The countries of Latin America can reach a rate of economic development that would enable them to solve the serious problems created by an increase in population, low production, per-capita income, and national income indices increasing mortality rates and illiteracy, lack of housing and methods of communication, etc., only when the inter-American system adopts a bold and dynamic program that will bring about price and market stability, to end the difference

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that exists between the prices of raw materials and the prices of manufactured goods; eliminate discriminatory practices between private and state institutions in credit policies; surmount prohibitive tariff barriers; encourage the inflow of capital and capital goods for a period long enough to enable the countries of Latin America to increase their internal production and raise their export revenues; and lay the real foundations for an extensive inter-American economic cooperation program;

Without prejudice to the work being accomplished by the Special Committee of the Council of the Organization of American States to Study the Formulation of New Measures for Economic Cooperation, within the framework of Operation Pan America, it is urgent, for the foregoing reasons, to give concrete form to the collective efforts to promote the economic development of Latin America and to raise the standard of living of the peoples of the hemisphere; and

At the forthcoming meeting of the Committee of Twenty-one and at the Eleventh Inter-American Conference decisions of vital importance to the economic development of the American nations should be adopted,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

DECLARES:

That the stability of democracy, the safeguarding of human rights, the security of the hemisphere, and the effective functioning of the inter-American system in all fields of activity will be possible when the great inequalities of development existing among the American nations have been overcome; and

RESOLVES:

1. To reiterate the recommendation approved in Resolution XI of the Fifth Meeting of Consultation of Ministers of Foreign Affairs, emphasizing the importance of creating inter-American machinery to protect the economy of Latin American countries against sharp fluctuations in the prices of raw materials in the international market and the increased prices of manufactured articles that are purchased by the underdeveloped countries.

2. To recommend to the member states or the institutions that are in charge of collective cooperation for promoting development, that they take into account the fact that the program will be effective only when aid is channeled with priority to the countries where underdevelopment is more critical and the existing discrimination between private and government agencies in credit matters is eliminated.

3. To recommend likewise to the international financial entities that they give preferential consideration to aiding agrarian reform programs by means of special machinery that would provide credit to farmers, stimulate the development of agrarian reform, and the consequent incorporation of the rural masses into the national life of our countries.

Appendix 3
Doc. 23 (English)
24 August 1960
Original: English

ACCELERATION OF ECONOMIC PROGRESS AND RAISING OF
THE STANDARD OF LIVING OF THE PEOPLES OF THE
WESTERN HEMISPHERE

DRAFT RESOLUTION

(Presented by the Delegation of the United States)

Topic III of the Agenda

WHEREAS:

It seems appropriate that the foreign ministers of the nations of the Western Hemisphere here assembled should join together in the high purpose of formulating goals and plans that will lead to the well-being and enrichment of the lives and cultures of all individuals in the Hemisphere and the contribution that this will make to the world at large;

They meet with a strong and responsible sense of mission that stems from the awareness that they are the common custodians of a New World tradition based on the concept of the dignity and worth of the individual; of political, cultural, and economic institutions that afford political and social equality to all, and constantly enhancing opportunities for progressive betterment, material and spiritual, of limitless horizon;

They meet, also, in the clear conviction that, in the future even more than in the past, their destinies are bound together in a genuine interdependence welded by the ties of trade, the dictates of security considerations, and the sharing of common values and aspirations as well as by the factor of geographical location. It will be increasingly true that the flourishing of any part of the Hemisphere will be dependent upon comparable progress in the Hemisphere as a whole;

Despite the long and honorable history of Hemisphere collaborative effort, registered through the ever-increasing stature and accomplishments of the Organization of American States, more must be done in the future than has been accomplished in the past; and

Plans for a more effective cooperation appropriate to contemporary needs will be considered by representatives of the American republics at a meeting scheduled to take place on September 5, 1960, in Bogotá within the framework of Operation Pan America launched at the initiative of the President of Brazil;

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

1. To recommend that the governments of the American republics unite in a common continuing cooperative effort to foster economic progress and improvement in the welfare and level of living of all peoples of the Western Hemisphere on the basis of joint aid, mutual effort, and common sacrifice. This joint effort should be supported by existing inter-American institutions and through bilateral and multilateral cooperation. It would involve programs designed:

- a. To promote improved land use and land settlement and the broadening of the economic base and increase earning power through the establishment of industrial enterprises.
- b. To promote effective and forward-looking progress upon such basic social objectives as education, low-cost housing, health and technical and managerial competence.
- c. To devise workable procedures for moderating extreme price fluctuations in commodity trade that can importantly affect certain national economies.
- d. To encourage the establishment of regional common markets and free trade areas to stimulate rational economic development through wider trade opportunities, with the final goal of merging such regional markets into a more comprehensive trading system.

2. That, since the genuinely effective programming of joint plans in the economic, social and security fields will require an ever-increasing degree of political collaboration, it is recommended that careful study be given to ways in which the Organization of American States may more effectually discharge its responsibilities as a central organ of Western Hemisphere unity.

3. That, recognizing the central role of increased capital investment to the expanding economic growth rate needed in the Americas, special efforts be made to adopt such measures as will increase the flow of such investment, private and public, from local sources, and from the United States.

The Foreign Ministers of the American republics herewith reaffirm their complete dedication to the principle of Western Hemisphere solidarity, and their determination to cooperate jointly for the advancement of the mutual interests of the nations they represent.

Appendix 4
Doc. 28 (English)
24 August 1960
Original: Spanish

STUDY ON THE CREATION OF A PAN AMERICAN ECONOMIC COMMUNITY

Draft Resolution presented by the Delegation of Costa Rica

(Topic III of the Agenda)

WHEREAS:

The well-being of the countries of the Americas and their social order are basically dependent upon the improvement of the living conditions of their working people;

Such improvement can be achieved only through an increase in the national income of the respective countries and its equitable distribution among the various sectors of production; and

As the result of the praiseworthy proposal of the President of the United States of Brazil, Dr. Juscelino Kubitschek, preliminary measures have been taken to bring about an economic development project hemispheric in scope,

The Seventh Meeting of Consultation of Ministers of Foreign Affairs

RESOLVES:

1. To reiterate the support of the American countries for the proposal of President Kubitschek and for Operation Pan America, which he conceived, and also the hope that it will be put in operation shortly.

2. To recommend to the competent inter-American organizations the preparation and prompt formulation of projects that will contemplate carrying out:

- a. The expansion of agriculture and the consequent production of articles of major popular consumption in accordance with technical and financial plans;
- b. Price guarantees and opportunities to sell the agricultural products, raw materials, and minerals that because of their economic importance to our countries, have a definite influence on their social stability;

- c. Technical and financial assistance to train specialists in the field of economic development;
- d. Tax exemption, in the developed countries, of the return on capital invested by entrepreneurs of those countries in the agriculture and the industry of less-developed countries;
 - . Adequate means of providing, through international cooperation, the necessary resources for the implementation of programs of predominantly social interest, such as the contribution of low-cost housing, and increase in small rural properties, provision of potable water and other measures for the health of society, and those of a similar nature;
- f. The creation of a Pan American Economic Community to lay suitable foundations for a full agricultural, industrial, commercial, and financial development of the hemisphere and the improvement of living conditions of its working people, within the democratic postulates of social justice and free enterprise.