

Department of External Affairs

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REGIONAL ECONOMIC GROUPINGS-
ECONOMIC COMMISSION FOR
LATIN AMERICA

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VOL. 1

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Explanation/Explication				Release date Date du déclassement

Canada contributed ^{es} ~~some~~ \$ 10,000 to UN HQ bldg for ECLA and
 and other regional offices Santiago; 10th meeting of Comm-
 ittee of the Whole; ECLA as a ^{Canada} ~~concern~~ for Latin American views re
 UNCTAD issues; Routine Committee work and ~~2~~ seminars; 4th session of ECLA
 Trade Committee; preparation for 11th ^(eleventh) session of ECLA.

A.D. Ross

EXT 210 (11/77)

From The
Department of External Affairs
Exp.
Ministère Des Affaires Extérieures
Ottawa, Canada

35-20-ECLA

Economic Affairs
Regional Economic Groupings
Economic Commission for
Latin America

SM/65/55

*File
Amalone
28.12.65*

June 30, 1965

To: Members of the Executive Board
From: The Secretary
Subject: ECLA - Report on Eleventh Session

35-20-ECLA
14 -

Attached for the information of the Executive Directors is a report by the Fund observer on the eleventh session of the Economic Commission for Latin America.

Att: (1)

Other Distribution:
Department Heads
Division Chiefs

Series 35-SERIES	File/Dossier 35-20-ECLA	Volume I	Dates 1963 -10-21 1965 - 4-30	Location/Lieu to PARC
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A.D. Ross

EXT 210 (11/77)

INTERNATIONAL MONETARY FUND

Eleventh Session of the Economic Commission for Latin America (ECLA)

Mexico City (Mexico), May 6-18, 1965

Prepared by the Fund Observer

June 18, 1965

The Eleventh Session of the United Nations Economic Commission for Latin America was held in Mexico City from May 6 to 18, 1965. In attendance were delegations from all member countries except the Dominican Republic; representatives of the following member countries of the United Nations-- Australia, Belgium, Czechoslovakia, Finland, Hungary, Italy, Japan, Poland, Rumania, Spain, Sweden, the U.S.S.R., and Yugoslavia; observers for the Federal Republic of Germany and Switzerland; a number of senior officials of the United Nations and of most of the UN specialized agencies; officials of other international and inter-American organizations; and various interested groups, both government and private. The Fund observer was Eduardo Laso.

The conference was opened with an address by the President of Mexico, Gustavo Diaz Ordaz. Philippe De Seynes, Under-Secretary for Economic and Social Affairs of the United Nations, spoke on behalf of the Secretary General of the United Nations, and Alfonso Patiño, head of the Colombian delegation, spoke in the name of all the delegates. The following elections were made: Chairman of the Conference, O. Campos Salas (head of the Mexican delegation and Secretary of Commerce of Mexico); First Vice-President, Gustavo Guerrero (Vice-Minister of Finance of Nicaragua); Second Vice-President, Roque Carranza (Technical Secretary, National Council of Development, Argentina); and Relator, Hector Hurtado (Director, Economic Planning Office, Venezuela).

At this Eleventh Session, the subject that deserved the most consideration and time was the economic integration of Latin America. Almost all delegates participated in the discussions of economic integration, but the majority of statements were of a very general nature. All praised the need for economic integration; all appreciated the contribution to integration made by Messrs. Herrera, Mayobre, Prebisch, and Santamaría in their study "Proposals for the Creation of a Latin American Common Market," which was distributed at the meeting together with a note by the Secretariat; and Plácido García Reinoso of Mexico made certain proposals on how to accelerate the process of economic integration which were incorporated into a resolution. As has been the custom at ECLA meetings, most representatives of international organizations and other observers made statements of a general nature or on specific subjects in plenary or committee sessions. A statement (Appendix I) by the Fund observer summarized the Fund's operations with Latin America and most recent developments in our organization.

Major topics of discussion at this Eleventh Session were: (1) present position of the Latin American economy; (2) economic integration and trade policy of Latin America; and (3) the industrial development of Latin America. In addition, there was a review of the activities of the Latin American Institute for Economic and Social Planning during 1963-65, and new members of the Governing Council of the Institute were elected. Below are generalized comments and excerpts from the statements made, categorized by topics (1), (2), and (3), above.

1. Present position of the Latin American economy

The present position of the Latin American economy was examined mainly in the speeches of Mr. De Seynes and Mr. Mayobre. Mr. De Seynes stated that from a short-term standpoint, the current situation in Latin America could be regarded as fairly satisfactory in terms of higher growth rates and more favorable terms of trade. In addition, Latin America could face the vicissitudes of the future on a sounder basis, since all the countries of the region had development plans and the machinery for putting these plans into effect, and could count on the support of the Inter-American Committee of the Alliance for Progress which had begun to achieve useful results.

From a more realistic point of view, however, Mr. De Seynes added that the picture was less promising. Exports were not expanding as they should, given their importance to development and the growing burden of external debt, particularly in the present decade when so many loans would mature. The limits of borrowing capacity had been reached, in some cases exceeded, and the time had come to reduce reliance on certain types of suppliers' credits, which had added considerably to the cost of development. Whatever might be the hope for an inflow of capital on reasonable terms from international or other sources, Latin America would have to adopt the slogan "export or die."

He pointed out other unfavorable factors--lagging agriculture, continuing inflation, and the consequent distortion of investment patterns. Latin America also was suffering from the defective structure of world trade, which had been recognized at the Geneva Conference on Trade and Development. Trade policies could not be modified overnight, but the Conference had at least provided a working hypothesis on which states and enterprises could base their action, especially in the matter of investment. Despite the inevitable difficulties of putting agreed principles into effect, it was to be hoped that a long-term program would hold out the prospect of a system where the advantages offered to some less developed countries would not be at the expense of others.

Mr. Mayobre, Executive Secretary of ECLA, summed up some highlights of the main documents prepared by ECLA for this meeting. He stated that the brief postwar spell of prosperity had given way to a long period of difficulties, and only in the past two years had the position improved. There had been a rise both in world prices for primary commodities and in the real value of exports, and in most Latin American countries investment

had expanded and income and consumption had increased. In addition, there had been substantial changes in the approach to international cooperation, embodied in the Alliance for Progress and the Charter of Punta del Este, in which the United States had pledged its financial and technical cooperation in the development of Latin America. However, the time had come to inquire whether the improvement of the past two years was merely temporary and whether it might not be followed by another decline.

Mr. Mayobre pointed out that a number of practical steps had been taken: planning was replacing the piecemeal action that hitherto had served for economic policy in many instances in Latin America, and the planning machinery was continually improving; public investment was based increasingly on priorities geared to a region's economic and social needs; progress was being made in industrial and agricultural development programs, land reform, tax policy, education, public health, and housing, although often not at a rate commensurate with population growth; and vigorous efforts were being made to fight inflation. With respect to relations between the state and the private sector, the treatment of foreign capital, and incomes distribution policy, much remained to be done.

The main problem was still the vagaries of foreign trade. Despite the recent rise in export prices, Latin America's exports had developed more slowly than those of the industrialized countries, in fact, more slowly than those of the developing countries as a whole. Now that the Latin American region was beginning to attain relatively satisfactory levels of domestic production and foreign exchange income, another decline in foreign trade would have serious consequences. External financing could not be relied on to fill the gap if there were no expansion of exports to pay for the servicing of foreign loans and investments. This was clear from the great difficulties some Latin American countries experienced in meeting their external obligations.

It was essential, in following up the Geneva Conference, to press for the early adoption of practical measures to avert the dangers threatening the region. Otherwise, Latin America would suffer enormous losses and its people would be thrust yet deeper into poverty and hardship. There must be a further strengthening of the understanding between Latin America and the other developing regions which had emerged at the Geneva Conference. As long as preferential systems were maintained, Latin America could not give up any existing trade privileges. Nevertheless, all matters must be dealt with on a basis of cooperation, not competition, between the countries with common interests and aims.

Other delegates as well as some observers made reference to the current situation in the Latin American economy, placing major emphasis on fundamental problems of economic development. For example, Mr. Sayre, alternate representative for the United States, used figures from the Survey of Economic Conditions prepared by the ECLA Secretariat for consideration at this meeting. "The 1964 growth rate of approximately 5.5 per cent represents a per capita increase of approximately 2.5 per cent. In ... Mexico, Argentina, and Venezuela, increases were outstanding; the Central American area also

enjoyed increases well above average. Brazil, however, experienced its second successive depressed year," and its figures had weighed so heavily in the averages that the regional figure was appreciably lower than it otherwise would have been. However, in Mr. Sayre's opinion, Brazil was expected to make an impressive comeback as a result of the impetus provided by a series of corrective measures which already had been set in motion.

Mr. Sayre went on to state that the growth of exports was even more important to economic development than its proportionate place in the gross product would suggest, because export earnings constituted the principal means both of paying for essential imports and of servicing international obligations.

On the problem of modernizing rural life, Mr. Sayre said "There is a growing gap between rural and urban ways of life and food output is hardly keeping up with the increase in total population. ... The significance of the problem of modernizing rural life is emphasized, first, because almost half the population of Latin America is rural and depends upon agriculture for a livelihood, and second, because a strong rural society is essential to the growth and development of a strong national market. Taking into account the importance of the rural or agricultural sector ..., we must leave no stone unturned in our efforts to accelerate development of this sector through achieving greater productivity, more stable output, more stable prices for agricultural products, and increased diversification."

2. Economic integration and trade policy of Latin America

The subject that was given most consideration and time in this Eleventh Session of ECLA was that which dealt with the economic integration of Latin America.

In his opening address, President Ordaz stated that Mexico was deeply interested in the view of the participants, and particularly in those views held by the Central American countries, to which Mexico was bound by ties of history, on the course that should be taken by the integration movement and the best way of establishing a broad market embracing the whole region.

It would be a mistake, he added, to assume that integration was a simple process and that the economic development of the Latin American countries could be expedited merely because the Governments were determined that it should be. It was essential to remember that the average standard of living in Latin America was very low as a result of age-old factors that were of political and social as well as economic origin. Obsolete and unjust structures had to be removed by each country under the direction of its own people.

Nevertheless, the Latin American countries were convinced that a system of economic integration based on the principles of free association and reciprocity and preferential treatment for the relatively less

- 5 -

economically developed nations would enable the region's natural, human, and financial resources to be used more efficiently, turn its production facilities to better account, launch new and viable industries, raise standards of living, and make for greater and more competitive trade with the rest of the world. "Latin America could not accept indefinitely a situation in which it continued to pay high prices for its imports of manufactured goods while receiving very little for its raw materials. The region should press not only for preferential treatment for its own manufactures, as had been agreed at Altagracia and, subsequently, at Geneva, but also for its primary commodities, since some of them were being produced and exported by the industrialized countries as well."

In referring to the study made earlier in the year by Messrs. Herrera, Mayobre, Prebisch, and Santamaría, President Ordaz said the Government of Mexico attached the greatest importance to the proposals contained in that document, which pointed out the relatively backward state of the region's science and technology, the growing aspiration of the Latin American peoples for a better life, and the continuous pressure under which the region was laboring in striving to develop its trade.

As was pointed out in ECLA's account of the proceedings of this session, most delegations endorsed the view that the decisions to assume further commitments for expanding and accelerating the integration process should be implemented through the Asociación Latina Americana Libre Comercio and the Central American Common Market, care being taken to maintain the results achieved already by those two organizations. Although the most obvious achievement had been the sharp rise in trade among the participating countries, the other results also were valuable in that they helped spread a favorable attitude toward the economic, political, and social integration of the Latin American countries.

Some delegations made further comments on the basic conditions of integration or reformulated their views on specific aspects. For instance, it was emphasized once again that a fundamental factor in the formation of the regional common market was reciprocity. Stress was laid on the role to be played in achieving reciprocity by measures such as a regional investment policy and technical and financial cooperation. It also was pointed out that one of the principal functions of the regional common market institutions would be to ensure that all the participating countries would get a fair share of the benefits and opportunities resulting from integration.

Some delegations specified a number of measures that might be adopted to spur integration. Among these were more comprehensive commitments to liberalize reciprocal trade; the preparation and ultimate adoption of a common external tariff; coordination of agricultural, industrial, and investment policies with national economic development plans and policies; coordination of monetary and exchange policies, mainly with a view to building up a regional payments system and correcting monetary imbalances; and, in general, the establishment of a series of specific instruments and systems of action which would make it easier for countries to take advantage of the opportunities offered by the integration process and encourage them to do so.

Mr. García Reynoso, head of the Mexican delegation, suggested that ECLA, in close cooperation with other agencies, should re-examine the formulas and alternative possibilities put forth recently by organizations, experts, and the Governments of the Latin American countries and should frame specific proposals for short-term and long-term action to expedite the process of a successful and lasting integration. These suggestions were incorporated in Resolution No. 251(XI), titled Economic Integration of Latin America, which was adopted at the meeting.

Other resolutions adopted recommended that the Secretariat should continue to make available systematic information on the trends and possibilities of Latin American intra-regional and extra-regional trade in respect of the principal commodities (Resolution 243(XI)). It was recommended that the Governments of member states of ECLA "give special priority to their urgent efforts to prevent all discriminatory treatment in trade affecting the exports of the Latin American countries or to eliminate such discrimination where it exists. ..." The UN Conference on Trade and Development was to be requested to take such action as it deemed appropriate to eliminate discriminatory treatment.

3. The industrialization development of Latin America

Study of the problems of industrialization was based on the documents submitted by the Secretariat and on the position and outlook of a group of important industrial sectors. The sectoral approach had been used by the Secretariat for previous studies, the results of which were set out in the document "Major Sectors of Latin American Industry: Problems and Prospects." Experience acquired so far seemed to indicate that economic integration, "as an instrument for streamlining the industrial development of Latin America," would operate basically in two ways--with regard to (1) industries turning out intermediate products and capital goods in general and (2) consumer goods industries. It was clear that Latin America had reached the stage where it was necessary to intensify and redirect its efforts to industrialize, and that the problem should be discussed from the standpoint of regional integration.

It was emphasized in the discussions that important subjects to be considered were the locations of new industries and the "need to develop additional criteria for relating sectoral industrial programming to the requirements of balanced industrial development in the light of regional integration aims." Resolution 243(XI), which was referred to in the previous section, actually was adopted in regard to this subject, and it further requested that the ECLA Secretariat and the Latin American Institute for Economic and Social Planning collaborate with other planning bodies "in systematizing the factors which will promote the effective integration of sectoral industrial planning with the requirement of regional planning."

The marked trend toward geographical concentration, which had been observed in the development of Latin American industry, brought continued expressions of concern. To dispel these misgivings it was repeated that

it would be necessary for integration plans to include arrangements for counteracting tendencies toward concentration which might occur if things were left to themselves.

Various representatives furnished first-hand information on the problems of the industrially less-developed countries and small-scale industry. Among the many matters receiving attention, it was evident that high priority was being given to ways of making better use of available productive capacity, anticipated absorption of manpower and increases in productivity, and new projects.

Mr. Raul Prebisch reviewed some of the obstacles to economic growth in Latin America, and covered industrial problems as well as the need for economic integration. The wonders of modern technology, Mr. Prebisch said, which have made possible the rise in the standard of living of the developed countries and were the key to solving the fundamental problems of the developing countries, were creating serious difficulties. Perhaps it had not been realized that the changes and upheavals which accompanied the spread of technology were barely the beginning of a process whose consequences would grow more and more serious if, within the Latin American countries themselves, and at the regional and international levels, a bold, coherent, and vigorous policy were not adopted in good time. For example, dangers inherent in the process were a decline in the proportion of primary commodities in finished goods and the competition from synthetics. These were irreversible and it would be illusory to try to check their progress.

Mr. Prebisch went on to note that for some years ECLA had been drawing attention to the insufficiently dynamic nature of the Latin American economies, a point also stressed by the President of Mexico in his opening address. That lack of dynamism was due to the fact that when a capital-intensive technology penetrated the different sectors it did not succeed in absorbing the steady growth in the human potential, so that a mass of people was left over who, if not overtly unemployed, subsisted by means of precarious low-income occupations, such as personal services, small businesses, crafts, and minor jobs in public administration.

Without far-reaching changes in the economic and social structure, the problem of the spread of technology could not be solved. In order to achieve a higher rate of capital formation it was necessary to utilize savings potential to the full, at the expense of the superfluous consumption of the high-income groups. Not all funds need come from abroad, since there were considerable internal sources which must be put to good use. It was not merely a matter of increasing the rate of capital formation but also one of rationalizing the process. Here again was an aspect related to the question of integration and international cooperation. "There was a vast waste of capital in the Latin American countries' efforts to industrialize. They sought to do so in 'watertight compartments' without communication with each other or with the rest of the world. To take just one example, the figures representing the savings that could be achieved through integration of the iron and steel industry were striking."

Mr. Prebisch further pointed out that the Latin American common market would be a means of achieving a high rate of capital formation, a rational import substitution policy, and a healthy degree of competition while at the same time saving capital, all as an aim to speeding up the rate of economic development.

The discussions also covered the advantages of strengthening relations between Latin America and extra-regional markets, which may lead to the expansion of exports of Latin American manufacturers. A review of new investment opportunities that would be opened up by the development of regional industries stressed the fact that preference be given to Latin American capital, and Resolution 249(XI) was adopted advocating this outlook.

Among the recommendations adopted in the resolutions covering the process of industrial development were that Governments of member states eliminate the obstacles and institutions preventing the agricultural sector from realizing its full potential; that the Secretariat of ECLA and the Latin American Institute for Economic and Social Planning continue their research for the most appropriate methods of industrialization of Latin America; that all member countries give their strong support to the Conference on the Application of Science and Technology to the Development of Latin America scheduled by UNESCO and ECLA for September 1965 at Santiago, Chile.

The Secretariat of ECLA also was requested to invite the specialized agencies and other intergovernmental organizations concerned to cooperate and participate in the work of the Latin American regional symposium to be held, in cooperation with the Centre for Industrial Development, in February 1966 at Santiago. This regional symposium was in preparation for the subsequent international symposium on industrialization suggested by the General Assembly in Resolution 1940(XVIII).

4. Other matters

The report of the Director-General of the Latin American Institute for Economic and Social Planning to the Governing Council was circulated and noted. Several representatives expressed satisfaction with the Institute's progress and with the technical advisory services on the formulation of development plans. Members of the Governing Council of the Institute were elected at this Eleventh Session, to remain in office until the Commission's next session.

A program of work and priorities for ECLA for 1965-67, prepared by the Secretariat, was received and approved.

The conference accepted the invitation of the Government of Venezuela to hold the Twelfth Session of the Commission in Caracas in April or May 1967.

Attached, as Appendix II, is a list of the resolutions adopted at this Eleventh Session.

ECONOMIC COMMISSION FOR LATIN AMERICA

Eleventh Session

Mexico City, May 1965

STATEMENT BY MR. EDUARDO LASO, REPRESENTATIVE
OF THE INTERNATIONAL MONETARY FUND

Mr. Chairman, members of delegations, and other representatives: the International Monetary Fund always considers it an honor to be represented at Meetings of the Economic Commission for Latin America, and at this Meeting it is my privilege and pleasure to represent the Fund. With particular satisfaction we received the recent statements of Mr. Mayobre, your Executive Secretary, concerning inflation because they lend support to the International Monetary Fund in its efforts to combat inflation.

The Fund has attacked inflation by encouraging its members to follow sound monetary and fiscal policies, and by making available adequate financial means to support these policies and any temporary fluctuations in balances of payments. To this end the Fund has been very active, particularly in the Latin American area, and its efforts have met with considerable success, although much still remains to be accomplished.

Among the many steps taken by the Fund to increase its resources and facilities, so as to be able to be in a position to meet the requests of its members, have been (1) the decision on general arrangements by which the Fund may borrow supplementary resources; (2) the facility of compensatory financing, which has broadened the balance of payments support the Fund can offer; and (3) the two resolutions adopted by the Governors of the Fund in April this year increasing the quotas of the 102 member countries by 25 per cent, with larger increases for 16 members, two of which are in the Latin American area--Mexico and Venezuela. This adjustment in quotas was the result of the fourth quinquennial review of quotas by the Executive Directors of the Fund. Member countries have until September 25, 1965 to give their consent to the proposed quota increases. If all proposed increases become effective, total quotas in the Fund would rise to about \$21 billion, from about \$16 billion at present. The result would be a substantial strengthening of the Fund's resources, which would certainly enhance confidence in the Fund's ability to meet all justifiable requests from members for financial assistance.

To meet the increasing need for technical assistance in the fields of central banking and monetary control, last year the Fund established two new services--the Central Banking Service and the Fiscal Affairs Department.

The Central Banking Service not only places at the disposal of some of the Fund's newer members the experience accumulated over a long period by established central banks, as well as by the Fund, but also it is actively engaged in advising on several major central bank legislative proposals and on the reorganization, administration, and modernization of a number of existing institutions.

Already the Fiscal Affairs Department has a professional staff of 21, equipped and ready to provide advice and technical assistance on tax policy, tax administration, and budgetary control. The Fund also proposes to establish a panel of fiscal experts on which it hopes to be able to draw to provide resident advisers at the request of member countries. Fiscal and monetary policies should be designed to encourage the generation of domestic savings. The better designed and more efficient the fiscal system the easier it is to avoid inflation. Such policies are the aim of the Fund, since on these all programs for sustained economic development are dependent.

In addition to the above two new facilities, the IMF Institute was established in May 1964. The Institute is responsible for the Fund's various training activities, and its program offers training in financial analysis and in national and international monetary and financial policy to selected persons in government or central bank employment in member countries.

As of March 31, 1965, quotas of the Latin American countries in the Fund totaled about \$1.4 billion, or 8.6 per cent of members' total quotas in the Fund.

Drawings by Latin American countries at \$1.6 billion represented 17 per cent of total drawings on the Fund of \$9.3 billion. Drawings of the Latin American countries in the first three months of 1965 were \$70.5 million.

Drawings outstanding totaled \$2,722 million, of which \$665 million was due from the Latin American area.

The Latin American countries, as of March 31, had entered into 82 stand-by arrangements with the Fund for a total amount of \$2.2 billion. Nine of these stand-bys covering a total agreed amount of \$237.5 million are presently in effect.

In these brief details I hope I have been able to convey to you the important use the Latin American countries have made of the facilities of the Fund. With the increase in quotas, to which I have referred, the Fund will be in a position to further enhance the role it already has played in the Latin American area.

Thank you.

The Resolutions adopted by ECLA at its Eleventh Session were the following:

- 243 Trade in manufactures and the industrial integration
of Latin America
- 244 Agriculture and industrial development
- 245 Research for industrial development
- 246 Education for industrial development
- 247 Conference on the application of science and technology
to the development of Latin America
- 248 Democratization of the industrialization process
- 249 Sectoral studies of industry
- 250 Symposia on industrialization
- 251 The economic integration of Latin America
- 252 Trade policy
- 253 Trade and development activities of ECLA
- 254 The relatively less developed countries and Latin
American economic integration
- 255 Program of work and priorities
- 256 Conference of Latin American and Caribbean Ministers of
Education and Ministers responsible for economic planning
- 257 Publicity concerning the Commission's work
- 258 Communications
- 259 Date and place of the Twelfth Session

Date
AUG 15 1980

CHECKLIST - PREPARATION OF SUBSTANTIVE FILES FOR MICROFILMING
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Vol. No.
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Subject/Sujet
Economic Affairs - Regional Economic Groupings - Economic Commission for Latin America

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63-10-21

Date To/A
65-04-30

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						LIVRETS, PAMPHLETS, ENREGISTREMENTS MAGNÉTIQUES, DOCUMENTS JURIDIQUES, COUPURES DE JOURNAUX, CAHIERS D'INFORMATIONS GÉNÉRALES, DOCUMENTS DE L'OTAN, DES N.U. ET D'AGENCES SPÉCIALISÉES, ETC. PHOTOGRAPHIES								Dimension et qualité		
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EXT 152

AUG 15 1980

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R. L. Saucy
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Signature

UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA



NATIONS UNIES
COMMISSION ECONOMIQUE POUR L'AMÉRIQUE LATINE

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65 Cable: UNATIONS

REFERENCIA. ECLA/57-1

Santiago, 21 October, 1963

Sir,

I have the honour to advise you that the Government of Trinidad and Tobago has decided to participate as a Member in the activities of the Economic Commission for Latin America.

At the same time I have pleasure in informing you that this decision is consistent with the provisions of Article 3 (a) of the Terms of Reference of the Commission, the relevant part of which states that membership of the Commission shall be open to Members of the United Nations in North, Central and South America, and in the Caribbean area, and to France, the Netherlands and the United Kingdom.

Accept, Sir, the renewed assurances of my highest consideration.

ETH

Jose Antonio Mayobre
José Antonio Mayobre
Executive Secretary

File done to Santiago 22/7

His Excellency
The Hon. Howard C. Green
Secretary of State for External Affairs
Ottawa
CANADA

STARS OFFICE
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NOV 5 1963

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CONFIDENTIAL

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NUMBERED LETTER

TO **The Canadian Embassy, Santiago, Chile**

FROM: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference:.....
Subject: **Economic Commission for Latin America**
.....
.....

Security:.....

No: **E-736**

Date: **November 7, 1963**

Enclosures:.....

Air or Surface Mail:.....

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Ottawa File No.	
35 - 20 - ECLA	
65	✓

References

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We attach a copy of a letter dated October 21, 1963 from the Executive Secretary of the United Nations Economic Commission for Latin America, advising us that the Government of Trinidad and Tobago has decided to participate as a Member in the activities of ECLA. You will note that this letter was addressed to The Hon. Howard C. Green, our former Minister, who returned it to us from Vancouver. We should be grateful if you could advise the ECLA Secretariat that the present Secretary of State for External Affairs is The Hon. Paul Martin.

(SGD) W. F. STONE
FOR THE

**Under-Secretary of State
for External Affairs**

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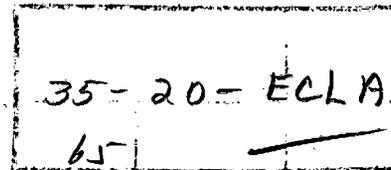
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November 22nd, 1963

PERSONAL

M.N. Bow, Esq.
Department of External Affairs
East Block, Parliament Buildings
Ottawa, Ontario



*file
in*

Dear Mac:

I enclose herewith a further report which I presume is from the U.N. Economic Commission for Latin-America and also the envelope in which it arrived. It looks as though Alfred Pick and Geoff. Murray have slipped up on their jobs! Between them they should be able to get this address changed!

With kind personal regards.

Sincerely,

HCG:MH
Encs.

COMISION ECONOMICA PARA AMERICA LATINA

SERVICIOS DE INFORMACION
Avenida PROVIDENCIA 871, SANTIAGO, CHILE
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NACIONES UNIDAS

11 de Noviembre

Año 1963 - Nº 11

NOTICIAS DE LA CEPAL

"América Latina está atravesando desde hace algunos años una de las crisis estructurales más profundas de su historia..."

"Estos son los momentos para exponer con toda claridad y franqueza a los hombres de nuestros países cuáles son los esfuerzos y los sacrificios que deben hacer y a las naciones amigas de otros continentes la cooperación que deben prestar, si desean mejorar las condiciones de existencia y alumbrar con la esperanza a doscientos veinte millones de seres humanos que tienen derecho a una vida mejor."

Declaraciones del Dr. José Antonio Mayobre, Secretario Ejecutivo de la CEPAL, en Sao Paulo, ante la reunión al nivel ministerial del Consejo Interamericano Económico y Social (CIES)

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Declaraciones formuladas por el Dr. José Antonio Mayobre, Secretario Ejecutivo de la CEPAL, en Sao Paulo, ante la reunión al nivel ministerial del CIES

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DECLARACIONES FORMULADAS POR EL SUBSECRETARIO DE LAS NACIONES
UNIDAS A CARGO DE LA SECRETARIA EJECUTIVA DE LA COMISION ECO-
NOMICA PARA AMERICA LATINA (CEPAL), DR. JOSE ANTONIO MAYOBRE,
ANTE LA REUNION AL NIVEL MINISTERIAL DEL CONSEJO INTERAMERICA-
NO ECONOMICO Y SOCIAL (CIES), DE LA ORGANIZACION DE ESTADOS
AMERICANOS (OEA)

Sao Paulo, Brasil, noviembre de 1963

Hubiera deseado, al dirigirme por primera vez al Consejo Interamericano Económico y Social en mi condición de Secretario Ejecutivo de la CEPAL, traer a este auditorio una nota de optimismo sobre las condiciones y las perspectivas de la economía latinoamericana. Pero ni el entusiasmo ni la fe son suficientes para desmentir la irrefutable veracidad de los hechos, ni está justificado que personeros de organismos internacionales, ante el justo temor de aparecer como "profetas del desastre", oculten la realidad que están viviendo y palpando o dejen germinar esperanzas infundadas frente a un futuro cargado con oscuras nubes de incertidumbre. No será, pues, la satisfacción ni la confianza la nota predominante en esta intervención, ni tampoco la resignación y el abandono del que se rinde sin combatir ante las circunstancias adversas.

La hora de la verdad

América Latina está atravesando desde hace algunos años una de las crisis estructurales más profundas de su historia. De no modificarse un conjunto de circunstancias y actitudes dentro y fuera de su territorio, es poco probable que logre vencer o que pueda impedir que se agraven las serias dificultades actuales. Pero tales circunstancias y actitudes no son insuperables, ni faltan ejemplos de pueblos y continentes que han logrado salir victoriosos frente a situaciones aún más difíciles. Y reuniones como la presente, y como otras que en distintos niveles se están llevando a cabo en el Hemisferio, ofrecen la oportunidad para analizar con frialdad los problemas, para determinar los puntos neurálgicos donde hay que concentrar la acción, para analizar críticamente la conducta seguida y los esfuerzos intentados y para extraer las experiencias que permitirán mejorar nuestros instrumentos de lucha. Muy principalmente, éstos son los momentos para exponer con toda claridad y franqueza a los hombres de nuestros países cuáles son los esfuerzos y los sacrificios que deben hacer y a las naciones amigas de otros continentes la cooperación que deben prestar, si desean mejorar las condiciones de existencia y alumbrar con la esperanza a doscientos veinte millones de seres humanos que tienen d.000245 a una vida mejor.

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Se acentúa el débil crecimiento de la economía latinoamericana

El crecimiento de la economía latinoamericana, tomada en su conjunto, ha venido deteriorándose sistemáticamente en los últimos tiempos, y a juzgar por las estadísticas disponibles el año 1962, acusa un acentuamiento de esa tendencia. La tasa de crecimiento del producto interno bruto cayó de un promedio del 5.7 por ciento en 1945-50 a 4.2 por ciento en 1955-60, para descender a un 3 por ciento aproximadamente en 1962. El producto por habitante, que en los últimos seis años apenas había registrado un aumento de poco más del 1 por ciento, en 1962 no registró incremento alguno.

Las cifras globales están influidas por las deficiencias e inexactitudes de muchas estadísticas nacionales. Si ahondamos aunque sea un poco en los detalles, podemos observar que algunos países han experimentado en los últimos años una violenta disminución del ritmo de crecimiento del ingreso real o simplemente han visto bajar las cifras absolutas de su ingreso por habitante; que en otros, un penoso estancamiento parece ser la situación predominante en los últimos años, y que son apenas unos pocos los que han logrado mantener un desarrollo satisfactorio en el incremento de su producción global y por habitante.

A esta situación de lento e insuficiente crecimiento del producto frente a una población que aumenta a una tasa que se aproxima en promedio al 3 por ciento anual, se agrega en muchos casos una inestabilidad monetaria y de precios que tiene caracteres crónicos en algunos de ellos, y que somete a empresarios y consumidores a una situación de incertidumbre, perjudicial al desarrollo de las inversiones y al sostenimiento - ya que no al aumento - de los niveles de vida. En determinados países, la inflación ha adquirido características de extrema gravedad, al punto de poner en peligro la tranquilidad social y el mismo progreso económico, mientras que otros, al intentar contener una expansión monetaria excesiva mediante la aplicación de planes de estabilización, se han visto obligados a imponer restricciones al crédito privado o al gasto público, lo que crea, como es lógico, tensiones en el organismo económico y paralización o reducción temporal en muchas actividades.

El deterioro de las exportaciones latinoamericanas

En todo este panorama hay un conjunto de factores que sería largo analizar en estos momentos, pero es innegable que los problemas del comercio exterior tienen una alta ponderación. Por ello, y porque estamos en vísperas de la Conferencia Mundial de Comercio y Desarrollo, me ha parecido conveniente referirme a ellos en esta oportunidad. 000246

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Es harto conocido que América Latina no ha participado en la expansión del comercio exterior que se ha venido operando en los últimos tiempos en otras áreas del mundo. Antes de la guerra, nuestro continente representaba un 7 u 8 por ciento del comercio mundial, al paso que hoy esa relación ha descendido al 6.5 por ciento. Mientras el volumen del comercio mundial se ha duplicado desde 1938, el incremento de las exportaciones latinoamericanas ha sido apenas del 70 por ciento, y del 40 por ciento si se excluye el petróleo. A esta circunstancia, ya alarmante de por sí, se agrega el deterioro que han experimentado en los últimos diez años los precios de nuestros productos tradicionales de exportación. Si tomamos como punto de referencia los años 1954-55, observamos que no obstante el incremento de 38 por ciento en el volumen de nuestras exportaciones, la capacidad de compra de las mismas sólo subió en un 12 por ciento. Dicho en otros términos, el deterioro de la relación de precios anuló en dos tercios el incremento del volumen de las exportaciones.

No necesito cansar al presente auditorio con un análisis detallado de las consecuencias de esta situación para nuestro desarrollo. En presencia de un crecimiento demográfico explosivo, la limitación de los ingresos en moneda extranjera ha repercutido directamente en la capacidad de inversión de nuestras economías y ha reducido la importación de bienes de capital, que, en su mayor parte, no pueden provenir por ahora sino de los países industrializados. En los casos de mayor gravedad, la escasez de divisas ha comprimido sustancialmente el volumen de importaciones de productos de consumo esenciales y ha sido factor importante y a veces fundamental, de la inflación.

Distorsiones y dificultades crecientes en la sustitución de importaciones

Nuestros países han tratado de hacer frente al deterioro de sus exportaciones mediante un esfuerzo acelerado de sustitución de importaciones y el uso en mayor escala del financiamiento externo recurriendo a préstamos e inversiones privadas foráneas.

Lo primero ha permitido un crecimiento de la producción industrial que constituye, sin lugar a dudas, el signo más promisorio en la transformación estructural de nuestras economías. Hay que reconocer, sin embargo, que el hecho de haber tenido que llevar a cabo la industrialización ante la presión de una escasez de recursos de moneda extranjera y en general frente a una perspectiva desfavorable del comercio exterior, ha ocasionado frecuentemente distorsiones en ese proceso que suelen repercutir directamente en la productividad, la eficiencia y los niveles de

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precios y costos y que en ocasiones ha originado situaciones monopolísticas o de privilegios para algunos sectores. Pero lo que es aún más grave, en la medida en que el proceso de sustitución avanza se van agotando también las posibilidades de mantener un ritmo satisfactorio de crecimiento industrial a consecuencia de la estrechez de los mercados nacionales y se aproxima peligrosamente el momento de un estancamiento en ese sector.

El financiamiento externo no ha compensado las pérdidas ocasionadas por el serio desmejoramiento de los términos del intercambio

En cuanto al financiamiento externo, es bien sabido que América Latina ha usado intensamente en los últimos años los préstamos a largo plazo para inversiones y el capital compensatorio para financiar los déficit de los balances de pagos, así como también la inversión privada directa. En conjunto, ese financiamiento de origen externo llegó a representar un 11 por ciento de la inversión total en los años 1960-61. En cifras absolutas y en dólares de 1950, las entradas netas de capital por todo concepto en el período 1955-61 totalizaron ocho mil millones de dólares, exceptuando a Cuba.

En condiciones normales, un aporte de semejante magnitud habría significado una contribución apreciable para acelerar el desarrollo económico de América Latina. Su función ha sido completamente distinta a causa del deterioro de nuestro comercio exterior. La pérdida de ingresos del continente por el efecto negativo de la relación del intercambio excede holgadamente de los diez mil millones de dólares. De tal modo, el aporte de capital extranjero apenas ha servido para compensar, en forma incompleta, las pérdidas ocasionadas por el deterioro de los precios. Si a esto se agrega que el servicio de la deuda exterior ha agravado la situación deficitaria del balance de pagos ya crónica en muchos de nuestros países, y que ese servicio, con excepción de Cuba y Venezuela, representó en 1961 un 22 por ciento de los ingresos corrientes de divisas por exportaciones de bienes y servicios, podemos apreciar cómo el financiamiento externo en las condiciones actuales no ha significado un sustituto satisfactorio del comercio exterior y cómo está seriamente limitada la capacidad de endeudamiento de América Latina frente a sus necesidades de crecimiento en el futuro inmediato.

Imprescindible la acción coordinada de los países latinoamericanos dentro de la región y en la Conferencia Mundial sobre Comercio y Desarrollo

No es fácil eliminar el estrangulamiento que impone a nuestro desarrollo el sector externo. Si bien es cierto que han contribuido, a este orden de cosas, imprevisiones, ausencia de vigorosas políticas nacionales y diversos factores atribuibles a nosotros mismos y que ahora se están comprendiendo con mayor claridad, no lo es menos que han gravitado factores estructurales externos y ciertas condiciones económicas y políticas del cuadro mundial que deberán examinarse con mucha atención en la próxima Conferencia Mundial de Comercio y Desarrollo. Al lado de fenómenos tales como la menor elasticidad-ingreso de la demanda de la mayor parte de los productos básicos y la sustitución y economía de materias primas originadas por los cambios tecnológicos, han repercutido gravemente, en nuestra posición comercial, las políticas proteccionistas, de subsidios, de preferencias y discriminaciones, y las restricciones cuantitativas vigentes en los países industrializados que constituyen los mercados tradicionales de América Latina, factores adversos que parecen estar agravándose con la formación de bloques regionales. De ahí que sea imprescindible la acción coordinada de los países latinoamericanos para actuar en el ámbito mundial y en la propia región latinoamericana.

En el décimo período de sesiones de la CEPAL celebrado en Mar del Plata en mayo de este año, los países miembros decidieron que se celebrara un seminario al nivel de expertos gubernamentales para tratar de armonizar la posición que América Latina ha de presentar en la Conferencia Mundial de Comercio y Desarrollo. Ese seminario está siendo preparado activamente por la secretaría de la CEPAL y se llevará a efecto en Brasilia el próximo 20 de enero. Esperamos que allí, en una rigurosa y detenida apreciación de los hechos, se establezcan las bases para una posición conjunta de América Latina en la Conferencia y para una política de comercio exterior de carácter continental.

La marcha de la Alianza para el Progreso: avances logrados son insuficientes

Una de las mayores responsabilidades de esta reunión es analizar el funcionamiento y los resultados del programa multilateral convenido por los gobiernos en Punta del Este con el fin de acelerar el desarrollo económico y social del Continente. Esta evaluación es particularmente importante porque ya ha transcurrido tiempo suficiente como para formular juicios al respecto y porque numerosas y contradictorias apreciaciones están emitiéndose diariamente desde todos los sectores de opinión.

Desde el primer momento, la CEPAL ha apoyado sin reservas las aspiraciones y los principios establecidos por los gobiernos en el programa de la Alianza para el Progreso y sigue creyendo que su ejecución constituye un camino efectivo para superar el subdesarrollo. En su condición de miembro del Comité Tripartito, ha colaborado, junto con la Secretaría General de la Organización de Estados Americanos y con el Banco Interamericano de Desarrollo en importantes actividades ligadas a su ejecución, en especial en la formación de grupos asesores para colaborar con varios gobiernos en la elaboración de sus planes de desarrollo. Más fundamentalmente, la consecución de los objetivos del desarrollo económico y social establecidos en Punta del Este ha constituido y constituye desde su establecimiento hace quince años, la razón de ser y la sustancia del trabajo de nuestra organización. Por estas razones considero nuestra obligación exponer algunas ideas acerca de cómo vemos en los actuales momentos la marcha de la Alianza para el Progreso.

No se puede negar que en los últimos dos años, y bajo el impulso del compromiso adquirido, se va generalizando en los sectores responsables y en los gobiernos de América Latina, una nueva concepción para abordar los problemas del desarrollo económico e impulsar la transformación de las condiciones sociales imperantes. Venciendo las naturales resistencias, se ha venido imponiendo la idea de que en las actuales condiciones, la planificación es el instrumento más adecuado, para llevar a cabo una política de desarrollo, y que los bajísimos niveles de vida de los grandes sectores de la población tienen que ser superados por reformas profundas en la estructura social. Numerosos gobiernos han elaborado planes de desarrollo y otros trabajan activamente en este terreno. Leyes de reforma agraria están en vías de ejecución, han sido aprobadas o están debatiéndose en varios países, si bien el contenido y profundidad de la transformación a que se aspira varían en cada caso según las características del medio y las condiciones políticas y sociales dominantes. Asimismo, se han realizado algunos progresos en materia tributaria, aunque se está muy distante de llevar a cabo la verdadera y necesaria reforma impositiva. En ciertas actividades, el avance es más visible y general, como sucede con la vivienda y con las obras sanitarias, seguramente por la mayor facilidad de realizar este tipo de inversiones, la posibilidad de obtener créditos y la escasa oposición que a tales proyectos presentan los intereses creados. Todo esto es apreciable y es un comienzo de acción,

pero hay que admitir que es poca cosa en comparación con las metas propuestas y con la magnitud y la urgencia de la transformación que las circunstancias exigen. De allí que no deba extrañar la insatisfacción y las críticas que se escuchan a menudo, si bien es necesario distinguir entre los que de buena fe desearían que se acelerara el paso y se ahondara en las reformas y los que tratan de destruir el programa mismo por no querer renunciar a privilegios antisociales o por razones de orden político.

Es imposible aislar el análisis de lo realizado dentro del programa de la Alianza para el Progreso del debilitamiento de la economía y del deterioro del comercio exterior de que he hablado anteriormente. Lo que se ofrece a la vista de todo el mundo es que después de dos años de haber iniciado ese programa estamos muy lejos de alcanzar las metas mínimas que se fijaron en él y que en muchos países el estancamiento, el retroceso o la espiral inflacionaria son el elemento predominante. Ante una perspectiva de este género no puede esperarse un florecimiento del espíritu de empresa, y en el mejor de los casos, la misma inversión pública financiada a través del crédito internacional alcanza apenas a llenar parcialmente el vacío resultante de la disminución en la inversión privada. La programación de la economía realizada en circunstancias tan adversas tiene asimismo que estar limitada en sus metas, cuando no ocurre que el programa mismo es postergado por el gobierno ante la presión de los problemas inmediatos de desequilibrio en el presupuesto y en el balance de pagos.

En la base de todo este cúmulo de circunstancias adversas se encuentra, repito una vez más, la situación de nuestro comercio exterior. Mientras no mejoren sustancialmente los mercados de nuestros productos básicos será difícil para gran parte de nuestros países emprender con seguridad un ambicioso esfuerzo de desarrollo; justamente en aquellos países que no han experimentado mayores dificultades en el sector externo de su economía es donde se aprecia un ritmo más satisfactorio de crecimiento y mayor seguridad en la ejecución de los planes o proyectos a largo plazo.

Necesidad de acelerar las reformas estructurales

Con lo expuesto no pretendo concentrar todo el peso de la situación sobre el comercio exterior, ni mucho menos restar importancia y urgencia a las reformas internas de diversa índole que deben acometer nuestros países con mayor ritmo e intensidad. Todos estamos conscientes de que la

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inestabilidad política y la amenaza constante a las instituciones democráticas son un factor perturbador de todo progreso. Nadie se atrevería a negar que son impostergables las medidas conducentes a una mejor distribución del ingreso y a reducir las grandes disparidades en la fortuna y en las oportunidades de mejorar que existen en nuestro retrasado medio social; que la reforma agraria y la reorganización de la agricultura sobre bases más justas y modernas es una necesidad inaplazable en la mayoría de los países de América Latina; que existen poderosos sectores económicos que no contribuyen al financiamiento del Estado en proporción adecuada; que el ahorro interno es insuficiente y el consumo de lujo excesivo; que la administración pública es por lo general ineficiente y primitiva y que la corrupción y el favoritismo deben ser erradicados de los medios gubernamentales; que es necesario asegurar la estabilidad en los planes económicos y dar confianza y seguridad al capital privado y a los trabajadores, mediante una política económica y laboral consecuente y sostenida, y de que todas estas reformas son impostergables para lograr el desarrollo económico. Todo esto hay que hacerlo, por difícil que sea, y sin ello no podrá lograrse, como no se logró en el pasado, una verdadera transformación estructural. Lo que he intentado exponer es que mientras persistan las condiciones actuales de nuestro comercio exterior no podremos aprovechar en toda su amplitud los resultados de esas reformas. Las dificultades para llevarlas a cabo serán mayores y para muchos países será punto menos que imposible alcanzar la meta de crecimiento - ya modesta de por sí - fijada en el acta de Punta del Este.

Fallas en la aplicación de la Carta de Punta del Este y necesidad de fortalecer su carácter multilateral.-

La reunión actual deberá examinar también cómo se han venido cumpliendo los acuerdos de Punta del Este en cuanto a la cooperación multilateral, en particular en los aspectos financiero y de organización. Los informes de los ex-Presidentes Lleras y Kubitschek y la proposición de ambos estadistas para la creación de un Comité Interamericano de Desarrollo es materia que corresponde discutir y decidir a los gobiernos, y, por lo tanto, nos abstendremos de emitir opinión a este respecto. Con todo, no nos parece impertinente hacer algunos comentarios sobre la forma en que se ha venido actuando en la cooperación multilateral.

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En el informe presentado a este consejo por la Nómina de los Nueve se establece que "diversos acontecimientos y decisiones le han hecho perder todo su vigor a la imagen de la Alianza como un esfuerzo cooperativo y multilateral a largo plazo y le están dando al programa un peligroso carácter de inestabilidad y contingencia". Compartimos plenamente esta afirmación, así como el análisis hecho en ese mismo informe sobre los factores que han contribuido a esa situación. Ellos pueden resumirse en la inseguridad que ocasionan las reducciones anuales a que el Congreso de los Estados Unidos somete las partidas para ayuda exterior; los intentos de modificar y condicionar unilateralmente la cooperación financiera con acuerdo a criterios que no son universalmente compartidos, ni siquiera en el mismo país que otorga los créditos, y el hecho de que "la ayuda del programa de la Alianza se trata de ligar cada vez más estrechamente a los problemas internos de los Estados Unidos, a la caída de las reservas, a los déficit presupuestales y del balance de pagos, al aumento de la deuda pública, e inclusive, como algunos los señalan, a la pérdida de los mercados mundiales". Asimismo, nos parece alarmante que se traten de establecer criterios restrictivos que no obedecen al interés mismo de los países latinoamericanos, ni a la economicidad de la inversión en los proyectos de industrias básicas como siderúrgicas, papel y celulosa, química, petróleo, aluminio y otras. Debe reconocerse plenamente la forma vigorosa en que el Ejecutivo de Estados Unidos ha resistido a muchas de estas tendencias y es de esperar que se mantenga su firme actitud de sostener y fortalecer los principios básicos de la Alianza. De todos modos, la presión continuada en las direcciones arriba indicadas es uno de estos factores negativos que siembra dudas en los partidarios del programa y alienta y da instrumentos a sus opositores.

Parece haber consenso general en el sentido de que debe darse a los órganos de ejecución de la Alianza una composición acorde con su naturaleza multilateral y de que es aconsejable dotar a esos instrumentos de mayor eficacia y autoridad. Es indudable que una de las mayores deficiencias ha sido la dispersión de las facultades de decisión y el hecho de que los fondos más importantes hayan sido manejados por el gobierno de los Estados Unidos, con lo cual se ha creado la imagen de una ayuda bilateral,

sujeta a influencias predominantemente políticas, y se ha dado la impresión de abandonar o debilitar el concepto básico del financiamiento de programas de desarrollo y su reemplazo por las ayudas de emergencia. En consecuencia, nos parece legítima y urgente la corrección de semejantes fallas, pero creemos que no debemos hacernos excesivas ilusiones en cuanto al poder milagroso de los cambios administrativos. Junto a estos cambios, hay que atacar también las causas de fondo que han entorpecido hasta hoy el éxito del programa, y nos parecería que condenamos al fracaso al organismo que se proyecta crear, si junto con la iniciación de sus labores, se reducen los fondos cooperativos para el financiamiento, se condiciona el otorgamiento de préstamos en forma unilateral, o no se adoptan decisiones audaces para mejorar las condiciones de nuestro comercio exterior.

Es Urgente intensificar la integración económica regional

Hace algunos momentos he hecho una rápida referencia a las limitaciones que impone al desarrollo industrial, y en general al desarrollo económico de América Latina, la estrechez de nuestros mercados nacionales. Esta afirmación es válida aún para aquellos países de mayor población y con un grado más alto de diversificación. La utilización en escala apropiada de valiosos recursos naturales, las ventajas de la producción en gran escala, la posibilidad de incrementar la productividad y rebajar los costos para competir en el mercado mundial de productos industriales no son posibles sino a base de mercados muy amplios y de una producción masiva. Estas circunstancias han sido fundamentales en el esfuerzo hacia la integración emprendido por países de alta industrialización y de mercados muy superiores a los nuestros, como son los de Europa occidental. Si a estas necesidades, impuestas por la economía contemporánea, añadimos las condiciones ya mencionadas de inestabilidad de nuestro comercio exterior y las limitaciones para mantener por largo tiempo un proceso razonable de sustitución de importaciones, se comprende fácilmente que la opinión sensata del Continente vaya cada día dándose cuenta más exacta de que el único camino seguro para garantizar nuestro desarrollo está en la integración económica.

Los países centroamericanos dieron un ejemplo al resto del Hemisferio cuando hace diez años lograron sobreponerse a los conceptos e intereses locales y emprendieron la ardua tarea de crear un Mercado Común Centroameri-

- 11 -

era, sin duda, la empresa de reunir las voluntades del conjunto de América Latina para la integración económica, y, sin embargo, venciendo todos los inconvenientes, la Zona Latinoamericana de Libre Comercio lleva ya más de dos años de existencia y ha logrado progresos significativos en el incremento del intercambio interlatinoamericano.

Los actuales momentos son decisivos para el futuro de la ALALC y de la Integración.-

El esfuerzo realizado, claro está, no es sino un paso inicial en un camino largo y nada fácil. El hecho de que el Tratado de Montevideo se limitara a crear un área de libre comercio y estableciera un laborioso proceso de negociaciones para hacerla efectiva era el reflejo de las dudas que abrigaban los gobiernos en cuanto a la posibilidad efectiva de la integración, y del temor de que un paso demasiado audaz resultara en perjuicio de las economías nacionales. En el tiempo transcurrido se han hecho importantes avances en el incremento del comercio intrazonal, se han disipado muchas de las dudas y se ha arraigado y extendido la convicción de que la integración es necesaria. Al mismo tiempo, se han puesto de manifiesto las limitaciones que encierra el laborioso y difícil sistema de las negociaciones tal como hoy se llevan a cabo, se han descubierto nuevos problemas que deberán resolverse para acelerar la integración y se han estado preparando o ensayando nuevas medidas para acelerar ese proceso. Me atrevería a decir que los actuales momentos son decisivos para el futuro de la ALALC y la idea de la integración. Avanzada como ha sido la etapa de las rebajas de aranceles sobre los productos tradicionales del comercio intrarregional, se corre el peligro de un estancamiento fatal en las negociaciones si no se pasa de inmediato, o en un plazo muy corto, a nuevos instrumentos de acción, con vista a la creación de un mercado común latinoamericano. En ese camino, parece ya inaplazable la elaboración de una tarifa y de un régimen aduanero comunes que permitan acelerar las desgravaciones y someterlas a un régimen automático. Mucho se puede adelantar, asimismo, mediante la complementación e integración sectoriales, en especial en aquellas industrias básicas en que el desarrollo es aún incipiente y que, por sus dimensiones y estructura, requieren de un mercado latinoamericano para trabajar con eficiencia, o en aquellas que tienen posibilidades inmediatas de exportar. En este camino, la CEPAL, en cooperación con los órganos ejecutivos

/ de la ALALC

- 12 -

de la ALALC y con otras organizaciones interamericanas, está trabajando activamente en la preparación de los estudios técnicos que permitirán a los gobiernos juzgar y decidir acerca de una posible integración industrial latinoamericana. De no menor urgencia es el estudio y las decisiones sobre los elementos de infraestructura que impiden o estorban el proceso de integración, tales como los transportes, las comunicaciones y los sistemas de relaciones comerciales y financieras entre los países de la región, y en lo cual también está colaborando la organización que represento. En cada una de las mencionadas esferas de actividad habrá que tomar en cuenta y buscar una solución satisfactoria para los países de escaso y mediano desarrollo que aspiran, con justa razón, a que la integración económica latinoamericana se traduzca en beneficio para todos. He dicho en otra oportunidad que los países mencionados tienen más posibilidades de crecimiento dentro de una gran comunidad, siempre que se lleve a efecto una política destinada a vencer su retraso relativo. Parece indispensable proceder de inmediato a elaborar semejante política en la cual, a más de un trato adecuado en materia arancelaria, habría que movilizar los recursos técnicos y financieros internacionales en una mayor acción enérgica dirigida a vencer las dificultades que impiden su mayor desarrollo.

Las responsabilidades y decisiones políticas que hay que encarar.-

Todo lo expuesto en materia de integración depende de una condición fundamental y ésta es la conciencia de que la integración es, en el fondo y por sobre todo, un fenómeno político, y que requiere decisiones al nivel político. Por profundas que sean las razones económicas que hacen imprescindible la unión de los países latinoamericanos, no debemos ignorar que hay en ese proceso aspiraciones que rebasan la esfera de la producción, del intercambio y de los niveles de ingreso. En ello va en juego nuestra soberanía como naciones libres y el peso de nuestras opiniones en la esfera internacional, donde cada día se acentúa la tendencia a la formación de grandes y poderosos bloques. Por eso, las decisiones fundamentales y la responsabilidad de las mismas deberán ser tomadas y asumidas por los responsables políticos de la comunidad latinoamericana.

Señor Presidente : en el curso de ésta exposición he debido tratar separadamente aspectos de un mismo fenómeno, que no son, sin embargo, independientes los unos de los otros, sino que forman una unidad conceptual y política . Las reformas

/ estructurales internas,

- 13 -

estructurales internas, la planificación, la mejora de las condiciones del comercio exterior, la colaboración internacional, la integración económica, no son circunstancias que puedan concebirse aisladamente, sino partes de un todo y elementos integrantes de una política económica donde las diversas medidas han de tomarse en forma simultánea y coordinada. Concebir de otra manera el problema del subdesarrollo latinoamericano sería condenarse a nuevos fracasos y a mayores desengaños. Se impone ahora un esfuerzo simultáneo en extensión y en profundidad mediante una política de desarrollo que es compleja, que exige esfuerzos y sacrificios, pero que es impostergable si queremos cumplir con la responsabilidad de nuestra generación ante nuestros pueblos y ante la historia. Hago votos porque estas deliberaciones conduzcan a resultados efectivos en el cumplimiento de la misión honrosa en que nos ha tocado participar.

MEMORANDUM

FROM THE OFFICE OF

THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS

35-20 ECLA
65 ✓

To..... Economic Division

November 26, 1963

Unclassified

file in MR. Webster

ECLA Correspondence and Publications

*Ph. He
necessary
order*

As you know, a substantial amount of this correspondence and these publications is addressed to the Minister, either by name or by title, and a substantial waste of time is involved in redirecting the material into the appropriate departmental channels. When we pointed this out previously, I believe efforts were made to have the appropriate ECLA mailing lists altered but these do not appear to have been successful because publications continue to be delivered to the Minister's office.

*file E-2133
done
Mar 27
to Santiago*

2. The attached letter from the former Minister, the Honourable Howard Green, indicates that a point of absurdity has now been reached when his name still appears on the ECLA mailing list and publications are forwarded to him in Vancouver before being returned to the Department. Consequently you may wish to make more vigorous representations to have this procedure stopped. A telegram to Santiago appears to be indicated.

M. N. Bow
M. N. Bow

CC: Latin American Div.
U.N. Div.
Press & Liaison

NOV. 27,
1963

35 - 20 - ECLA

FM: EXTERNAL OTT

NUMBER

PRECEDENCE

TO: SANTIAGO

E-2133

PRIORITY

INFO:

Ref.: OUR LETTER 136 OF NOV. 7/63

Subject: ECLA CORRESPONDENCE AND PUBLICATIONS

IN OUR REF LET WE POINTED OUT THAT THE ECLA SECRETARIAT
 WAS STILL ADDRESSING ITS CORRESPONDENCE TO THE HON. HOWARD GREEN.
 AS MR. GREEN HAS CONTINUED TO RECEIVE ECLA PUBLICATIONS. PLEASE
 ADVISE ECLA SECRETARIAT TO ^{cancel} ~~STOP~~ THIS PROCEDURE/ ~~AND~~ MAIL ALL
 ROUTINE CORRESPONDENCE ^{AND} ~~OF~~ PUBLICATIONS TO THE DEPARTMENT OF EXTERNAL
 AFFAIRS ~~RATHER THAN~~ TO THE MINISTER.

LOCAL
DISTRIBUTION

NO STANDARD

ORIGINATOR

DIVISION

PHONE

APPROVED BY

SIG.....

SIG.....

NAME... E. D. WILGROSS/MR.....

ECONOMIC

2-3952

NAME... O. G. STONER.....

O. G. STONER 000259

O. G. STONER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM The Canadian Embassy,
Santiago
Your letter E-136 of November 7 and
Reference: your telegram E-2133 of November 27
Subject: ECLA Correspondence and Publications

No:
Date: December 3, 1963
Enclosures:
Air or Surface Mail: Air
Post File No: 13-1-3

Ottawa File No. <i>with file</i> 35-20-ECLA n.k.	
21	21

E TO: Mr. Wilson
DEC 10 1963
REGISTRY

References

*To see
Mr. Stewart
@ Mr. [unclear]
file
[unclear]*

As requested, we have now arranged with the ECLA Secretariat for all future communications intended for the Secretary of State for External Affairs to be addressed to the Honourable Paul Martin. The Secretariat will see to it also that all routine correspondence and ECLA publications be mailed to the Department and not to the Minister himself. Please advise us if these new arrangements do not work out to your satisfaction.

[Signature]
The Embassy

Internal
Circulation

E

F. 108 (2-52)

Nº 85428

UNITED NATIONS



NATIONS UNIES

Branch Office Receipt / Quittance de bureau auxiliaire

Santiago, 10 December 1963

Received from GOVERNMENT OF CANADA
Reçu de _____

the amount of Ten thousand dollars.--
la somme de _____

Rate to U. S. dollar -- equivalent to --
Taux par rapport au dollar (U.S.A.) équivalant à _____

in payment of Gift for U.N. Building in Santiago
en paiement de _____

US \$ 10,000.00

A handwritten signature in dark ink, appearing to read "Len Susan".

For United Nations
Pour l'Organisation des Nations Unies

000261

ORIGINAL

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy
Santiago, Chile
Reference: Our Letter 367 of Dec. 4, 1963
Subject: Contribution to the Gift Programme for
the United Nations Building in Santiago
Chile.

No: 295
Date: December 24, 1963
Enclosures: Several ✓
Air or Surface Mail: Air
Post File No: 13-1-3 Jz

Ottawa File No.	
35-20-ECLA	
2	2

TO: Mr Wilgress
JAN 14
REGISTRY

References

Memo done to Info Div Jan 22/64 hto

2

Further to our letter under reference, we should like to report that we formally presented the \$10,000 cheque to ECLA on December 10, 1963, the anniversary of the Declaration of Human Rights.

2. A presentation ceremony was arranged by ECLA at the site of the new building which was attended by Dr. Mayobre, Executive Secretary of ECLA; other officials of the Secretariat; Señor Pedro Daza, Under-Secretary and other officials of the Ministry of External Affairs in Chile; the Ambassador of Brazil who is Chairman of the U.N. Ad hoc Gift Committee; the Ambassador of Costa Rica who is a member; representatives of the Municipality in which the new building is located; the Architect; the Contractor; officers of this Embassy and a scattering of other persons.

3. A brief statement was made by the Ambassador upon handing over the cheque to Dr. Mayobre - a copy of this statement is attached in the original Spanish together with an English translation. Dr. Mayobre in return expressed the appreciation of ECLA and spoke in the most complimentary fashion about the gift being evidence of Canada's sympathetic interest in Latin America and its problems. Subsequently, Dr. Mayobre wrote to the Embassy in a similar vein enclosing ECLA's official receipt, which is attached.

4. ECLA announced the gift through its public relations and information bulletins and there was some publicity in the local press and on the radio. Also attached are newspaper clippings from El Mercurio, the leading newspaper, describing the event and several photographs which may be useful for public relations purposes in Canada.

Internal Circulation

*R
K*

J. R. ...

The Embassy

Distribution to Posts

JAN 7 2 49 PM '61

Copy of date stamp on back of previous page

Mr. Principal Director, Mr. Under-Secretary, Excellencies,
Officials, Gentlemen:

It is a great pleasure for me to deliver to you this cheque as a modest contribution to construction of this building which is to be the Latin American Headquarters of the United Nations.

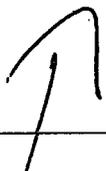
It seems to me to be especially appropriate to make this presentation today, date on which it is celebrated the anniversary of the Declaration of Human Rights because the work of ECLA, of the specialized agencies and of other affiliated entities make a strong contribution to the attainment of the objectives set out in the Declaration.

A fundamental principle of the external policies of Canada has always been support for the United Nations system and naturally therefore Canada is already contributing to its work here by means of its annual payment to the United Nations. Nevertheless, the Government of Canada wished to demonstrate the special interest which it and the Canadian people regard the work of ECLA of which Canada has been a member since 1961.

My Government asked me in handing you this cheque to express ^{the} best wishes of Canada that this building may be soon and successfully completed.

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM



TO: USSEA

Security

FROM: Economic Division

Date .. January 15, 1964

REFERENCE:

File No.		
35-20-ECLA		
6		

SUBJECT: Ninth Session of ECLA Committee of the Whole

The Ninth Session of the Committee of the Whole of the United Nations Economic Commission for Latin America (ECLA) will meet in Santiago, Chile from February 12 to 14, 1964. As you know, we are members of ECLA, and should therefore be represented at this meeting.

File

2. Meetings of the Committee of the Whole are essentially routine to review the progress of the Commission's work in the years between the Plenary Session which are held every two years. Major policy decisions are normally only taken at the Plenary Sessions.

3. This year the Committee of the Whole will be almost wholly preoccupied with finalizing the position that the Latin American countries will take at the United Nations Conference on Trade and Development. This subject will be of particular interest to us. Other relatively minor subjects include the acceptance of ECLA's 1963 Annual Report; review of the draft work programme for 1964-65; construction progress of the United Nations Building at Santiago; developments connected with the Latin American Planning Institute.

4. We would recommend that Mr. G. B. Summers, our Ambassador to Chile be the Canadian delegate to this Session. He was, you may recall our delegate to ECLA's Plenary Session last year. We would also recommend that Mr. J. R. Midwinter, Commercial Secretary at our Embassy at Chile, and responsible for liaison with ECLA, assist Mr. Summers on our delegation. Attached for your signature, if you agree, is a telegram to our Embassy at Santiago asking Mr. Summers and Mr. Midwinter if they could accept this assignment.

OK
Sent 16.1.64

Economic Division. 000265

SANTIAGOCH (13) 1710

LT EX: NAL
OTTAWA

ACTION

35-70-ECLA J14

6 JANUARY 13 INFO TRADE AND COMMERCE OTTAWA REFYRTEL E35
JANUARY 10 ECLA AGENDA FOR FEBRUARY MEETING ECLA COMMITTEE OF
THE WHOLE NOT YET ISSUED HOWEVER WE UNDERSTAND MEETING WILL BE
ALMOST WHOLLY PREOCCUPIED WITH FINALIZING LATIN AMERICAN
POSITION FOR UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
OTHER RELATIVELY MINOR TOPICS WILL INCLUDE ACCEPTANCE ECLAS
1963 ANNUAL REPORT REVIEW OF DRAFT WORK PROGRAMME FOR 1964-65
CONSTRUCTION PROGRESS OF UNITED NATIONS BUILDING LATIN AMERICAN PLANNING
INSTITUTE 2 DOCUMENTATION SENT DIRECT TO YOU BY ECLA EXCEPT
FOR VERY IMPORTANT REPORT ON THE UNITED NATIONS CONFERENCE ON
TRADE AND DEVELOPMENT TWO COPIES OF THIS REPORT GOING
FORWARD BY COURIER

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy.....
..... Santiago, Chile.....

Reference:.....

Subject: Tenth Session of the Committee of
..... the Whole of E.C.L.A.

Security:.....Unclassified.....

No:.....12.....

Date:.....January 17, 1964.....

Enclosures:.....-.....

Air or Surface Mail:.....Air.....

Post File No:.....*f 5*.....

Ottawa File No.	
35-20-ECLA	
21	21

E
 TO: Mr. Wilson
 JAN 21 1964

References

To Leo
~~Mr. Stonest~~
~~Mr. Bow~~
~~at SEA~~
 (We shall probably hear from Mr. Green on this)
 Lm.

Although we had been advised orally some time ago about the forthcoming meeting of the Committee of the Whole of E.C.L.A., we only yesterday received a copy of Dr. Mayobre's letter of January 2nd formally informing the Canadian Government of the meeting and inviting its participation.

2. We were startled to note that despite our earlier representations and the assurances we had thereafter received, Dr. Mayobre's letter was still addressed to Mr. Green. We have again brought this matter to the attention of the Secretariat who apologise for what they describe as a clerical error and state that they have taken steps to assure that it does not occur again.

Internal Circulation *ph*

[Handwritten signature]
 1/1

J. Midwinter
 The Embassy

JAN.15,
1964

25-70
2

ECLA
✓

UNCLAS

FM: EXTERNAL OTT

TO: SANTIAGO, CHILE

NUMBER	PRECEDENCE
E-67	ROUTINE

INFO: TANDC OTT

Ref.: YOUR TEL NO. 6 OF JAN. 13.

Subject: ECLA COMMITTEE OF THE WHOLE

FOR THE AMBASSADOR.

WE SHOULD LIKE YOU TO BE OUR REPRESENTATIVE AT THE FEBRUARY MEETING OF ECLA'S COMMITTEE OF THE WHOLE ASSISTED BY MIDWINTER. PLEASE ADVISE IF YOU CAN ACCEPT. BRIEFING MATERIAL ON THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT WILL BE SENT TO YOU.

ROBERTSON.

LOCAL DISTRIBUTION

NO STANDARD

ORIGINATOR	DIVISION	PHONE	APPROVED BY
SIG..... NAME ED. WILGRESS/MR.....	ECONOMIC	2-3952	SIG..... NAME N. A. ROBERTSON..... 000268

SANTIAGOCHILE (20)

ETAT PRIORITY EXTERNAL

OTTAWA

7 AN 20 REF YOUR TEL E 67 JAN 16 ECLA COMMITTEE

OF THE WHOLE GLADLY ACCEPT SUMMERS

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35-20-5419		
2	1	21

TIME IS 1648

(JB) 552PM

CP TEL OTT

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EXTERNAL OTT

Handwritten notes:
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 [unclear]
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 [unclear]

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

(DUPLICATE)

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM:

The Canadian Embassy

Santiago, Chile

Reference:.....

Subject: Our Letter 367 of Dec. 4, 1963

Contribution to the Gift Programme for
the United Nations Building in Santiago
Chile.

Security:....Unclassified.....

No:.....395.....

Date:.....December 24, 1963...

Enclosures:.....Several.....

Air or Surface Mail:....Air.....

Post File No:.....13-1-3.....

Ottawa File No.	
35-20-ECLA	
6	

References

Further to our letter under reference, we should like to report that we formally presented the \$10,000 cheque to ECLA on December 10, 1963, the anniversary of the Declaration of Human Rights.

*xl
w*

2

2. A presentation ceremony was arranged by ECLA at the site of the new building which was attended by Dr. Mayobre, Executive Secretary of ECLA; other officials of the Secretariat; Señor Pedro Daza, Under-Secretary and other officials of the Ministry of External Affairs in Chile; the Ambassador of Brazil who is Chairman of the U.N. Ad hoc Gift Committee; the Ambassador of Costa Rica who is a member; representatives of the Municipality in which the new building is located; the Architect; the Contractor; officers of this Embassy and a scattering of other persons.

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Internal
Circulation

4. ECLA announced the gift through its public relations and information bulletins and there was some publicity in the local press and on the radio. Also attached are newspaper clippings from El Mercurio, the leading newspaper, describing the event and several photographs which may be useful for public relations purposes in Canada.

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM The Canadian Embassy,
..... Santiago, Chile.....
Reference: Our telegram No. 6 of Jan. 13, 1964
Subject: E.C.L.A.

Document disclosed under the Access to Information Act -
Document divulgué en vertu de la Loi sur l'accès à l'information

No:.....
Date:..... January 16, 1964.....
Enclosures: -2- ✓
Air or Surface Mail: Courier
Post File No:..... Jk.....

Mr. Wilger

Ottawa File No.	
85-20-ECLA	
21	21

References

Refer to
Finance
(As Macpherson)
with enclosure
TCC
(W. Lawrie)
without
enclosure
to Done
at en Jan 21/64
to W.
file

Enclosed are two copies of the Report, Latin America and the United Nations Conference on Trade and Development (ST/ECLA/CONF.13/L.2), to which we referred in our telegram No. 6 of January 13, 1964. This Report results from prolonged study by ECLA's Trade Policy Division and, more particularly, from meetings of a group of "experts" in Santiago in October and December, 1963. The study and these meetings were authorized by Resolution No. 221(X) of the Tenth Session of ECLA at Mar del Plata in May, 1963.

2. ECLA convened the "experts" by special invitation and the meetings were closed. The present report is said to be a confidential document for limited distribution only. The ECLA Secretary handed us the report just a day or two ago, after making a long oral explanation. We had been pressing for some time for information on the series of meetings and it is possible that the Secretariat felt a little embarrassed that one group of ECLA's member states were carrying on important discussions from which the remainder were deliberately excluded.

3. The "experts" were a well-balanced group of Latin American economists supposedly invited to participate on the basis of individual merit, or knowledge. However, we know that some Governments at least had a hand in their selection. The new Government of Argentina, for example, insisted on sending a close confidant of President Illia to the second meeting, in addition to the "expert" (Señor Adalberto Krieger) who had been involved until then but who presumably did not reflect the views of the new Administration. The "experts" comprised:

Eduardo Figueroa, former Minister of Finance and former President of Central Bank, CHILE

Plácido García Reynoso, Under-Secretary for Trade & Industry and Representative to LAFTA, MEXICO

Adalberto Krieger Vasena, former Minister of Fin000271 ARGENTINA

Internal Circulation

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Pat

Distribution

REGISTRY
JAN 21 9 29 AM '64

Original As is

Enrique Gastón Valente, Agricultural Attaché to the Argentine Embassy to the United States, Chief Economist of the Central Bank (?), ARGENTINA

Marcio do Rego Monteiro, Planning Service of the Office of the President and Special Trade Adviser to President Goulart, BRAZIL.

Julio Lacarta Muro, Ambassador to West Germany and Representative at GATT, URUGUAY

Carlos Lleras Restrepo, Senator and former Minister of Finance, prominent Liberal Party politician, possible candidate next presidential elections, COLOMBIA

Jorge Sol Castellanos, former Minister of Finance, EL SALVADOR and former Executive Secretary of IA-ECOSOC (a very controversial figure in inter-American circles - he did not attend second meeting.

Alberto Solá, Executive Secretary of LAFTA and an Argentine national, also attended the meetings which took place under the direction of Señor Jorge Mendez, Director of ECLA's Trade Policy Division and a Colombian national.

4. The meetings and ECLA's studies were to prepare the ground for the full-dress seminar about to take place at Brasilia, also under ECLA's sponsorship. We are informed that the Report under cover is to be the basis of debate and for this reason is still to be considered "provisional." However, changes of substance are not anticipated.

5. Even the "experts" noted above reflect in their Report the prevailing view here that the restrictive and discriminatory policies of the industrialized countries are the main barrier to the growth of Latin America's exports. Latin America's internal policies, incentives, climatic conditions and competitive and other factors are barely touched upon. For example, on page 131, the authors state that "...restrictive or discriminatory protectionist policies pursued by the industrial areas ... were harsh for agricultural products, less so for fuels and ores and virtually prohibitive as regards any possibility of a share of the market in the industrial countries for exports of manufactured goods".

6. Unless concessions obtained at the World Trade Conference from the industrialized countries are matched by changes and reforms in internal policies and practices, Latin Americans may be disappointed at the results. The failure even by supposedly objective Latin American "experts" to emphasize the importance of self-action has dangerous implications which, it seems to us, should be counteracted wherever possible.

7. The conclusions and recommendations for action arrived at by the "experts" may be summarized as follows:

000273

- 43-
- Document disclosed under the Access to Information Act -
Document divulgué en vertu de la Loi sur l'accès à l'information
3. Existing forms of distributing particular developing regions in the form of agricultural products should be replaced by aid which increases the purchasing capacity of the recipient countries so that they can buy their agricultural supplies wherever they wish.
 4. Individual commodity agreements should be continued but must take into account the need for increasing the share of production accruing to the developing countries.

Mineral Ores and Fuels

1. Industrial countries must abolish customs duties, quantitative restrictions and preferential treaties on primary and intermediate mineral products.
2. Governments of developed countries and international financial agencies should support the granting of medium and long term loans to national enterprises in developing countries for exploitation of their own mineral resources.
3. There should be individual commodity agreements to maximize foreign currency earnings of the less developed countries.

C. Exports of Manufactures and Semi-Manufactures

1. Developed countries should grant preferential treatment to imports of manufactured and semi-manufactured products from developing countries.
2. Developed countries should gradually reduce tariffs on imports of semi-processed products.
3. Any concessions should not be dependent upon reciprocal measures by developing countries.
4. Existing quantitative restrictions should be abolished.
5. Specific customs duties that impose proportionately higher charges on products of a lower unit-value should be abolished.
6. Preferences granted to some under-developed countries by certain developed countries must be eliminated.

D. Trade with Centrally Planned Economies

1. The centrally planned economies should undertake to fix quantitative trade targets with the developing countries and include them in their long term plans. These targets should take into account the development requirements of the under-developed countries.

E. Trade and Development Financing

1. All industrialized countries should help to finance development of the less advanced economies. The target for this flow of assistance should be 1% of the combined annual incomes of the economically advanced countries.

A. General Principles

1. The United Nations Conference on Trade and Development should agree upon specific measures to promote export earnings of the developing countries.
2. The basic objective of new measures in the field of international trade should be to assist the developing countries to achieve the growth rate specified in the "U.N. Development Decade" program.
3. There should be greater integration in world trade and greater co-operation between countries with market economies and those with centrally planned economies.
4. The old principles of "reciprocity" and "most-favored-nation treatment" should be redefined so that they do not stand in the way of the granting of concessions to the developing countries.
5. Ways must be found of equalizing the effect of new rules and concessions on industrialized countries with market economies and industrialized countries with centrally planned economies.
6. Existing preferences between certain of the developed and developing countries should be abolished (i.e. British preferences).

B. Traditional Primary Commodity - Exports

Tropical Products

1. Internal taxes and customs duties on basic tropical commodities should be abolished by December 31, 1965.
2. All forms of discrimination against tropical products exported from Latin America should be abolished.
3. Internal taxes and customs duties applied by industrial countries to final products containing a high percentage of tropical raw materials should be reduced significantly.
4. Studies should be carried out to find ways of eliminating excessive distribution costs of tropical and semi-tropical products in certain industrial countries.
5. Agreements should be reached to regulate and sustain trade in individual commodities.

Temperate Agricultural Commodities

1. Developed countries should significantly reduce subsidies on agricultural production and eliminate them on agricultural exports.
2. Variable duties, quantitative restrictions, prohibitive customs duties, preferential tariffs and other discriminatory measures should be eliminated.

2. Suitable mechanisms must be instituted to compensate developing countries for any future deterioration in their terms of trade.
3. The compensatory credit systems introduced by the IMF should be extended and made more flexible.
4. Industrialized countries should adjust their financing and aid policies so that credits on necessary capital goods imports by the developing countries will not militate against procurement of these capital goods in the developing countries.

F. World Trade Institutions

1. A specialized international organization with universality of membership must be set up within the framework of the U.N. to deal with all international trade problems in relation to development needs.
2. As a temporary measure, it is essential to establish immediate action bodies with, as their central organ, the U.N. Conference on Trade and Development which should meet again within one or two years. These bodies would have jurisdiction as follows:
 - (a) relationships between the developed and developing countries;
 - (b) relationships between countries with centrally planned economies and countries with market economies;
 - (c) relationships between the developing nations themselves, especially in different continents, in association with the various U.N. regional economic commissions;
 - (d) GATT (downgraded) would continue but negotiations in that forum would be carried on in the light of policy guide lines emerging from the Conference.

Conclusion

The 'experts' report, as modified at the Brasilia Seminar later this month, will be reviewed, and the principal subject of business, at the ECLA Committee of the Whole meeting, February 12-14. This will be Canada's only opportunity prior to the World Conference, to influence or comment on the developing co-ordinated policies of the Latin American countries. We should be grateful for any comments or instruction you might have for us in this respect.

AB Midwinter

FROM: The Canadian Embassy, Brasília, Brazil.
Reference: Rio's letter No. 410 of June 7, 1963.
Subject: ECLA - Seminar of Government Experts (Part I)

Date: January 21, 1964.
Enclosures:
Air or Surface Mail: Air
Post File No: 87

TO: Mr. Wilson
FEB 18 1964
REGISTRY

Ottawa File No.
35-20-ECLA.
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References

A Seminar of 104 Latin American Government experts, convened to prepare recommendations and plan regional strategy for the forthcoming United Nations-sponsored Conference on Trade and Development in Geneva, began a five-day series of meetings in Brasília on Jan. 20. Brazil's interest in this conference was demonstrated by the considerable attention devoted to it in President Goulart's message to Congress last year (Ref. our letter 220 of Mar. 28, 1963) and is consistently being reaffirmed in authoritative pronouncements referring to the dependence of Brazil's economic, social and political progress on the solution of these critical problems. The concern of all under-developed countries was most clearly indicated in the "Joint Declaration of Seventy-Five Developing Countries" submitted to the U.N. General Assembly in October, 1963.

2. The Seminar will use as a basis for discussion the 300-page report, United Nations, Economic & Social Council - ST/ECLA/CONF.13/L.2 - 27 Dec.1963, prepared for ECLA in the course of two previous meetings held in October and December 1963 in Santiago, Chile, by a group of experts on Latin America financial and trade policy, including several former finance ministers, in cooperation with the ECLA Secretariat. This document will serve as a point of departure for the examination of current, common economic and financial difficulties and for consideration of proposals for the solution of Latin American foreign trade problems, including the expansion of general economic development in the area. The principal purpose of the meeting is admittedly to prepare a united front which the under-developed countries can present to the industrialized nations participating in the Geneva Conference in March. It will also be interesting to learn of any steps being taken by the developing countries of Africa and Asia, either collectively or under the auspices of U.N. regional groupings such as ECAFE, for concerted action at the World Conference.

3. Eighteen of the 20 Latin American countries originally scheduled to participate have sent delegates to the meeting with only Haiti and Jamaica absent. Cuba, which since her expulsion from the OAS can no longer take part in discussions of continental affairs under the Organization of American States sponsorship, sent a five-member delegation. The Cuban Ambassador to Brazil has also been in Brasília during this period presumably for consultations and advice.

4. The ECLA report deals with the situation under the following five principal headings: (1) Description of Foreign Trade and

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to fresh hopes for serious consideration of the issues. It is expected that the 123 nations which have been invited to attend will make a genuine effort to find solutions to these vital problems on a global level.

10. The "supreme responsibility" of industrialized countries in relation to the economic development of Latin America and undeveloped areas in general is plainly stated in the report which admits that "on their attitude and decisions will depend the future course of Latin American development and the structure of its foreign trade". Because of this open recognition it is perhaps surprising that the solutions should have been proposed so largely in terms of concessions and measures to be introduced by the industrialized countries with little emphasis on the remedial action to be taken by Latin American countries themselves. Presentation of the case in the form of proposals for the re-orientation of their trade policies is hardly likely to be enthusiastically received by the industrialized nations who no doubt consider that the prerequisite for a new approach to this question should be a prior setting of their houses in order, by the under-developed countries.

11. Part II will deal with Seminar discussions and resolutions proposed by participating delegations and will compare the conclusions and recommendations agreed on by the Conference with the proposals outlined above.



The Embassy.

Economic Development in Latin America; (2) Obstacles to Trade Expansion; (3) Perspectives and Directives for Future Action; (4) Principal Requirements for the Re-organization of World Trade; and (5) Requirements for a new International Trade "Structure". It is anticipated that the Seminar programme will follow closely along these lines.

5. The two aspects of the situation on which attention will be primarily concentrated are: (1) national economic development and increased productivity with the corresponding rise in living standards and (2) the expansion of Latin America's share of world trade to restore the present equilibrium together with the introduction of a new "framework" for international commerce which will facilitate the creation of conditions favourable to these goals.

6. Decline of the per capita income growth rate which fell from over 4% during the post war years to almost zero in 1962, as the report points out, has caused widespread concern and focussed attention on the urgency of increasing productivity and ensuring a more equitable distribution of income. This alarming trend is attributed to inadequate national development and to the deterioration of the position of Latin America countries in foreign trade.

7. Governments are particularly concerned that the proportion of Latin American participation in total world trade steadily declined since the Second World War; from 11% in 1950 to a current low of 6.5%. One explanation of this decline is the manner in which manufactured goods have occupied an ever increasing share of world markets at the expense of primary commodities, the traditional exports of South American countries. The inflexibility of both the nature and aggregate of Latin American exports has further complicated attempts to remedy the situation. During a period in which the volume of world exports was more than doubled and exports from the United States, Canada and Western European Countries increased threefold, Latin America achieved a modest 70% increase in export volume over 1938. Without the introduction of such a significant new factor as petroleum products, the increase would have amounted to a mere 40%. In contrast, other developing areas increased their share in foreign trade during this period by some 130% in the case of Australia, New Zealand and South Africa and by 150% in the developing areas of Central Africa.

8. The effect of this disequilibrium is compounded by the increasingly unfavourable terms of trade whereby the value of primary products has dropped drastically in comparison with that of manufactured goods. The resulting imbalance has required a corresponding increase in foreign investment to bridge the import-export gap which it has been difficult to achieve because conditions have not become more attractive for foreign capital given the rising tide of nationalist legislation affecting such investment. Nor has past performance in debt repayment and the failure of Latin American countries to achieve any significant balance in their national budgets increased the confidence of international financial circles. The burden of previous loans has moreover become increasingly heavy with the dwindling of foreign exchange earnings from exports.

9. These revealing facts are indeed compelling reason for serious concern and supply the strongest incentive to devise effective corrective measures. It is perhaps little wonder that the prospect of a forum provided by the forthcoming international conference - a conference 10.000279 sought by the undeveloped members of the United Nations - has given rise

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Information Division

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January 22, 1964

Economic Division

External Affairs Bulletin

- ... As you are in need of contributions for this month's External Affairs Bulletin, we attach for use in the Bulletin a short statement on the gift which the Canadian Government gave to the United Nations Economic Commission for Latin America for the United Nations Building to be constructed at Santiago, Chile. Mr. Summers, our Ambassador to Chile, presented this gift to Dr. Mayobre, Executive Secretary of ECLA.
- ... We also attach several photographs of the presentation ceremony and you may wish to reproduce one of these photographs in the Bulletin, together with the attached statement.

O. G. STONER

Economic Division

Canadian Gift to the United Nations Economic Commission
for Latin America

Canada became a member of the United Nations Economic Commission for Latin America (ECLA) in October 1961. In 1962 ECLA established an Ad Hoc Committee to coordinate and promote a gift programme for the United Nations Building to be constructed at Santiago, Chile, to house the ECLA Secretariat. All ECLA members were invited to contribute. The Canadian Government contributed a cheque for \$10,000 which the Canadian Ambassador to Chile, Mr. G.B. Summers, formally presented to Dr. Mayobre, Executive Secretary of ECLA, on December 10, 1963.

The presentation ceremony was arranged at the site of the new building. Attending the ceremony were senior officials of the ECLA Secretariat, the Under-Secretary and other officials of the Ministry of External Affairs of Chile, the Ambassadors of Brazil and of Costa Rica (respectively Chairman and member of the Ad Hoc Gift Committee), representatives of the municipality in which the new building is located, and several other persons.

On presenting the cheque to Dr. Mayobre, Mr. Summers said in part: "It is a great pleasure to deliver to you this cheque as a modest contribution to the construction of this building, which is to be the Latin American headquarters of the United Nations ... The Government of Canada wish (in this way) to demonstrate the special interest which it and the Canadian people regard the work of ECLA of which Canada has been a member since 1961."

FROM: The Canadian Embassy,
 Brasilia, Brazil.
 Reference:..... Our letter..... of Jan. 21/63.....
 Subject:..... ECLA - Seminar of Latin American
 Government Experts (Part II)

Date:..... January 30, 1964.....
 Enclosures:..... --.....
 Air or Surface Mail: Air
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TO: <i>Mr. Welles</i>
FEB 19 1964
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After the formal opening of the Seminar by ECLA executive-secretary Senhor José Antonio Mayobre, a welcome was extended by the Brazilian Foreign Minister, Senhor Araújo Castro to the 104 delegates from the 20 participating Latin American countries and to observers representing; the Latin American Association for Free Trade (LAFTA), the Inter-American Bank of Development (IDB), the Center for Latin America Monetary Studies, the Committee of Nine, the Organization of Latin American States (OAS) and the Permanent Secretariat of the General Treaty on Central American Economic Integration.

2. Foreign Minister Castro emphasized the importance for under-developed countries of the coordination of their activities in international assemblies in order to multiply the individual bargaining power in support of common interests - without such unity at the 17th General Assembly of the United Nations, for example, the convocation of the forthcoming General Conference on Trade and Development would have been most difficult to achieve. Senhor Castro stressed the importance, first, of being fully aware of the shortcomings of the present mechanism of international exchange in order to seek changes in its existing structure and to permit the separation of the conflict of interests and of commercial needs of both the developing and developed countries in order to identify substantive concessions which will bring effective and lasting solutions.

3. The Seminar divided itself into two commissions, which produced final reports on the following obstacles in the way of increased Latin American trade and measures to augment its present volume. Agenda items were divided between the commissions as follows: Commission I - to analyze the possibility of diversification of exportation with regard to tropical and temperate zone products, explore various aspects of the disposal of surplus agricultural produce, as well as to study the question of exports of minerals and fuels. Their findings indicated that the principal obstacles concerned were high tariffs and custom charges which severely limit the demand and restrict the potential market. The commission proposed that steps be taken to abolish these barriers beginning not later than December 31, 1965. It was suggested that an investigation should be made of the high costs of certain tropical products which in fact serve as a further obstacle to increased consumption in temperate zone markets. The commissioner proposed the modification of agricultural policies to eliminate

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existing import restrictions on livestock and agricultural products, suggesting that initially a maximum limit be established for a total of all types of protection and also recommended the elimination of quantitative restrictions and subsidies in the agricultural exports. The same discriminatory measures against minerals and fuels should be eliminated in the "Decade" of Development, starting with a gradual elimination of those barriers to begin by December 31, 1965. Developing countries, the report concludes, should refrain from taking retaliatory steps against measures introduced by developing countries in the interest of social and economic improvement including those applicable to the field of property, i.e. nationalization of foreign owned enterprises. While benefiting from technical progress, developing countries should ensure that the disrupting effect of the introduction of synthetic substitutes for basic products should be reduced to a minimum through concessions and previous agreement. Perhaps the most striking concession sought from the industrialized countries concerned the export of manufactured and semi-manufactured goods. Developed countries, the report states, must give preferential treatment to developing countries, not subject to reciprocity, with a view to increasing the level of incomes in the latter countries.

4. Considerable attention was given by Committee I to "invisible" items of trade which constitute such an important sector in the balance of payments of Latin American countries. The importance of the tourist trade was one significant item which could be expanded and the committee called for additional material on the question of ocean transport, another important item in the balance of payments. Committee II produced a final report on the urgency of diversification of traditional exports, the role of the movement towards regional integration of Latin American foreign trade, and the possibility of increasing export markets either in other developing regions or in the socialist bloc countries together with some aspects of the financing of trade and development including long-term loans. A strong Cuban delegation, led by Benigno Regueiro Ortega, a Deputy Minister of External Trade, played a relatively cooperative, if inconspicuous, role at their first meeting with other Latin American countries since Cuba's expulsion from the OAS. Aside from one interjection by a Chilean delegate to the effect that Cuba spoke as a member of the "Soviet" and not the "Latin American" bloc, when they referred to their country as a member of the latter, the only significant reservations expressed were in respect to the trade possibilities with countries with centrally-planned economies. The Cuban delegation stated that long-term bilateral agreements with socialist countries did in fact favour the growth of developing countries and pointed out that it was not easy for socialist countries to pay in convertible currencies because, of the obstacles placed in the way of their trade by some industrialized countries. The communist delegation also observed in relation to the proposal on financing, that this conclusion did not contemplate the utilization of funds liberated by disarmament, and in order to have the joint accord of all Latin American countries on this proposal the forum should be one which guaranteed participation of all Latin American countries. This was obviously a reference to the next meeting in Argentine under OAS auspices where the United States, not Cuba, will be a participant.

5. Committee II devoted its principal attention to the geographical diversification of trade and under this heading examined: (a) trade between countries with centrally planned economies

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where it was suggested that a quota be included in short and long term plans for purchase of products from developing countries, together with a guarantee of access to markets in these countries with payment for transactions made available in convertible, transferable currency; (b) between developing countries where exclusive concessions were sought from industrialized nations; i.e. the elimination of preferences and the application of the principles of non-restricted, multilateralism; and (c) the integration of Latin American trade, a consideration already under investigation since 1952 by the Central American Programme and since 1961 the preoccupation of LAFTA.

6. A programme of financing trade and development, recognized by the original ECLA study, was confirmed by the investigations of the Seminar as being of utmost importance. Industrialized countries "must recognize their responsibilities in respect to international financial contributions" in order to create a rate of growth which reduces the difference in income levels between the industrial and developing countries. The size of these contributions, the official report suggests, should be at least sufficient to fill the gap between estimated import needs and the anticipated expansion of the current import capacity. A multilateral character of arrangements, not tied to special products or restricted to purchases in the country advancing the loan, were favoured. In order to ensure that loans do not exceed a country's ability to repay the outstanding debt, the period of the loan should be of an adequate long-term character bearing low term interest rates.

7. Tribute was paid to the International Monetary Fund's system of "compensatory credit" introduced at the beginning of 1963, which should be modified in the light of experience along the lines recommended by the OAS Special Commission on Basic Produce in their report of August 1963 which recommended measures which would simplify and bring uniformity to the programme, at the same time making its operation more automatic.

8. The final subject of the report recommended as indispensable, is the creation of an international organization within the United Nations system, to deal with international trade problems, stemming fundamentally from development needs, i.e. an organization of universal character endowed with sufficient authority to carry out the decisions of the Conference on Trade and Development. The Conference should meet again in one or two years to provide a central element for the direction of permanent organs and a secretariat which should begin functioning immediately. The report proposed the establishment of an independent organization with a permanent committee and secretariat and its own budget working in close cooperation with the Economic, Social and Regional Commissions of the United Nations. The Seminar concluded that the creation of such an organization is essential to the establishment of a new system of international trade relations.

9. The final Plenary meeting did not agree on the form of presentation of the Conference's findings, and the release of the final document was therefore considerably delayed. Brazil, Argentina and Chile opposed the acceptance of a report which did not differentiate clearly between the ECLA secretariat document and the conclusions reached by the Government experts participating in the Brasilia Seminar. It was some days later therefore that a final separate report of the conclusions was drafted and distributed. This more compact document began with the Seminar's conclusions, as the Brazilian delegation had urged, and stated that

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in accordance with Resolution 1785 of the 17th Session of the U.N. General Assembly and with the aim of establishing a new framework for international trade - one of the indispensable conditions to assure the rapid, orderly and continuing growth of developing countries - the Conference should: (1) formulate principles and operating norms to govern international trade with the aim of transforming it into an efficient instrument for the economic growth of developing countries; (2) establish under the aegis of the U.N., adequate institutional mechanism to carry out the decisions of the Conference; and (3) adopt concrete measures in conformity with the above objectives, contributing to the immediate increase in the revenue produced by foreign exports.

10. The revised report listed five fundamental principles embodying the obligations of the industrial nations viz-a-viz the developing countries. As pointed out in paragraph 10 of our previous dispatch (Part I) these concessions require the reduction and final elimination of all trade barriers, tariffs, quotas, import duties, etc., with the goal of eventual free entry of all products of developing countries with no corresponding compensation for the effect on the economies of the industrialized countries.

11. There is no inclusion in the presentation, of coordinated measures which would depend entirely on steps taken by developing countries. Perhaps since this is the first step in planning a unified front by the undeveloped countries, it was essential to first establish their common interests and agree on a unified approach. The consideration of corresponding domestic measures would undoubtedly have introduced an element of discord resulting from possible conflict between individual national plans. It is possible that the next meeting at the Ministerial level will place this plan in a more balanced setting which will include corresponding obligations and responsibilities which the developing countries will have to undertake. eg: the balancing of budgets, control of inflation, and greater exploration of domestic resources, together with additional encouragement for private, as opposed to government investment, the principal source of foreign investment funds. The advantage of such provisions will certainly make the proposals less one-sided and more acceptable in the presentation of a brief to the industrialized nations in Geneva later this year. These preliminary conferences after all are designed to concert Latin American opinion and to establish common ground, and this they have undoubtedly done. It remains to see how these proposals will be presented at subsequent meetings, and how they will be integrated with the proposals submitted to the preparatory commission by other regional groupings of undeveloped countries.

David P. Cole

The Embassy.

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P.S. -- While Mr. Cole's translation of the report is substantially correct inasmuch as it does state that an ITO must be set up "as soon as possible", we regard this phrasing as more of a face-saving device for Brazil. As you know from our letter n° 29 of January 14, Ambassador Rodrigues told us that Brazil in fact would not press for an ITO now although it did believe that it should eventually be established. This point is tacitly admitted by the report when it goes on to say that in the meantime -- i.e. before an ITO is set up -- efforts should be made, in effect, to take immediate and practical steps to meet the complaints and proposals of the developing countries including the holding of a second UNCTD.



Chargé d'Affaires a.i.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: THE CANADIAN EMBASSY
WASHINGTON, D.C.

Reference:
Subject: Employment opportunities in ECLA
Secretariat

Security: UNCLASSIFIED

No: 997

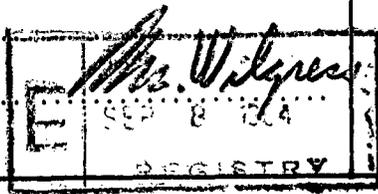
Date: September 2, 1964.

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Mr. Louis Rodriguez of the Washington Office of the U.N. Economic Commission for Latin America approached us today to enquire whether we could assist ECLA to find one or perhaps more Canadian economists interested in appointments on the staff of the ECLA Secretariat. Mr. Rodriguez indicated that ECLA would be interested in a qualified Canadian economist with general experience, or a specialist in the field of foreign trade, agriculture or mining. The level of appointment would depend on the qualifications of the applicants. The appointment would evidently be initially for a term of 2 or 3 years. The position would probably be at ECLA Headquarters in Santiago, but might possibly be in Mexico City. Interested applicants could get in touch directly with Mr. David Pollock, Washington Office, U.N. Economic Commission for Latin America, Room 304, 1725 "I" Street N.W., Washington, D.C.

2. We understand that Mr. Pollock has recently approached Professor Brecher of the McGill Development Centre regarding possible candidates for appointment with the ECLA Secretariat.

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George P. Hill

The Embassy

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DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA

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Mr. M. Cadieux,
Under-Secretary of State
for External Affairs,
External Affairs Department,
East Block,
Ottawa, Ontario.

Dear Mr. Cadieux:

Your letter of August 12 enclosed an invitation from the Economic Commission for Latin America to nominate four candidates for participation in a Second Inter-American Seminar on Civil Registration, to be held in Lima, Peru on November 30 to December 11.

I feel that it would be appropriate for Canada to accept this invitation. We could, in my opinion, make a useful technical contribution to the Seminar and at the same time broaden our knowledge of the administrative and statistical aspects of registration.

In view of provincial responsibilities in the field of vital statistics, we feel that the list of nominees should be headed by two senior provincial officials. I have accordingly written to the deputy ministers of the departments of health of British Columbia and Quebec requesting approval for the nomination of the officers directing the vital statistics programs of those provinces.

As soon as replies have been received, I will return to you completed the application forms enclosed with your letter.

Yours sincerely,

E
J.

Walter E. Duffett,
Dominion Statistician.

NO ENCLOSURES

EXTERNAL AFFAIRS
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The Dominion Statistician
Dominion Bureau of Statistics,
Ottawa, Ontario.

...
...

The Acting Executive Secretary of the United Nations Economic Commission for Latin America has invited the Canadian Government to nominate up to 4 candidates for participation in the Second Inter-American Seminar on Civil Registration which will be held in Lima, Peru, November 30 to December 11, 1964. A copy of the Acting Executive Secretary's letter to our Minister dated July 21, 1964 is attached. Also attached is the Aide Memoire which indicates the arrangements for the Second Inter-American Seminar on Civil Registration.

We should be grateful if you could let us know at an early date whether you consider the Canadian Government should nominate candidates for participation in this seminar. If so we should also be grateful if the enclosed individual application forms could be filled out in quadruplicate by the officials concerned.

(SIGNED) O. G. STONER
FOR THE

Under-Secretary of State
for External Affairs

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SOME IMPLICATIONS FOR CANADA

This is not the place to attempt a detailed analysis of the implications of the Alliance for Canada, but a brief general observation may be in order:

- (1) Every day that passes makes it clear that Latin America has entered the main stream of world politics. In terms of the current world balance of power the area is now a vital strategic area.
- (2) Both as a Western Hemisphere nation, as a member of NATO and as a uniquely close ally of the United States, Canada is vitally concerned in what happens in Latin America.
- (3) It is to our interest that political, economic and social evolution of the region should proceed along lines which will make it possible for us to maintain and develop mutually acceptable and advantageous political and economic relations with the countries of the area.
- (4) The Alliance for Progress is an attempt on a massive scale to accelerate the economic and social development of the region with a view to stimulating political evolution along lines acceptable to the democratic West. Its success would serve the Canadian interest; its failure would almost certainly have consequences seriously inimical to the Canadian interest.
- (5) What can Canada do, what should Canada do, and what is Canada prepared to do, to further the success of the endeavour? This, I would suggest, is a policy question which deserves serious and urgent consideration in all its aspects.

W.A. Irwin

W.A. Irwin 000291
Ambassador

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OTTAWA - CANADA

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July 30, 1964.

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Mr. M. Cadieux,
Under-Secretary of State
for External Affairs,
External Affairs Department,
East Block,
Ottawa, Ontario.

Dear Mr. Cadieux:

We have been informed by the Statistical Office of the United Nations and the Economic Commission for Latin America that a Second Inter-American Seminar on Civil Registration will be held at Lima on November 28 to December 11, 1964 to further the development and improvement of government services relating to the registration of births, deaths and other vital events. It was stated that the Government of Canada has been officially invited to take part in the Seminar and to submit the names of suitable representatives.

I would appreciate being informed when the official invitation is received by your Department. The Dominion Bureau of Statistics, as you may be aware, maintains close ties with provincial registration authorities under agreements providing for the preparation of national vital statistics. We would, on receipt of fuller information, be pleased to put forward views on the desirability of Canadian participation in the Seminar.

Yours sincerely,

Walter E. Duffett

Walter E. Duffett,
Dominion Statistician.

*Canada and its provinces
should be there
We are members of UN
and its regional body ECLA*

*Aug 5
Copies sent to U.N. & Econ.
Div. for their info should
invitations come to them
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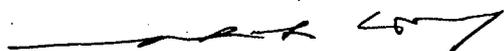
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Accordingly I have the honour to invite your Government to nominate up to four candidates for participation in the Seminar. Candidates will be selected by the Economic Commission for Latin America in co-operation with the co-sponsoring organizations. The United Nations will defray the travel expenses and subsistence costs of participants.

In view of the highly technical nature of this Seminar, the candidates nominated should be senior officials of the national or regional civil registration service or, where this does not exist, of the service responsible for the compilation of vital statistics. The participants will act in an individual capacity as experts and not as government representatives. During the course of the discussion, it is hoped to analyse the main problems affecting the collection of vital statistics and to make appropriate suggestions.

We should be grateful if you would inform the Economic Commission for Latin America not later than 15 September of the names of the officials proposed to attend the Seminar and return the enclosed individual application form filled out in quadruplicate.

Accept, Sir, the assurance of my highest consideration.



Alfonso Santa Cruz
Acting Executive Secretary

UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA



NATIONS UNIES
COMMISSION ÉCONOMIQUE POUR L'AMÉRIQUE LATINE

NACIONES UNIDAS
COMISION ECONOMICA PARA AMERICA LATINA
Av. Providencia 871
Casilla 179 D.
SANTIAGO, CHILE

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REFERENCIA. ECLA/65- 5 A

21 July, 1964

Sir,

I have the honour to inform your Government that the United Nations, through the Statistical Office, the Bureau of Technical Assistance Operations, and the Economic Commission for Latin America (ECLA), in co-operation with the Inter-American Statistical Institute, the Inter-American Children's Institute, the Pan American Health Organization and the Inter-American Association of Civil Registrars, is organizing the Second Inter-American Seminar on Civil Registration. The seminar will be held in Lima, Peru, from 30 November to 11 December 1964, and the arrangements will be as indicated in the Aide-Mémoire that is enclosed with this letter. The States members and associate members of ECLA are being invited to send participants.

The Seminar has been conceived and organized in response to a recommendation of the Committee for the Improvement of Civil Registration in the Americas (Inter-American Children's Institute), adopted at the meeting held in June 1961, and in accordance with resolutions adopted at the ninth and twelfth sessions of the Statistical Commission, a functional commission of the United Nations Economic and Social Council, as a project for improvement of vital records and statistics in Latin America. At the seminar the representatives of civil registration offices and the main users of vital records and of the vital statistics provided by those records will analyse the evolution and present status of civil registration practices in the Americas; the nature and organization of a model civil registration service; possible methods of encouraging civil registration, and the formulation of a regional programme for the improvement of civil registration during the period 1965-69.

His Excellency
The Hon.
Paul James Martin
Secretaire of State for
Foreign Affairs
OTTAWA, Canada

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for action with L.A. Div
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[Handwritten initials]

6. At the moment of writing, we are not able to judge whether Mr. Santa Cruz' remarks should be taken seriously. We propose to sound out discreetly Chilean Government delegates and other members of the Secretariat just as soon as they return to their offices and catch up with their accumulated paper work. No doubt you will be receiving reports from other Missions in Latin America on the views of the Governments to which they are accredited on the Trade Conference and Canada's relations there with their delegations.

7. Besides the follow-up to the World Trade Conference, Mr. Santa Cruz stated that one of the main areas of emphasis in ECLA's work leading up to the Commission's 11th Session scheduled for May, 1964 at Santo Domingo would be the economic integration of Latin America, with special reference to integration of industries. The object would be to find some basis of re-accelerating the work of LAFTA and the other integration agencies which recently seem to have lost much of their original impetus. LAFTA particularly, he felt, could not go much further without a general re-assessment of objectives and methods, and acceptance of solutions much more basic than have so far been seriously considered.

8. So far as this next full session of the Commission is concerned, Mr. Santa Cruz said that the Secretariat was now rather coming around to the idea that it would be better to concentrate on one or two problems only, rather than try to cover the whole field of development problems. Recent meetings, he felt, had rather degenerated into repetitious and un-interesting global reviews.

9. The second main area of work which is occupying ECLA's Secretariat is the social consequences of economic development. They are currently preparing a study and are considering organization of a Seminar to deal with this problem.

10. The Secretariat have just completed their Economic Survey of Latin America for 1963 and Mr. Midwinter was able to obtain one advance copy in English. This is enclosed. We have not had an opportunity to do more than open the covers but the report seems extremely interestingly and we thought we should get it right off to you. Additional copies will be forwarded as soon as available.

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Document disclosed under the Access to Information Act -
No. : : Document divulgué en vertu de la Loi sur l'accès à l'information

FROM: The Embassy
Santiago, Chile

TO: <i>Witgers</i>
JUL 16 1964
REGISTRY

Date: July 10, 1964

Enclosures: 3

Air or Surface Mail: By Bag

Reference:

Post File No:

Subject: ECLA DEVELOPMENTS - FOLLOW-UP TO
UNITED NATIONS CONFERENCE ON WORLD
TRADE AND DEVELOPMENT

Ottawa File No.
35-20-ECLA
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*Encls. to L.A. Secs
to see & return*

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37-9-1*

References

- Refer. to C. (3)*
- Financial (3)*
- Agree*
- Acad*
- Industry*
- L.A. Secs*
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- F.E.*
- Mr. Ritchie*
- Mr. Stone et al.*
- London*
- Wash*
- Geneva*
- Peru*
- Mexico*
- Marana*
- San José*
- Bogotá*
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- Georgetown*
- Port of Spain*
- H Kingston*
- Buenos Aires*

Mr. Midwinter, the Commercial Secretary, this morning was able to have a conversation with Mr. Alfonso Santa Cruz, Deputy Executive Secretary of ECLA, who has just gone back to work following his return from the United Nations Conference on World Trade and Development at Geneva. The conversation covered ECLA's Secretariat views on the outcome of the Conference, the steps which they proposed to take to follow it up and, generally, ECLA's current work-program.

2. Mr. Santa Cruz felt that the principal significance of the Conference was the solidarity achieved by the 77 developing nations, as witnessed by their widely-discussed joint declaration at its conclusion. He said that the ECLA Secretariat felt general satisfaction at the way in which Latin America, Africa and other blocs were willing to give up some of their own demands in order to find a basis of compromise to which all the developing nations could adhere.

3. The ECLA Secretariat is now preparing a detailed evaluation of the Conference and we hope to be able to get more information concerning this in a week or two, when Mr. Jorge Méndez, Director of the Trade Division, who has also just returned to Chile, will be available for interview.

4. Mr. Santa Cruz said that the Secretariat would probably call a special meeting of the ECLA Trade Committee (of which Canada of course is a member) before the end of the year to receive this evaluation report and to discuss results of the Conference. This meeting, if called, he thought would be best timed for the end of October, immediately prior to the November opening of the United Nations General Assembly which, we understand, will have to ratify the resolutions and other points agreed upon at Geneva.

5. Mr. Santa Cruz stated in the most definite terms that he, other members of the ECLA Secretariat who had attended the Conference, and delegates of the Latin American Governments were "surprised and disappointed at the hard, uncooperative line taken by Canada at the Conference". He said that they had anticipated a sympathetic attitude at least and were taken aback in the latter stages of debate to find that on all the major issues, such as access to markets, non-reciprocal tariff preferences for the developing countries, establishment of a new world trade organization and so forth, Canada took the "tougher line" against the aspirations of the developing countries whenever there was a choice, following the United States' lead throughout. He said that Canada's position had been discussed critically in several of the caucus meetings of the Latin American delegates.

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UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA



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COMISION ECONOMICA PARA AMERICA LATINA
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Casilla 179 D.
SANTIAGO, CHILE

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[Signature]

20 May 1964

SEEN BY THE MINISTER

Sir,

I have the honour to inform you that a Study Tour and Workshop on Organization and Functions of National Housing Agencies for the Implementation of Housing Programmes will be held during the period 30 August through 19 September 1964 in Denmark, Norway and Sweden. The seminar is being organized by the United Nations in co-operation with the Government of Denmark in accordance with the work programme for 1963-1964. The attached aide-memoire contains information on the objectives of the seminar, the topics that will be discussed and administrative aspects.

This study tour and workshop is being organized to examine the administrative aspects of the implementation of national housing programmes and to exchange experience on the subjects under consideration.

Accept, Sir, the assurance of my highest consideration.

[Handwritten notes and signatures]
W. hee
[Signature]
[Signature]
[Signature]

[Signature]
 José Antonio Mayobre
 Executive Secretary

His Excellency
 The Hon. Paul James Martin
 Secretary of State for Foreign Affairs
 Ottawa

- 5 -

17. Second, in the continual jockeying for positions which goes on continually among the various inter-American organizations, ECLA, for the moment at least, seems to have taken a commanding lead in the trade policy field and to have enhanced its prestige in general. Insofar as Canada is a member of ECLA, this is probably slightly to our advantage.

Attendance

18. Eighteen Latin American Governments (Haiti and the Dominican Republic were not present), Canada, the United States, Britain, France and the Netherlands were represented in their capacity as members and British Honduras as an associate member. Jamaica, and Trinidad and Tobago, although now full members, and British Guiana, still an associate member, did not send representatives. British Guiana, indeed, has not participated in ECLA activities since 1961 when Mr. Jagan came himself to the 10th Session to demand independence in an international forum and, presumably, to test the sympathy of Latin American governments.

19. Most governments including Britain and the United States, were represented by the heads of their Missions in Santiago.

20. Austria, Hungary, Poland, Spain, West Germany and Switzerland were represented by observers, as were most of the U. N. and inter-American families of organizations. It is difficult to see the justification for the expenses incurred by some of these organizations, such as the World Meteorological Organization, International Atomic Energy Agency and Inter-Governmental Committee for European Migration.

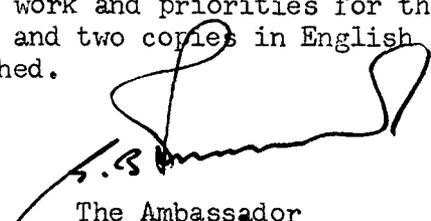
21. General discussion was almost completely limited to Latin American delegations, the sole exceptions being a statement by the Netherlands delegate on points relating to the European Economic Community and several interventions by the French delegate on points of detail designed to emphasize their interest in the region. The sole intervention by the United States was an expression of good wishes to the Secretariat and to Dr. Mayobre personally.

Canadian Participation

22. The Canadian Delegation consisted of Mr. G. B. Summers, Ambassador to Chile, assisted by Mr. J. R. Midwinter. No interventions were called for although advantage was taken of the opportunity for informal exchanges of views on a number of occasions.

Documentation

23. Prior to the meeting, you received most of the background papers, from ECLA direct or through this Mission. At the meeting itself the significant documents tabled were the Report by the Secretariat on the Meeting of Latin American Government Experts on Trade Policy (described above) and the Draft Annual Report of the Commission to the Economic and Social Council. The latter includes an account of the proceedings of the 10th Meeting (pages 63-79) and ECLA's detailed program of work and priorities for the coming year. We were able to obtain six copies and two copies in English of the two reports
... respectively. These are attached.


The Ambassador

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- 4 -

to Latin America's problems of industrial development and integration. The discussions and studies presented on that occasion are to serve the purposes of (and replace) the preparatory regional symposium on the problems of industrialization of developing countries, whose convening had been recommended in U. N. General Assembly resolution 1940 (XVIII) to precede a possible world symposium on the subject in 1965 or 1966.

12. Adoption of these two resolutions point to much-intensified work by ECLA in the areas of trade policy and economic integration over the next year or two. It also suggests that ECLA's period of drifting, consequent upon achievement of its earlier objectives and the growing preoccupation of Raul Prebisch with non-ECLA matters even while still titular director, is over. With clear assignments and a new, extremely competent and respected Executive Secretary, ECLA promises to be a more productive and effective force than it has been during the past year or two. Its work on trade policy and integration promise to be of special significance for Canada. The ECLA Secretariat disposes of very considerable intellectual and technical resources which, when properly directed, can wield a powerful influence on Latin American thinking. Dr. Mayobre appears to be establishing the necessary leadership which, though less dramatic than Dr. Prebisch may nonetheless become equally effective in time. He appears to be more inclined to a pedestrian, pragmatic handling of problems than to Dr. Prebisch's imaginative leaps which, though intellectually impressive, have been sometimes slow to win acceptance or impossible of immediate implementation.

13. In summary, ECLA's forthcoming work program comprises three main aspects:

- (1) Formulation of trade policies to enable Latin American governments to obtain maximum results from concessions won at the Geneva Conference;
- (2) Integration, with special emphasis on a re-vitalization of LAFTA and stimulation of basic industries on a regional basis;
- (3) Preparation of the annual Economic Survey of Latin America. Not mentioned above, this survey used to constitute ECLA's annual message to the Continent. Under terms of the so-called tripartite agreement by which ECLA, the IDB and the OAS sought to establish areas of work to avoid duplication, the Survey was to be prepared by the OAS's economic wing. Its return to ECLA now suggests the continuing weakness of the OAS in economic matters.

Other Agenda Items

14. Other agenda items were dealt with in an entirely routine manner. These items included the annual report of the Latin American Institute for Economic and Social Planning, technical assistance activities in Latin America and progress of construction of the U. N. Building in Santiago. With regard to the last point, the building, according to the Secretariat, is to be ready for occupation by the end of 1965. There was also reference to the gift programme including, again, Canada's contribution to it. Canada and the Netherlands remain the only two non-Latin American countries (except British Honduras, British Guiana, etc.) to participate.

Political Relationships

15. The 10th Meeting was almost completely non-political. Only two points require mention.

16. First, the Cuban delegation behaved very circumspectly, as appears to have become their line at ECLA meetings over the past year. They intervened only once and then moderately, to state that, although they were voting in favour of Resolution No. 241 on ECLA's trade policy role, they would have to do so with reservations on two operative paragraphs where there was a reference to organizations to which Cuba did not belong (IA-ECOSOC) and to proposals adopted at meetings where it was not represented (IA-ECOSOC meetings in Sao Paulo and Alta Gracia).

...5

- (5) Policies of world financial and credit granting institutions must be co-ordinated with changing trade policies.

6. Although the recommendations for Latin America's participation in the U.N. Conference must still be considered at the political level in the special Meeting of Latin American member-states of IA-ECCSOC at Alta Gracia, Argentina, there seems little doubt that the ECLA Secretariat's handling of the matter has confirmed its leadership in the trade policy field in Latin America.

ECLA's Prospects and Programmes of Work.

7. Dr. Antonio Mayobre gave firm expression of this leadership in this, his first, meeting since he replaced Raul Prebisch as Executive Director last year, and in doing so, placed his own impress on the organization and pointed to the way he intends ECLA to move. For the first time a Latin American leader has done so publicly, Dr. Mayobre warned strongly that Latin Americans should not look only to the forthcoming U.N. Conference for solutions to their trade and development problems. Major responsibility rested with Latin America itself, especially if full advantage were to be taken of concessions gained at Geneva. In this respect, he said, Latin America must accelerate its moves towards economic integration and industrial rationalization if it is to compete on equal terms with other regions. As the emphasis of ECLA's work until now had been on planning per se, so from now on it should be on economic integration. Efforts should be made to stimulate establishment of regional industries and to re-vitalize LAFTA, which is now lagging rather seriously, so that the very real progress being made (under strong ECLA sponsorship) in Central American integration might be duplicated on a broader stage.

8. Reflecting Dr. Mayobre's views were the two major substantive resolutions adopted at the Meeting which authorize the Secretariat to shift its work in the direction desired (pages 77-79 of the Draft Annual Report of the Commission to the Economic and Social Council, attached).

9. Resolution No. 241, which was originally drafted at the Brasilia Seminar on the U.N. Conference, requires the Secretariat:

- (1) to continue to prepare papers on specific technical questions for and to co-operate with and assist Latin American delegations at the U.N. Conference;
- (2) to convene a meeting of the ECLA Trade Committee (of which Canada is of course a member) as soon as possible after the Geneva Conference to evaluate the results achieved and to formulate specific recommendations to the Latin American Governments on the trade policies which should be pursued in the light of these results;
- (3) to develop bases for establishment of a permanent Latin American system of consultations on trade and development. The Secretariat is to consult governments as soon as possible, to formulate its own suggestions, and, after consideration at the Trade Committee meeting mentioned above, to arrange for the whole matter to be submitted to the 11th Session of the Commission, in 1965.

10. In accordance with the Resolution, Dr. Mayobre, Mr. Alfonso Santa Cruz, the Deputy Executive Secretary, and Mr. Jorge Mendez, Director of ECLA's Trade Policy Division will attend the Geneva Conference. Mr. Mendez, who will remain at Geneva throughout the Conference, is to establish a small Secretariat there to assist Latin American delegations and to provide a focal point for coordination of their positions.

11. Resolution No. 242 requires the Secretariat:

- (1) to increase as much as possible its studies of Latin American industries, especially as regards regional integration;
- (2) to give special attention at the 11th Session of the Commission

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- 2 -

Where changes were introduced at Brasilia they were in the direction of taking a stronger position, especially as regards the European Economic Community (which is a principal object of Latin America's complaints) and establishment of deadlines for concessions to be introduced or accorded.

5. The general principles accepted by the Latin American Experts as background to a large number of specific proposals may be summarized as follows:

- (1) The U. N. Conference on Trade and Development should attempt to establish a new structure of international trade as an essential condition for ensuring its more rapid, orderly and steady growth. To this end the Conference should:
 - (a) Formulate operating rules for world trade to transform it into an effective means of promoting the economic development of the developing countries.
 - (b) Establish procedures and institutional machinery to ensure that the Conference's decisions are carried out and, in particular, that trade problems of the developing countries receive systematic and continuing examinations under the aegis of the U. N.
 - (c) Adopt specific measures to help bring about an immediate increase in the external earnings of the developing countries.
- (2) The trade requirements of the developing countries are those which promote attainment of growth rates sufficient to ensure a substantial reduction in the gap which separates their income level from those of the industrialized countries.
- (3) The new structure of world trade must include general non-discriminatory preferential treatment in favour of all the developing countries. This involves the following basic principles:
 - (a) Reciprocity should not be required of the developing countries in respect of concessions or preferences granted by the industrialized countries.
 - (b) Industrialized countries should guarantee the developing countries access to their markets on a non-discriminatory basis. Existing preferences by some industrialized countries to some developing countries should, indispensable, be replaced by compensatory financial measures.
 - (c) Industrialized countries may grant preferences to developing countries without granting them to other developed countries.
 - (d) Developing countries may grant preferences to each other without granting them to the developed countries; This and the previous point imply elimination of the classic concept of "most-favoured-nation treatment".
 - (e) Among developing countries, provision should be made for special treatment of countries at a relatively less advanced stage of development.
- (4) The new structure of international trade should ensure the general expansion of world trade and promote its integration through the establishment of machinery and rules suitable for trade among countries at the same stage of development; at different stages of development; and with different economic systems.

...3

000301

FROM: The Canadian Embassy, Santiago

Date: February 23, 1964
No. 36
Enclosures:

Ref: Our telegram No. 26 of February 20
Subject: Report of the Canadian Delegation to the 10th Meeting of the Committee of the Whole of ECLA, Santiago, Chile, February 12-14

Air or Surface Mail: Courier
Post File No.: 13-1-3-1-1-1

Ottawa File No. <i>Embassé en Chili</i>	
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TO: <i>Mrs. Wilgerson</i>
1964
REGISTRY

C.C. 37-9-1

References

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To see

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The 10th Meeting of ECLA's Committee of the Whole was held in the Commission's Santiago Headquarters February 12-14. ECLA effectively operates on a biennial basis between formal sessions of the full Commission each two years and the meetings of the Committee of the Whole in the off-years are normally only routine reviews of progress, in which no major policy changes are undertaken or considered. The present Meeting was no exception and the various agenda items were passed over quickly with little discussion and no exchange of divergent views. Some points of genuine significance were however revealed at the Meeting.

U. N. Conference on Trade and Development

2. The 10th Meeting of the Committee of the Whole took place against the background of Latin America's preparations for participation in the U. N. Conference on Trade and Development. The ECLA Secretariat, assisted by several prominent Latin American economists, carried out the basic preparatory work over the past several months. Their study, Latin America and the U.N. Conference on Trade and Development (reviewed in our letter No. 10 of January 16, 1964) and the report of the ECLA-organized meeting of Latin American Government Experts on Trade Policy (Brasilia, January 20-25, 1964) were the principal documents tabled at the 10th Meeting. As anticipated, however, they were not discussed in a substantive way and the Meeting was not called upon in any way to endorse the Latin American position set out in the reports.

3. The recommendations of the trade experts, as modified and tightened up at Brasilia owe much to earlier ideas of Raul Prebisch. At the same time, the extensive work carried out by ECLA appears to have provided much of the background for Dr. Prebisch's own expositions on the subject before various world audiences. From our viewpoint in Santiago, Latin America's arguments appear to represent a considerable part of the whole developing countries' case. This is set out concisely in Report by the Secretariat on the Meeting of Latin American Government Experts on Trade Policy ... (E/CN.12/AC.57/7 - attached) and deserves careful study.

4. The trade officials who assembled in Brasilia in the main accepted the earlier report. It might be mentioned here, incidentally that originally that ECLA report had included a large section on the steps which Latin America itself should take to improve its trading position with the rest of the world. This was apparently deleted, for tactical reasons, from the report eventually made public.

COMMISSION'S ACTIVITIES.

5. FULL REPORT AND DOCU GOING FORWARD BY NEXT COURIER.

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AS ANTICIPATED 10TH SESSION OF ECLA CTTEE OF THE WHOLE

UNCONTROVERSIAL AND LARGELY ROUTINE. WORLD TRADE CONFERENCE MAIN

SUBJECT OF INTEREST BUT NO RPT NO REAL DISCUSSION DEVELOPED.

SECRETARIATS REPORT ON TRADE CONFERENCE AND BRASILIA SEMINAR

TABLED BUT QUESTION OF ENDORSEMENT DID NOT RPT NOT ARISE.

2. EXECUTIVE SECRETARY MAYOBRE IN MAJOR POLICY STATEMENT

SUGGESTED ECLA SHOULD NOW SHIFT ITS EMPHASIS FROM PLANNING

TO INTEGRATION. HE ASSERTED FOR FIRST TIME PUBLICLY THAT

MAJOR RESPONSIBILITY FOR IMPROVEMENT OF LATIN AMERICAN TRADE

POSITION RESTS WITH LATIN AMERICA ITSELF. ECONOMIC

RATIONALIZATION AND INTEGRATION MUST BE ACCELERATED IF LATIN

AMERICA TO BUILD BROAD INDUSTRIAL BASE NEEDED FOR IT TO

COMPETE IN WORLD MARKET.

3. THE TWO RESLNS ADOPTED BY MTG REFLECT MAYOBRE'S VIEW

AND WILL MEAN HEIGHTENED ACTIVITY BY ECLA IN TRADE POLICY

FIELD: (A) ECLA SECRETARIAT INSTRUCTED TO CONTINUE ADVISORY

ACTIVITY IN TRADE FIELD, TO CONVENE MTG OF ECLA TRADE CTTEE

LATER THIS YEAR AS FOLLOW UP TO GENEVA CONFERENCE AND ALSO

TO CONSIDER ESTABLISHING PERM LATIN AMERICAN SYSTEM

OF CONSULTATION IN TRADE AND DEVELOPMENT. (B) ECLA INSTRUCTED

TO INTENSIFY AND BROADEN ITS WORK ON INDUSTRIAL DEVELOPMENT

AND INTEGRATION PROBLEMS DURING THE COMING YEAR AND TO

EMPHASIZE THESE AT 11TH SESSION OF THE FULL COMMISSION IN 1965.

4. TONE OF THE MTG DID NOT RPT NOT CONSTITUTE BREAK WITH

PREBISCH TRADITION BUT DEFINITELY INDICATED THAT MAYOBRE

NOW FIRMLY IN CHARGE AND PUTTING (GROUP OMITTED) IMPRESSING

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IMF AND OECD A READINESS TO RECOGNIZE THE SPECIAL TRADE PROBLEMS OF THE LDCs

AND TO TAKE PRACTICAL ACTION TO MEET THESE PROBLEMS. AS YOU KNOW, THE GATT ~~MEMBER~~
CONTRACTING PARTIES AT THEIR MINISTERIAL MEETING IN MAY 1963, APPROVED AN QUOTE
ACTION PROGRAMME UNQUOTE WHICH CONTAINED SPECIFIC PROPOSALS FOR IMPROVING THE
EXPORT EARNINGS OF THE DEVELOPING COUNTRIES. MINISTERS THEN AGREED THAT EVERY
EFFORT SHOULD BE MADE TO REDUCE THE BARRIERS TO THE EXPORTS OF THE DEVELOPING
COUNTRIES AND THAT NO NEW TARIFF AND NON-TARIFF BARRIERS SHOULD BE ERECTED BY
INDUSTRIALIZED COUNTRIES AGAINST EXPORTS IDENTIFIED OF PARTICULAR INTEREST TO
THE LDCS.

3. AS FAR AS PRIMARY COMMODITIES ARE CONCERNED CANADA HAS CONSISTENTLY
SUPPORTED PROPOSALS TO REDUCE OR ELIMINATE QUANTITATIVE RESTRICTIONS, TARIFFS,
AND OTHER INTERNAL CHARGES ON THE TRADITIONAL PRIMARY COMMODITY EXPORTS OF THE
LDCS (I.E. TROPICAL PRODUCTS AND RAW MATERIALS) AND HAS INDICATED A WILLINGNESS ET
(THE REST OF PARA 4 OF OUR CIRCULAR DOCUMENT COULD BE QUOTED WITH THE EXCEPTION
OF LAST SENTENCE.)

4. CANADA RECOGNIZES THAT FOR CERTAIN PRIMARY PRODUCTS IT MAY BE
POSSIBLE TO HAVE COMMODITY AGREEMENTS OR OTHER INTERNATIONAL COOPERATIVE
ACTION WHICH ALLOWS FOR PARTICIPATION OF CONSUMING AND PRODUCING COUNTRIES
ON AN EQUITABLE BASIS. EXPERIENCE HAS SHOWN, HOWEVER, THAT INTERNATIONAL
COMMODITY ARRANGEMENTS AS A POSSIBLE SOLUTION ARE APPROPRIATE AND NEGOTIABLE
ONLY FOR CERTAIN COMMODITIES AND IN CERTAIN CIRCUMSTANCES. IT IS THEREFORE
ESSENTIAL THAT ANY NEW ARRANGEMENTS SHOULD BE EXPLORED CAREFULLY ON A
COMMODITY-BY-COMMODITY BASIS.

5.a (PARAGRAPH 10 ^{of our circular document} / COULD THEN BE QUOTED.)

6. DECISIONS ON PROPOSALS FOR INSTITUTIONAL CHANGES SHOULD, WE
BELIEVE, AWAIT THE OUTCOME OF OTHER PROBLEMS FACING THE ^{UNCTD} CONFERENCE AND ONLY
BE TAKEN WHEN IT BECOMES CLEAR THAT A GENUINE NEED FOR INSTITUTIONAL CHANGE
EXISTS. WHATEVER IS DECIDED ^{ABOUT} / FROM THE EFFECTIVENESS OF EXISTING INTERNATIONAL
INSTITUTIONS SHOULD MAKE A CONSTRUCTIVE CONTRIBUTION TO INTERNATIONAL TRADE AND
DEVELOPMENT AND NOT DETRACT FROM THE EFFECTIVENESS OF EXISTING INTERNATIONAL
INSTITUTIONS. UNQUOTE.

FEB. 7,
1964

35-20

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CONFID

FM: EXTERNAL OTT

NUMBER

PRECEDENCE

TO: SANTIAGO, CHILE

E-292

OPIMMED.

INFO: T&C

PERMISSIVE

Ref:

Subject: ECLA COMMITTEE OF THE WHOLE

IF ECLA DELEGATIONS ARE ASKED TO ENDORSE EXPERTS' REPORT ENTITLED QUOTE LATIN AMERICA AND THE UNCTD UNQUOTE IT SHOULD BE MADE CLEAR THAT WE CANNOT ASSOCIATE OURSELVES WITH IT. YOU MAY EXPLAIN THAT WE HAVE NOT HAD TIME TO STUDY THIS REPORT IN DETAIL AND CANNOT THEREFORE EXPRESS VIEWS NOW ON IT. MORROVER AS THE REPORT WAS WRITTEN TO HELP LATIN AMERICAN COUNTRIES IN THEIR PREPARATIONS FOR THE UNCTD WE HAD ASSUMED THAT THE ENDORSEMENT OF NON-LATIN AMERICAN COUNTRIES WAS NOT EXPECTED.

2. FOR YOUR OWN INFO WE DO NOT RPT NOT WISH YOU TO MAKE A DETAILED STATEMENT OUTLINING CANADIAN VIEWS ON ISSUES BEFORE THE UNCTD (I.E. PREFERENCES) AS THESE ARE CONTROVERSIAL AND NOW UNDER DISCUSSION IN NEW YORK AND COULD LEAD TO STRONG PUBLIC ARGUMENT IN ECLA. THE CIRCULAR DOCUMENT OF JANUARY 29 WHICH KINGSTONE BROUGHT TO YOU IS FOR YOUR USE IN PRIVATE CONVERSATIONS WITH OTHER DELEGATIONS. YOU COULD ^{however} MAKE A GENERAL STATEMENT AT THE MEETING ALONG FOLLOWING LINES IF YOU THINK IT DESIRABLE: QUOTE CANADA ALONG WITH OTHER DEVELOPED COUNTRIES

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CPY MADE IN DIV.
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APPROVED BY

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NAME E.D.WILGROSS/mr.....

ECONOMIC

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O. G. STONER 000306
SIG.....
NAME O.G.STONER

Economic/EG Wilgress/mr/prm

c.c. Civil Service Commission

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September 9, 1964

The Deputy Minister,
Department of Finance.

The Deputy Minister,
Department of Trade and Commerce.

The Deputy Minister,
Department of Agriculture,
Ottawa.

37ST ORIGINAL AVAILABLE
MULTIPLE ORIGINAL

We attach a copy of a letter which we received from our Embassy in Washington concerning employment opportunities for Canadian economists in the Secretariat of the United Nations Economic Commission for Latin America (ECLA). As you know, Canada is a member of ECLA. If you know of any Canadians interested in such employment, we should be grateful if you would bring the attached letter to their attention.

(SIGNED) O. G. STONER
FOR THE

Under-Secretary of State
for External Affairs.

AM



Economic Div.

35-20-ECLA
26 | 26

DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA

September 15, 1964.

*Mr. Doughty
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the E-177 & done by
Santiago Sept 16
& let E-119 done
Sept 16.*

Mr. M. Cadieux,
Under-Secretary of State
for External Affairs,
External Affairs Department,
East Block,
Ottawa, Ontario.

Dear Mr. Cadieux:

Your letter of August 12 and my reply of August 21 concerned an invitation from the Economic Commission for Latin America to nominate four candidates for participation in a Second Inter-American Seminar on Civil Registration, to be held in Lima, Peru, on November 30 to December 11.

We recommend that the Canadian Government recommend the following officials for participation:

Mr. J. H. Doughty,
Director, Vital Statistics Division,
Dept. of Health Services & Hospital Insurance,
Parliament Buildings,
Victoria, British Columbia.

Mr. H. G. Page,
Chief, Vital Statistics Section,
Health and Welfare Division,
Dominion Bureau of Statistics,
Ottawa, Ontario.

Mr. F. Harris,
Director, Health and Welfare Division,
Dominion Bureau of Statistics,
Ottawa, Ontario.

We have secured the approval of British Columbia for the nomination of Mr. Doughty, together with an assurance that leave of absence will

15.9.231

- 2 -

is approved if he is accepted. The completed application forms in quadruplicate for Mr. Doughty, as well as for Mr. Page and Mr. Harris of the Dominion Bureau of Statistics, are returned herewith. We assume that your Department will complete the signature and seal required on page 3 of the application.

The fourth candidate whom we proposed to recommend for nomination was Dr. P. Parrot, Demographer of the Province of Quebec. On August 21 I wrote to Dr. Parrot's department head, Dr. Jacques Gélinas, requesting approval for Dr. Parrot's participation. Having received no reply we checked with Dr. Parrot by telephone today and have learned that the correspondence was apparently mislaid but that in any event he does not wish to be nominated. Since the Economic Commission for Latin America asked that nominations be submitted by today's date, September 15, I see no alternative in the circumstances but to submit the names of the three candidates rather than the four requested.

Yours sincerely,



Walter E. Duffett,
Dominion Statistician.

SEPT. 16,
1964

26

CONFID

FM: EXTERNAL OTT

TO: SANTIAGO

NUMBER

PRECEDENCE

E-1778

Priority
OPIMED

INFO:

Ref.:

Subject:

SECOND INTER-AMERICAN SEMINAR ON CIVIL REGISTRATION

THE ACTING EXECUTIVE SECRETARY OF ECLA INVITED THE CANADIAN GOVERNMENT TO NOMINATE UP TO FOUR CANDIDATES FOR PARTICIPATION IN THE SECOND INTER-AMERICAN SEMINAR ON CIVIL REGISTRATION TO BE HELD IN LIMA PERU FROM NOVEMBER 30 TO DECEMBER 11, 1964. HE ASKED THAT HE BE INFORMED OF THE NAMES OF THE OFFICIALS NOT LATER THAN SEPTEMBER 15. PLEASE ADVISE ECLA THAT THE CANADIAN GOVERNMENT NOMINATE THE FOLLOWING OFFICIALS FOR PARTICIPATION:

J. H. DOUGHTY
DIRECTOR, VITAL STATISTICS DIVISION
DEPT. OF HEALTH SERVICES & HOSPITAL INSURANCE
PARLIAMENT BUILDINGS
VICTORIA, BRITISH COLUMBIA

H. G. PAGE
CHIEF, VITAL STATISTICS SECTION
~~HEALTH AND WELFARE DIVISION~~
DOMINION BUREAU OF STATISTICS
~~OTTAWA, ONTARIO~~

XXXXXXX

... 2

LOCAL DISTRIBUTION

DBS(DUFFETT)

CPY MADE IN DIV
NO STANDARD

L. H. [unclear]

ORIGINATOR

DIVISION

PHONE

APPROVED BY

SIG E.D. WILGRESS/MR
NAME

ECONOMIC

2-7107

O. G. STONER 000310
SIG
NAME O.G. STONER

F. HARRIS
DIRECTOR, HEALTH AND WELFARE DIVISION
DOMINION BUREAU OF STATISTICS
~~OTTAWA, ONTARIO~~

2. WE ARE FORWARDING TO YOU BY BAG THE COMPLETED INDIVIDUAL
APPLICATION FORMS.

NUMBERED LETTER

Return to 15-100
UNCLASSIFIED

TC **The Canadian Embassy, Santiago, Chile**

Security:
No: **119**

FROM: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Date: **September 14, 1964**

Reference: **Our Tel E-1770 of Sept. 16/64**

Enclosures:
Registered Air Mail
Air or Surface Mail:

Subject: **SECOND INTER-AMERICAN SEMINAR ON CIVIL
REGISTRATION**

Post File No:

Ottawa File No.	
35-20-502A	
5	✓

References

000 (Defect)

As you know the Canadian Government recommended the following officials for participation in the Second Inter-American Seminar on Civil Registration to be held in Lima, Peru, from November 30 to December 11:

Mr. J. K. Doughty,
Director, Vital Statistics Division,
Dept. of Health Services & Hospital Insurance,
Parliament Buildings,
Victoria, British Columbia.

Mr. H. G. Fyfe,
Chief, Vital Statistics Section
Health and Welfare Division,
Dominion Bureau of Statistics,
Ottawa, Ontario.

Mr. F. Harris,
Director, Health and Welfare Division,
Dominion Bureau of Statistics,
Ottawa, Ontario.

We attach the completed application forms in quadruplicate for each of these officials. We should be grateful if you would transmit these to the Executive Secretary of the Economic Commission for Latin America.

Internal ***
Circulation

(SIGNED) O. G. STONER
FOR THE

Under-Secretary of
for External Affairs

FILE

Mr. E.D. Wilgress
Economic Division
Latin American Division

UNCLASSIFIED
Sept. 16, 1964
35-20-ECLA
27

Employment opportunities in ECLA Secretariat

We have noted the contents of letter 997 of September 2 from our Embassy in Washington concerning employment opportunities in ECLA Secretariat.

2. With the growing interest which the Minister shows for Latin American affairs, we believe that, as a matter of principle, we should encourage Canadian experts to join organizations connected with Latin America. Therefore, we wonder if it would not be desirable for you or for us to write to the main universities in Canada bringing to their attention that the UN Economic Commission for Latin America and Canada is in search of an economist. It might also be useful to bring this matter to the attention of the Economic Council of Canada which may be in a position to suggest possible candidates for such appointment.

M. G. PICKS
Latin American Division

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

TO: Legal Division

Security ... Unclassified

..... Attention Mr. B. Scott

Date September 16, 1964

FROM: Economic Division

File No. 35-20-ECLA		
5	✓	

REFERENCE:

SUBJECT: Second Inter-American Seminar on Civil Registration

...
...

Attached is a letter to our Embassy in Santiago, Chile, which we have signed, enclosing the application forms of three Canadian officials which the Canadian Government recommend for participation in the Second Inter-American Seminar on Civil Registration to be held in Lima, Peru. You will note that page 3 of these application forms will require the seal and signature of a certifying Government official. We should be grateful if you would sign and seal these forms as required and have the attached letter and enclosures transmitted to Santiago as soon as possible.

*file
in*

done

J. H. Amer
Economic Division

*let sent to
Santiago
Sept 17
E-119*

CIRCULATION

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA

1904 SEP 30
Document disclosed under the Access to Information Act -
Document divulgué en vertu de la Loi sur l'accès à l'information

FROM ...The Canadian Embassy,.....
.....Santiago, Chile.....
Reference: Letter No. 997 of September 2 from
the Canadian Embassy, Washington.
Subject:.....
.....Employment Opportunities in ECLA.....
.....Secretariat.....

Date:.....September 24, 1964.
Enclosures:.....
Air or Surface Mail: Air.....
Post File No.: 13-1-3.....

Ottawa File No.	
35-20-ECLA	
26	26

References

Refer to
T & C
Finance
Agriculture
Commerce
Done Oct 29
file
lw

We were most interested to read that the Economic Commission for Latin America has made enquiries with a view to the employment of one or more Canadian economists on the staff of its Secretariat and has mentioned either an economist with general experience or a specialist in the field of foreign trade, agriculture or mining.

2. If there is anything the Department can do to encourage some one or more qualified Canadian economists to take up these positions we think it would be very much in the interests of Canada to have some Canadians on the Secretariat. This would demonstrate an interest in the organization additional to our membership, which we are sure would be welcome. In addition, although our relations with the Secretariat are excellent, it is always an advantage in dealings with international organizations to have contacts which arise quite naturally with nationals of our own country. Further, although it is not a part of the duties of a civil servant in an international organization to help out his own country in the field in which he is employed - in this case foreign trade, agriculture or mining - it does in fact happen that trade and other opportunities of advantage to Canada do become known and the information can, without impropriety, be made available. The general advantages of having even a few qualified economists spend some years in South America and return to Canada with a knowledge of the operations of the Economic Commission for Latin America are not to be overlooked.

3. Over a period of a couple of years members of ECLA Secretariat here have mentioned to us from time to time their desire to have some Canadian personnel on their staff to round out their geographical balance which has, of course, personnel from Latin American countries and from the United States. The request which has now been made is therefore related not only to these specific requirements but to a general long-standing desire on the part of ECLA to have some Canadians on their staff.

4. We doubt very much that either the Department of External Affairs or Trade and Commerce have any economist who could be spared on a seconded basis, but nevertheless mention that if there should be any possibility of this at all, an officer with a year or two's training in ECLA would have gained invaluable experience on his return.

Internal Circulation

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Distribution to Posts

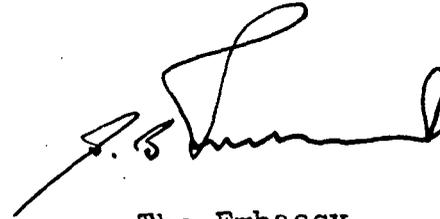
Washington

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000315

- 2 -

5. Having regard to all these factors we do hope that a special effort can be made to encourage this project of ECLA and to assist in any way possible to ensure that some qualified Canadians take up the appointments.

A handwritten signature in black ink, appearing to be 'J. S. [unclear]', written in a cursive style.

The Embassy.

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM The Canadian Embassy
Santiago, Chile

Reference: Your telegram E1778 of September 7, 1964
and your letter E-119 of September 16, 1964

Subject: Second Inter-American Seminar on Civil Registration

Date: September 25, 1964

Enclosures: 1

Air or Surface Mail: Air

Post File No: 13-1

TO: *W. J. Gress*
SEP 30 1964
REGISTRY

Ottawa File No.
35-20-ECLA
26 *26*

References

Refer to
DBS (Mr. Duffett)
& Done
Oct 1/64
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Mr. L. Valdes, the Secretary of ECLA, told us that the deadline of September 15 for the submission of the names of officials who will participate in this Seminar was flexible and that the names of the Canadian officials would be received without difficulties. We attach a copy of the Note addressed to the Executive Secretary of the ECLA, Dr. José A. Mayobre, giving the list of the Canadian officials and forwarding, in quadruplicate, the application forms attached to your letter under reference.

917

[Signature]
The Embassy

Internal Circulation

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Distribution to Posts

Excellency:

Upon instructions from the Department of External Affairs, I have the honour to submit below the names and addresses of the officials nominated by the Government of Canada to participate in the Second Inter-American Seminar on Civil Registration, convened by the United Nations Economic Commission for Latin America and to be held in Lima, Peru, from November 30 to December 11, 1964:

Mr. J. H. Doughty
Director, Vital Statistics Division
Department of Health Services & Hospital Insurance
Parliament Buildings
Victoria, British Columbia

Mr. H. G. Page
Chief, Vital Statistics Section
Health and Welfare Division
Dominion Bureau of Statistics
Ottawa, Ontario

X
Mr. F. Harris
Director, Health and Welfare Division
Dominion Bureau of Statistics
Ottawa, Ontario

I am enclosing herewith the completed application forms in quadruplicate for each of these officials.

Accept, Excellency, the renewed assurances of my highest consideration.

G. B. SUMMERS

Ambassador

His Excellency Dr. José A. Mayobre
Executive Secretary
United Nations Economic Commission for Latin America
Ave. Providencia 871
Santiago



NACIONES UNIDAS
COMISIÓN ECONÓMICA PARA AMÉRICA LATINA
Av. Providencia 871
Casilla 179 D.
SANTIAGO, CHILE

*file
4/17*

*file C-1995
done to
Santiago
Oct 8
let done to
T+C
Oct 13.*

REFERENCIA: ORG 411(3)

CABLE: UNATIONS

28 September 1964

35-20-ECLA		
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Sir:

I have the honour to inform you that the fourth session of the Trade Committee of the Economic Commission for Latin America will be held at Santiago, Chile, from 9 to 13 November 1964.

This meeting will take place in accordance with resolution 241 adopted by the Commission at its tenth session. Under paragraph 3 of the said resolution the Commission requested the secretariat to convene a meeting of the Trade Committee, after the United Nations Conference on Trade and Development, "with the aim of evaluating the results achieved at Geneva and formulating specific recommendations to the Latin American Governments on the trade policy that should be pursued in the light of those results."

Bearing these aims in mind and in view of the scope of the national interests linked to the Geneva Conference, as well as its impact on world trade, the importance of the forthcoming meeting need not be stressed.

I have pleasure in inviting your Government to be represented at the session, which will consist of plenary meetings only, no provision having been made for committees or working groups. I have the honour to enclose the provisional agenda, and the documents mentioned therein will be forwarded to you shortly.

The main document to be submitted by this secretariat to the Trade Committee meeting is a specific analysis of the recommendations made by the Conference and of the courses of action resulting from these recommendations.

I should appreciate receiving, at your earliest convenience, the names of the persons you have designated to attend the session.

Accept, Sir, the assurances of my highest consideration.

Jose Antonio Mayobre
José Antonio Mayobre
Executive Secretary

His Excellency
The Hon. Paul James Martin
Secretary of State for Foreign Affairs
Ottawa, Canada

[Handwritten signature]
OCT 5 1964

Copy of date stamp on back of previous page

[Faint, mostly illegible typed text, possibly a letter or report]

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: ...The Canadian Embassy,
.....Santiago, Chile.....

Reference:.....

Subject: ...Fourth Session of the Trade Committee
.....of ECLA November 9 to 13, 1964.....

Security:.....RESTRICTED.....

No:.....307.....

Date:.....October 2, 1964.....

Enclosures:.....

Air or Surface Mail:..Air.....

Post File No:..13-1-3-1.....

Ottawa File No.	
35-20-ECLA	
26	26

E	TO: <i>Telegress</i>
	OCT 9 1964
REGISTRY	

References

*Refer to
TOC
file
inv.
Done
Oct 14
MK*

918

Please refer to Dr. Mayobre's letter of September 28 to the Minister, inviting the Canadian Government to be represented at the Fourth Session of the Trade Committee of ECLA which will be held at Santiago, Chile, November 9th to 13th, 1964. The Economic Commission for Latin America have provided us with a copy of the invitation together with the provisional agenda.

2. We are getting in touch with the Commission's Secretariat with a view to ensure that the documents mentioned in the Agenda are despatched to you as soon as possible.

3. Meanwhile, we shall await your usual despatch on the composition of Canada's delegation to this meeting as well as your specific instructions, if any.

Internal Circulation

W.B. Young
The Embassy.

E

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Oct. 8,
1964

CONFID.

FM: EXTERNAL OTT

NUMBER

PRECEDENCE

TO: SANTIAGO, CHILE

E1995

OPIMMED

INFO: RIO DE JANIERO, BOGOTA, BUENOS AIRES, CARACAS, LIMA

Ref.:

Subject: ECLA TRADE CTTEE (FOR THE AMBASSADOR)

THE EXECUTIVE SECRETARY OF ECLA HAS INVITED THE CANADIAN GOVERNMENT TO BE REPRESENTED AT THE FOURTH SESSION OF THE ECLA TRADE COMMITTEE WHICH WILL MEET IN SANTIAGO, CHILE, NOVEMBER 9-13. THIS SESSION WILL DEAL PRIMARILY WITH UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT. WE WOULD BE VERY INTERESTED IN THE LATIN AMERICAN GOVERNMENTS' EVALUATION OF THE IMPORTANCE OF THIS SESSION AS WELL AS THEIR VIEWS ON ITS RELEVANCE TO DISCUSSIONS IN UNCTAD, GATT AND ELSEWHERE. ALTHOUGH WE CAN MAKE NO COMMITMENTS AT THIS TIME / WE ARE CONSIDERING WHETHER REPRESENTATION FROM OTTAWA IS DESIRABLE. WE WOULD WELCOME YOUR COMMENTS ON WHETHER YOUR OFFICE COULD HANDLE OUR REPRESENTATION IF NECESSARY.

LOCAL DISTRIBUTION

NO STANDARD

ORIGINATOR

DIVISION

PHONE

APPROVED BY

SIG NAME E.D.WILGESS/MR

ECONOMIC

2-7107

SIG O. G. STONER 000322
NAME O. G. STONER

Economic/E.D.Wilgress/mr

35-20-13CLA		
35		35

October 13, 1964.

The Deputy Minister,
Department of Trade and Commerce.

Attention Mr. B. Shapiro.

... Dr. Mayobre, Executive Secretary of the Economic Commission
... for Latin America has written to our Ministers inviting the Canadian
Government to be represented at the Fourth Session of the Trade
Committee of the Economic Commission for Latin America which will
meet at Santiago, Chile, from November 9 to 19, 1964. (A copy of this
letter is attached.) Enclosed with Dr. Mayobre's letter was the
Provisional Agenda for this meeting, copy of which is also attached.
You will note that the main items on the agenda are: United Nations
Conference on Trade and Development; Regional Economic Integration.
The documents mentioned in the Agenda have not yet been received.

We shall consult with you shortly regarding the composition
of our delegation ^{to} ~~this~~ ^{to} ~~meeting~~. Meanwhile, we should like to prepare
a brief for our delegation on these two agenda items. We should be
grateful, therefore, if you could provide us as soon as possible with
an up-to-date brief on "Regional Economic Integration". We shall under-
take to prepare the brief on the United Nations Conference on Trade
and Development.

(SIGNED) O. G. STONER
FOR THE

Under-Secretary of State
for External Affairs

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J. 20

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Foreign
Ministry
of
Int'l
Trade

<i>E</i>	TO:
	OCT 14 1984
	REGISTRY

FM CA AS OCT14/64 CONFD
 TO EXTERNAL 74 PRIORITY
 INFO SANTIAGO
 REF YOURTEL E1985 OCT8
 ECLA TRADE CTTEE
 VENEZUELA FOREIGN MINISTER ATTACHES GREAT IMPORTANCE TO TRADE
 CTTEE MTG. MINISTRY DIRECTOR TELLS US CTTEE WILL STUDY MEASURES
 LATIN AMERICAN NATIONS SHOULD TAKE TO DEVELOP COMMON COMMERCIAL
 POLICIES IN THE LIGHT OF UNCTD TRADE RESLN. CORRESPONDING STUDIES
 OR RECOMENDATIONS MAY BE PRESENTED TO 19TH UNGA. FOREIGN OFFICE
 BELIEVES CDN PRESENCE DESIREABLE AND USEFUL

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E	TO: <i>Mr. Summers</i>
	OCT 14 1964
	REGISTRY

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TO EXTERNAL 68 IMMED
REF YOURTEL E1995 OCT8
ECLA TRADE

REPRESENTATION AT ECLA TRADE CTTEE COULD BE HANDLED IF NECESSARY
BY SUMMERS AND GRAVEL ALTHOUGH WE WOULD OF COURSE WELCOME REPRESENTATION FROM OTT IF YOU SHOULD SO DECIDE. WE ARE ASSUMING YOU WILL NOT RPT NOT WISH US TO DO MORE THAN PLAY A PURE OBSERVER ROLE AND REPORT ON DISCUSSIONS AND WE THINK NO RPT NO MORE WILL BE REQUIRED. IF HOWEVER YOU CONSIDER A MORE ACTIVE ROLE IS DESIRABLE WITH STATEMENT OF CDN ATTITUDES IN RELATION WITH GENEVA TRADE CONFERENCE AND RELATED DEVELOPMENTS IN WORLD TRADE THEN REPRESENTATION FROM OTT WOULD BE PREFERABLE AND DETAILED INSTRUCTIONS FROM OTT ESSENTIAL

SUMMERS



DEPARTMENT OF TRADE AND COMMERCE
MINISTÈRE DU COMMERCE

FILE NO. 20-161-5
DOSSIER

CONFIDENTIAL

OTTAWA, October 19, 1964.

35-20-ECLA		
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*file
lw*

The Under-Secretary of State for
External Affairs,
OTTAWA.

Attention: Mr. O.G. Stoner

Dear Sir:

This is in reply to your letter of October 13 concerning the meeting of the ECLA Trade Committee at Santiago, Chile, from November 9 to 13, 1964.

Enclosed herewith is briefing for Agenda Item No. 5 dealing with recent trends in regional economic integration in Latin America.

Yours faithfully,

B. Shapiro

B.S. Shapiro, Chief,
Latin American Division,
Office of Trade Relations.

Encl.
nc

BRIEFING FOR DELEGATION TO ECLA TRADE COMMITTEE MEETING IN SANTIAGO,
NOVEMBER 9 - NOVEMBER 13, 1964

Agenda Item No. 5 - Regional Economic Integration: Recent Trends

ECLA has played an important part over the last decade in spreading the doctrine across Latin America that regional integration might provide a good basis for the expansion of the economies of the various countries of the area. When the Latin American Free Trade Association and the Central American Common Market group came into existence, ECLA offered its technical assistance and advice to both groups and it therefore has a very real interest in studying recent trends towards integration in each of these groups. It is in a good position to analyze adverse developments and to offer advice concerning counter-productive activities of LAFTA or CACM countries.

From our point of view, ECLA remains the only dependable forum for learning about the progress of the LAFTA and possibly their future plans.

We recognize that regional integration offers strong appeal to some countries and, ~~in accordance with the GATT position on free-trade areas and customs unions,~~ we recognize that integration has certain merits if it does not isolate the integrated economies by raising new barriers against trade and economic relations with the rest of the world.

(The statement by Mr. G.B. Summers on May 7, 1963, to the third plenary meeting of the Tenth Session of ECLA sets forth our position.)

We continue to be concerned over the increasing protectionism shown by the LAFTA countries. For example, Peru, which is not in balance-of-payments difficulties, has just recently made a very substantial increase in its

- 2 -

tariff structure; other LAFTA members have intensified import restrictions, perhaps largely on account of balance-of-payments difficulties. The total effect is, however, to create excessive protection.

~~The delegation is asked to report on the progress of economic integration and the impact which this is likely to have on Canadian trade and economic interests.~~

To: The Canadian Embassy, Santiago, Chile

Security:

No: E-136

Date: October 20, 1964

Enclosures:

Air or Surface Mail:

Post File No:

FROM THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference: Your telegram 66 of October 14

Subject: ECLA Trade Committee

Ottawa File No.	
35-20-ECLA	
35	✓

References

T&C
Finance

As you know, the United Nations Conference on Trade and Development which met in Geneva, Switzerland, March 23 to June 16, 1964, will be the main item on the Agenda of the Fourth Session of the ECLA Trade Committee. We shall be most interested in the ECLA discussions on this item and hope that you will be able to send us a comprehensive report on them. We would also appreciate receiving three additional copies of the document which ECLA prepared for this item and which we have just received from them.

2. At the forthcoming session of the United Nations General Assembly, the U.N. Conference on Trade and Development will likely be the main item before Committee II. Your report on the views of the Latin American countries on the results of this Conference would be very useful to us, therefore, in helping to prepare for the General Assembly.

3. The General Assembly will also be asked to approve a recommendation calling for the establishment of new institutional arrangements to carry forward the work begun at the Geneva Conference. The institutional arrangements recommended are: (a) U.N. Trade and Development Conferences (similar to the Geneva Conference) to meet at not more than three year intervals; (b) a U.N. Trade and Development Board of 55 members to meet normally twice a year. If this recommendation is approved, the Board will probably meet early in 1965 and Canada as a major trading nation will be assured of a permanent seat on it. Your report on the ECLA discussions should also be very useful to us in helping to prepare for the meeting of the Board.

4. We attach, as briefing material on the United Nations Conference on Trade and Development, the report of the Canadian Delegation to this Conference. We note from your telegram under reference that you do not consider that it will be necessary to play more than an observer role at the ECLA meeting. However, a paper on "Talking Points" is attached, should you consider it necessary to intervene in the debate on this item. To help us in our planning for future ECLA meetings, we should be interested to know whether other non-Latin American members of ECLA (namely the United States, Britain, France and the Netherlands) play more than an observer role in the discussions in the ECLA Trade Committee or in other ECLA forums.

Internal
Circulation

L.A. Division

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Distribution
to Posts
Finance

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MILLEUR ORIGINAL

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5. Also attached is briefing material on "Regional Economic Integration" which will be the other major item on the ECLA Trade Committee's Agenda. We should be most interested in the ECLA discussions on this item and look forward to receiving the documents which ECLA has prepared for it. We would be particularly interested in a progress report on economic integration in Latin America and the impact which this is likely to have on Canadian trade and economic interests.

(SGD) J. R. McKINNEY
FOR THE

Under-Secretary of State
for External Affairs

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21
Don't copy, refer to
MR Tac (Mr. Rogers)

FM L RES OCT20/64

TO EXTERNAL 103 PRIORITY
INVITATION TO ECLA CONFERENCE

35-20-RELA

E TO: *Walgren*
OCT 21 1964
REGISTRY

WE RECEIVED LET OCT9 FROM ING JUAN SABATO ARGENTINE UNDERSEC OF DEPT OF ENERGY AND FUEL INVITING CDN PARTICIPATION IN LATINAMERICAN CONGRESS ON RURAL ELECTRIFICATION ORGANIZED BY UN ECONOMIC COMMISSION FOR LATINAMERICA AND SPONSORED BY ARGENTINE GOVT. CONGRESS TAKES PLACE AT DEPT ENERGY AND FUEL NOV16 TO 22.

2. LET PROCEEDS QUOTE DURING THE DISCUSSIONS THE COUNTRIES MEMBERS OF UN AND BELONGING TO THE AMERICAN CONTINENT TOGETHER WITH REPS OF ECLA AND OBSERVERS OF INTERNATIONAL BODIES AND ENTITIES INTERESTED IN RURAL ENERGY PROBLEMS WILL STUDY DIFFERENT ASPECTS OF RATIONAL EXPLOITATION PROMOTION OF COOPERATIVE ACTION AND OTHER SUBJECTS UNQUOTE.

3. (FOLLOWING RECEIVED IN ENCPHERED FORM) MR BURSEY COMMERCIAL COUNSELLOR, INTERESTED IN ATTENDING IN VIEW OF COMPETENCE IN FIELD AND POSSIBLE COMMERCIAL ADVANTAGES ACCRUING. (END OF ENYPHERED PORTION) IF CDN REP DESIGNATED SR SABATO REQUESTS EMBASSY TO ADVISE ECLA BRANCH IN SANTIAGO DE CHILE AND ARGENTINE DEPT ENERGY AND FUELS KINDLY ADVISE.

October 22, 1964.

Chief, Engineering and Equipment Division.

Ottawa.

LATIN AMERICAN CONGRESS ON
RURAL ELECTRIFICATION

file
22-47
35-10-ECLA

1. Through the Department of External Affairs we have been provided with a copy of a telex dated October 20, 1964, outlining briefly the aims of the subject referenced Congress.
2. It is not clear, however, as to what the ECLA have in mind or wish to accomplish during the Congress. I am sure you will recall that in the late 40's and early 50's most of the Provinces in Canada put on an extensive drive to make electrical power available to all residents of the Province. This large scale rural electrification was a costly operation but once the decision was taken it then required only budgeting at the Provincial level. In the case of Argentina, however, they will have the added problem of budgeting for foreign exchange in order to purchase the materials, i.e. transformers, transmission line equipment to carry out the scheme.
3. The questions that occur to us are (1) does ECLA hope through inviting participation by foreign Governments to obtain from them a commitment as to financing for the foreign exchange requirements for this programme or (2) do they want technical advice as to how best to carry out the actual rural electrification in the country.
4. In either case, I think that it is appropriate that you attend as a representative of the Canadian Government in order to acquaint yourself with their aims and purpose. Once this is clearly defined we could then decide what further action we would take regarding representation at later meetings. It is unlikely that they will arrive at any definite decisions or make any firm plans during the first meeting.
5. I may be over skeptical in this regard but my experience with the Economic Commission for Africa and their Conference in Addis Ababa last November causes me to approach meetings of this type with a degree of caution. The African Conference was billed as one to study the technical problems but deteriorated into a plea for assistance in the form of interest free loans or direct aid in order that they could provide facilities allowing the installation of one light bulb in every hut in Africa. This is an unfair comparison when considering Argentina but, nevertheless, I feel that the first meeting will be preliminary only and the actual business and decisions will be taken at later meetings once a definite campaign has been set out.

- 2 -

6. A copy of this memorandum is being sent to the Department of External Affairs here in Ottawa with the suggestion that they reply to the Embassy in Buenos Aires by telex as we understand the mail is subject to extensive delays.
7. If you do find it convenient to attend the Congress I would appreciate your advice and comments as to the progress made and any plans they have for future meetings on this subject.

Original Signed by
R. C. WALLACE

R. C. Wallace.

R.C. Wallace/mh

OCT. 23

Document disclosed under the Access to Information Act - Document divulgué en vertu de la loi sur l'accès à l'information

1964

35-20 ECLA

UNCLAS

FM: EXTERNAL OTT

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NUMBER

PRECEDENCE

SANTIAGO AND BUENOS AIRES

E-2116

TO:

INFO:

Ref.: BUENOS AIRES TEL 103 OF OCTOBER 20

Subject: INVITATION TO ECLA CONFERENCE

WE AGREE THAT BURSEY MAY PARTICIPATE AS CANADIAN REP IN
LATIN AMERICAN CONGRESS ON RURAL ELECTRIFICATION ORGANIZED BY ECLA AND SPONSORED
BY ARGENTINA GOVERNMENT. CANADIAN EMBASSY SANTIAGO PLEASE ADVISE ECLA. LETTER
FROM TRADE AND COMMERCE FOLLOWS.

LOCAL
DISTRIBUTION

ORIGINATOR

DIVISION

PHONE

APPROVED BY

SIG ED WILGRESS/prm
NAME

ECONOMIC

2-7107

O. G. STONER 000334

SIG O.G. STONER
NAME

FILE RIO OCT23/64 CONFD

TO EXTERNAL 223

INFO TT WASHDC SANTIAGO BOGOTA BAIRES CARACAS LIMA DE OTT

REF YOURTEL E1995 OCT8 TO SANTIAGO

35-70-ECLA

Handwritten notes:
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ECLA TRADE CTTEE

DISCUSSED FORTHCOMING SANTIAGO MTG EN PASSANT TODAY WITH ASST
SEC GEN FOR ECONOMIC AFFAIRS(BORGES DA FONSECA)WHO SAID BRAZIL
ATTACHES CONSIDERABLE IMPORTANCE TO MTG AS OPPORTUNITY FOR
COLLECTIVE ECLA ASSESSMENT OF GENEVA AND PREPARATORY TO UNGA.
BRAZIL CERTAINLY WILL SEND A DELEGATION HEADED BY AA SENIOR OFFICIAL
WITH PRECISE LEVEL AND STRENGTH OF DELEGATION DEPENDENT TO SOME
EXTENT ON CURRENT CANVAS OF WHAT OTHER LATIN
AMERICAN COUNTRIES PLAN TO DO.DECISION REGARDING BRAZILIAN
DEL WILL PROBABLY BE TAKEN NEXT WEEK.

35-20-ECLA		
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Mr. Wilgus
you had her gone off to Santiago

SEEN BY THE MINISTER

file
aw

October 23, 1964.

signed - sent 29/10/64
to

MEMORANDUM FOR THE MINISTER

Dr. Mayobre, Executive Secretary of the Economic Commission for Latin America has invited the Canadian Government to be represented at the Fourth Session of the Trade Committee of the Economic Commission for Latin America which will be held at Santiago, Chile, from November 9 to 13, 1964. The main item on the agenda will be the United Nations Conference on Trade and Development. As you know, Canada is a member of the Economic Commission for Latin America. Attached for your signature, if you agree, is a letter to Dr. Mayobre advising him that the Canadian Government will be represented at this meeting by Mr. G.B. Summers, Canadian Ambassador to Chile and Mr. R.E. Gravel, Commercial Counsellor at the Canadian Embassy, Chile.

P.M.

M.C.
M.C.

MINISTERS OFFICE
OCT 26 1964
3207-
000336

26.10.9(us)

Ottawa, October 23, 1964.

35-20-ECNA

Sir,

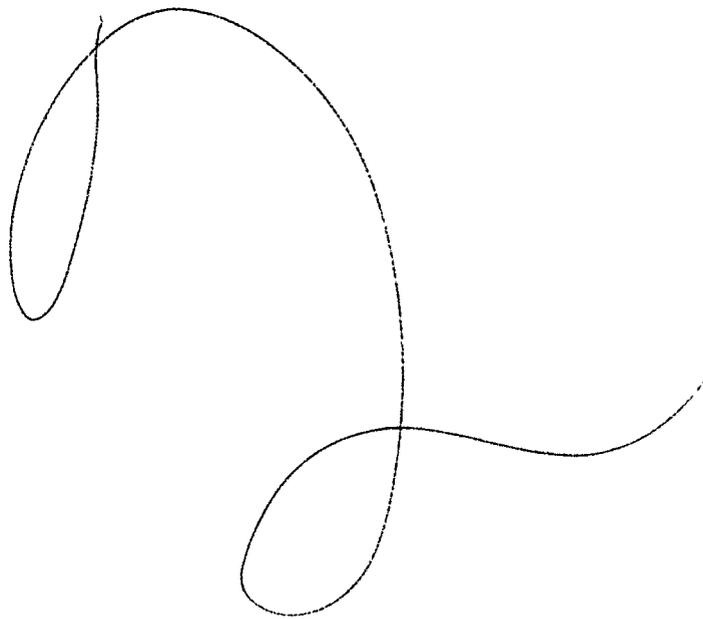
I have the honour to refer to your letter of September 28, 1964, inviting the Canadian Government to be represented at the Fourth Session of the Trade Committee of the Economic Commission for Latin America which will be held at Santiago, Chile, from 9 to 13 November, 1964.

I am pleased to inform you that the Canadian Government will be represented at the Fourth Session of the Trade Committee of the Economic Commission for Latin America by Mr. G. B. Summers, Canadian Ambassador to Chile, assisted by Mr. R. E. Gravel, Commercial Counsellor at the Canadian Embassy, Chile.

Accept, Sir, the renewed assurances of my highest consideration.

ORIGINAL SIGNÉ PAR
PAUL MARTIN
Secretary of State
for External Affairs.

Jose Antonio Mayobre, Esq.,
Executive Secretary,
United Nations
Economic Commission for Latin America,
Av. Providencia 871,
Casilla 179 D,
Santiago, Chile.



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DEPARTMENT OF FINANCE

CANADA

MINISTÈRE DES FINANCES

OTTAWA 4, October 23, 1964.

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Mr. E. D. Wilgress,
Economic Division,
Department of External Affairs,
East Block.

Dear Ted:-

You will recall we discussed the other day the instructions which should be sent to Santiago to prepare Bernard Somers to represent Canada at the November 9-13 meeting of the ECLA Trade Committee. I understand the main topic of discussion is a review of the results of UNCTAD and the prospects for the future, as seen through Latin American eyes. I gather that Somers has recommended we limit ourselves to an observer role and that you have sent to Santiago a copy of the Canadian Delegation's report on the Conference, plus a suitably amended version of the talking points used by your Minister in Tokyo.

As I mentioned to you yesterday, I have now had an opportunity to read the Secretariat document, E/CN.12/C.1/21, on which the review of UNCTAD will be based. From this document, it appears that the process of discussion of LDC trade problems based on non-objective UN Secretariat reports is starting again. In many instances, the Secretariat has overstated the degree of agreement achieved at UNCTAD and in some cases has made some wildly inaccurate interpretations of the implications of the Conference's recommendations. A couple of the worst examples may indicate what I have in mind:

- 1) On page 7, it is stated that "No Government advocated the ratification of the economic, trade or financial policies currently in force..". In light of, for example, the US insistence on the MFN rule this sentence makes queer reading.
- 2) On page 114, in relation to recommendations on promotion of trade integration among LDC's, the document states that "International trade rules have not only ceased to act as a restraint,

as insinuated (sic) in the recommendations, but the developed countries have undertaken to do everything in their power to promote integration between countries in the process of development". This is incredibly inaccurate in view of the careful qualifications by developed countries of their approval of inter-LDC trade promotion on just this question of trade rules.

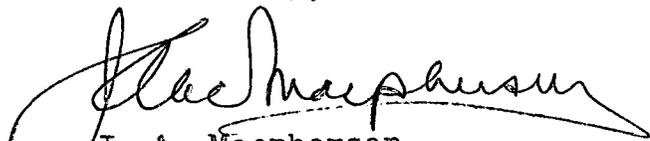
There are many other such examples in the intervening pages.

In addition, the Secretariat has considerably overstated the prospects for future agreement in the Trade and Development Board, for example, in their list of tasks for the Commodities Committee (page 44) and in their conclusion (on pages 107 and 109) that developed countries will be prepared to take legally binding decisions in these bodies (despite many statements to the contrary in Geneva).

These results of my preliminary reading of the Secretariat document confirm the wisdom of the Canadian representative operating as an observer at the ECLA meeting; there seems little point in joining battle in ECLA with the LDC's on ground of their own choosing. However, I have described the document to Rodney Grey and he agrees that Somers should be aware of its inaccuracy and bias.

Therefore, if you people agree we believe a brief telegram should be sent to Santiago indicating that officials here concerned with UNCTAD matters have now looked at the ECLA document and that Somers should know that in our opinion it is in many respects an inaccurate representation of the results of UNCTAD. You might wish to cite a few examples to make this point.

Yours truly,



J. A. Macpherson,
International Economic Relations.

ACTION COPY

TO: *Mr. [unclear]*
E OCT 27 1964
REGISTRY

35-20-EC *[initials]*

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FM LIMA OCT27/64 CONFD
TO ~~EXTERNAL~~ 83 PRIORITY
REF YOC...TEL E1995 OCT8
ECLA TRADE CTTE

DE LA FUENTE DIRECTOR ECONOMIC AFFAIRS TOLD ME THAT PERUVIANS
ATTACH GREAT IMPORTANCE TO THIS MTG SINCE NOT RPT NOT ONLY
WILL UNCTAD GATT AND LAFTA MATTERS BE DISCUSSED BUT IA-ECOSOC
ISSUE AS WELL. CONSIDERED ANOTHER FORUM FOR COORDINATING VIEWS
OF LATIN AMERICAN LDCS. PERUVIAN DEL WILL BE HEADED BY VICE PRE-
SIDENT SEOANE AND INCLUDES REP OF CENTRAL RESERVE BANK AND
NATIONAL AGRARIAN SOCIETY.

FM BOGOTA OCT28/64 CONFD

TO EXTERNAL 95

INFO PT SANTIAGO RIO BAIRE CARACAS LIMA DE OTT

REF YOURTEL E1995 OCT8 TO SANTIAGO

ECLA TRADE CTTEE

HAVE DISCUSSED FORTHCOMING SANTIAGO MTG WITH ANGARITA ACTING HEAD OF ECONOMIC DIV FOREIGN MINISTRY WHO TOLD US THAT COLOMBIANS ALSO ATTACH CONSIDERABLE IMPORTANCE TO MTG AS(SET FORTH?)FOR(FORTHCOMING SESSION?)GENEVA CONFERENCE AND RELEVANT UNGA.HE TOLD US THAT OUTCOME OF MTG WOULD HAVE LARGE BEARING ON INSTRUCTIONS ISSUED TO COLOMBIAN DEL AT GENERAL ASSEMBLY IN DEC.DEL HAS NOT RPT NOT YET BEEN CHOSEN BUT IT IS EXPECTED TO BE HEADED BY OFFICIAL AMBASSADOR RANK.

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ACTION COPY

35-20-ECLA 24

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FO *Wilgore*
OCT 30 1964
REGISTRY

TO: *Mr. [unclear]*
OCT 30 1964
REGISTRY

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75 INFO BUENOS AIRES FROM SANTIAGO YOURTEL E2116 OCT 23 ECLA

CONGRESS ON RURAL ELECTRIFICATION ECLA ADVISED MR BURSEPPXX

BURSEYS PARTICIPATION

DOMCAN

OCT. 28, 1964

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Document disclosed under the Access to Information Act -
Document divulgué en vertu de la Loi sur l'accès à l'information
CONFIDENTIAL

FM: EXTERNAL OTT

TO: SANTIAGO, CHILE

NUMBER

PRECEDENCE

E-2106

Priority

INFO: T&C

Ref.: YOURTEL 68 OF OCTOBER 14

Subject: ECLA TRADE COMMITTEE
FOR THE AMBASSADOR

THE MINISTER HAS TODAY SENT A LETTER TO DR. MAYOBRE ADVISING HIM THAT YOU AND GRAVEL WILL BE THE CANADIAN REPRESENTATIVES TO THE FOURTH SESSION OF ECLA'S TRADE COMMITTEE. BRIEFING MATERIAL FOR THIS MEETING HAS BEEN SENT BY AIR BAG.

2. WE HAVE NOW HAD AN OPPORTUNITY TO READ THE SECRETARIAT'S DOCUMENT (E/CN12/C1/21) ON WHICH THE REVIEW OF UNCTAD WILL BE BASED. IT IS AN INTERESTING AND USEFUL DOCUMENT. FOR YOUR OWN INFORMATION HOWEVER IT GIVES IN MANY RESPECTS AN INACCURATE REPRESENTATION OF THE RESULTS OF THE UNCTAD. IT REFLECTS THE VIEW OF THE LATIN AMERICAN COUNTRIES PERHAPS NOT UNNATURALLY SINCE IT WAS PREPARED BY THE ECLA SECRETARIAT. WE WOULD AGREE WITH YOU THAT RATHER THAN TAKE ISSUE WITH THE LATIN AMERICANS ON SPECIFIC POINTS IN THIS DOCUMENT IT WOULD BE ADVISABLE TO PLAY AN OBSERVER ROLE AT THE ECLA MEETING.

LOCAL FINANCE DISTRIBUTION

CPY DONE IN DIV NO STANDARD

ORIGINATOR

DIVISION

PHONE

APPROVED BY

SIG NAME E. D. WILGESS/MR

ECONOMIC

27107

J. R. MCKINNEY 000344
SIG NAME O. G. STONER



NACIONES UNIDAS
COMISION ECONOMICA PARA AMERICA LATINA
Av. Providencia 871
Casilla 179 D.
SANTIAGO, CHILE

RECEIVED IDO 323/13 (1)

Cable: GJATROOO

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La Comisión Económica para América Latina (CEPAL) caluda muy atentamente a la Embajada del Canadá y tiono el honor de acusar recibo de su atenta Esta Verbal, de fecha 26 de octubre último, en la que tiene la atención de comunicarle que el señor Morley B. Bursay ha sido designado Representante del Canadá al Seminario Latinoamericano de Electrificación Rural que se llevará a cabo en la ciudad de Buenos Aires del 16 al 22 de noviembre próximo.

A este respecto, la Comisión Económica para América Latina se permite comunicar que la secretaria de dicha reunión se ha establecido en la siguiente dirección:

Secretaría de Energía y Combustibles
Seminario de Electrificación Rural
Diagonal Sur 651, Piso 8°
Buenos Aires, Argentina

La Comisión Económica para América Latina aprovecha esta oportunidad para reiterar a la Embajada del Canadá las seguridades de su consideración más alta y distinguida.

[Handwritten signature]



35-20-ECLA
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Page 9

DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA

November 3, 1964.

Refer to
L.A. Ben
D. J. Dine
N. J. Dine
M. J. Dine
M. J. Dine
M. J. Dine

Under-Secretary of State
for External Affairs,
East Block,
Ottawa, Canada.

TO: *m. Wilgus*
NOV 10 1964
REGISTRY

Dear Sir:

Mr. F. F. Harris, Director of our Health and Welfare Division has been invited to attend the Second Inter-American Seminar on Civil Registration in Lima, Peru, which takes place on November 30 to December 11, 1964. This seminar is sponsored by the United Nations through the Statistical Office, the Bureau of Technical Assistance Operations, and the Economic Commission for Latin America, in co-operation with the Inter-American Statistical Institute, the Inter-American Children's Institute, the Pan American Health Organization and the Inter-American Association of Civil Registrars.

The participants at this conference will act in an individual capacity as experts and not as government representatives. The meeting will be of considerable value to the Bureau as the experts present will be analysing all the chief problems affecting the collection of accurate vital statistics. The specific invitation came from Alfonso Santa Cruz, Acting Executive Secretary of the United Nations Economic Commission for Latin America, Santiago, Chile. The United Nations is defraying both the travel expenses and the per diem subsistence allowance.

We would appreciate your approval of Mr. Harris' attendance at this international conference.

Yours faithfully,

H. L. Allen,
Assistant Dominion Statistician.

Act done
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TO: *Melrose*
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TO EXTERNAL 107 PRIORITY
INFO TT RIO SANTIAGO BOGOTA CARACAS LIMA DE OTT
REF YOURTEL E1995 OCT8 TO SANTIAGO
ECLA CTTEE
MR BURSEY DISCUSSED FORTHCOMING SANTIAGO MTG TODAY WITH
TATTAMANTI DIRGEN ECONOMIC AFFAIRS IN FO WHO SAID ARGENTINA
ATTACHES VERY GREAT IMPORTANCE TO MTG SAYING SESSIONS WOULD
PROBABLY DISCUSS UNCTAD AND GATT ARGENTINIAN DEL NOT RPT NOT YET
CHOSEN BUT PROBABLY TEAM OF FOUR WITH LEAD OF AMBASSADOR RANK.

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REF OURTEL 223 OCT23

ECLA TRADE CTTEE

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Fuziah
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FO:
NOV 5 1964
REGISTRY

BRAZILIAN DEL WILL BE LED BY MARIO BORGES DE FONSECA ASST SECGEN
 FOR ECONOMIC AFFAIRS IN THE FO. HE HOLDS CAREER RANK OF MINISTER.
 OTHERS INCLUDE FERNANDO GUIMAROES REIS, THIRD SECRETARY
 IN COMMERCIAL POLICY DIV AND ONE OR TWO OFFICERS FROM BRAZILIAN
 EMB SANTIAGO.

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REGISTRY	

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VIA CANADIAN SANTIAGOCHILE 54/53 4 1337 GHR

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IT TANDC OTTAWA OPIMMED 76 YOURTEL E2106 OCT 30

ECLA TRADE COMMITTEE GRAVEL LEFT YESTERDAY FOR CANADA

ON COMPASSIONATE GROUNDS RECOMMEND APPOINTMENT OF BURIANYK

IN HIS STEAD THESE ARRANGEMENTS IN OPINION GRAVEL AND

MYSELF WILL BE ADEQUATE PLEASE CONFIRM BURIANYK APPOINTMENT

SO THAT WE MAY ADVISE ECLA ACCORDINGLY

SUMMERS

(BF) 155P

4TH LINE IN HIS STEAD

MESSAGE

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TO/A	SANTIAGO, CHILE	NO		PRECEDENCE
		R-2185		<i>Priority</i> OFFERED
INFO	<i>TL</i>			

REF YOUR TEL 76
SUB/SUJ ECLA TRADE CTTEE

WE AGREE THAT BURIANYK SHOULD TAKE GRAVELL'S PLACE AT
 ECLA TRADE CTTEE MTG. PLEASE ADVISE ECLA ACCORDINGLY.

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ORIGINATOR/REDACTEUR	DIVISION	TELEPHONE	APPROVED/AUTORISE
SIG.....EDWILGROSS/MR..	ECONMIC	2-7107	SIG..... J. M. HARRINGTONO.G. STONER.....

35-20-ECLA

La Embajada de Canadá saluda muy atentamente a la Comisión Económica para América Latina y tiene el honor de referirse a la invitación del Dr. José Antonio Mayobre, Director Principal de ese organismo, enviada al Ministro de Relaciones Exteriores de Canadá con fecha 28 de Septiembre pasado, para que enviara representación al IV Período de Sesiones del Comité de Comercio, a efectuarse en Santiago del 9 al 13 del presente.

El Ministro de Relaciones Exteriores de Canadá dió respuesta a la atenta carta del Señor Director Principal en una comunicación fechada 30 de Octubre pasado, informándole que los representantes canadienses al IV Período de Sesiones serían el Excmo. Señor George Bernard Summers, Embajador de Canadá en Chile, y el Señor R.E. Gravel, Consejero Comercial de la Embajada.

Al respecto, la Embajada desea informar a la Comisión Económica que el Señor R.E. Gravel tuvo que viajar urgentemente a Canadá por motivos personales, y que el Ministro de Relaciones Exteriores de Canadá ha designado como reemplazante al Señor Zen W. Burianyk, Secretario Comercial de la Embajada.

La Embajada de Canadá se vale de esta oportunidad para reiterar a la Comisión Económica para América Latina las seguridades de su consideración más distinguida.

Santiago, 6 de Noviembre de 1964.

A la Comisión Económica
para América Latina,
P R E S E N T E .

Economic/E.D.Wilgress/nr

c.c. LIMA, Peru

L.A.Division

[Handwritten signature]

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November 12, 1964.

Assistant Dominion Statistician,
Dominion Bureau of Statistics.

Attention Mr. E. L. Allen

We refer to your letter of November 3, 1964, advising us that Mr. F. F. Harris, Director of your Health and Welfare Division has been invited to attend the Second Inter-American Seminar on Civil Registration in Lima, Peru, which takes place on November 30 to December 11, 1964. We approve of Mr. Harris' attendance at this international conference. We are sending a copy of your letter as well as of this reply to our Mission in Lima so that they will be informed of Mr. Harris' visit.

(SGD) J. R. McKINNEY
FOR THE

Under-Secretary of State
for External Affairs

BEST ORIGINAL AVAILABLE
MICLEOR ORIGINAL

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM The Canadian Embassy,
Santiago, Chile.

Reference: Your Letter No. E-136 of Oct. 20 and
Your Telegram No. E-2106 of Oct. 30/64.

Subject: ECLA Trade Committee - Fourth Session.

Date: November 13, 1964.

Enclosures: as stated.

Air or Surface Mail: Air.

Post File No.: 13-1-3-1

Ottawa File No.	
35-20-ECLA	
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E	TO: Mr. Wilgus
	NOV 19 1964
REGISTRY	

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References

Refer to
 Mr. Ritchie
 Mr. McKinnon
 Mr. Hanningham
 S. D. Wilgus
 T & C (Hawaii)
 Finance (A. Macdonald)
 B & C
 Agony Nov 26/64
 Done Nov 19/64
 & file
 h.w.

The Conference of the ECLA Trade Committee, which began on Monday last, has completed this morning its working meetings and a final closing session will be held this evening. As our courier bag closes today before the meeting will be finished we thought it would be convenient to make an interim report sending along copies of the resolutions under discussion and of the records of debates as far as available to date. We hope that this will be useful to the Department for preliminary study. However, the resolutions now sent forward are not in final form and there are numerous small amendments. In the closing session today the resolutions in final form will be incorporated into single papers and copies of these will be sent along by mail next week and will replace the enclosures to this letter.

2. In general, it may be said that the Conference represented, as was to be expected, a major effort of the Latin American countries to press on with their efforts in a common front to secure action upon all of the various measures which they have sought and which were not decided in their favour at the United Nations Conference on Trade and Development.

3. At the Conference, which was almost solely directed at achieving Latin American aims and obtaining concessions from the developed countries, Canada, as well as the representatives of the United States, United Kingdom, France and The Netherlands, was not in a position to argue in detail the points discussed or to take a position upon the various resolutions concerning the Conference on Trade and Development. It was agreed between us, therefore, that we abstain upon all resolutions in the discussion on the World Trade Conference. The United States would have preferred not to participate in the voting at all but it was agreed that this was undesirable. The Executive Director in his opening address had expressed the opinion that the dialogue commenced at Geneva between developed and under-developed countries could to some extent be continued at this meeting. The delegations of the developed countries agreed that a full interchange of views in detail was not practicable, although the statement of views on certain points might be desirable.

4. We enclose a speech made by Mr. Summers which incorporates the talking points sent with your letter, a000353 some general expressions of Canada's goodwill and gives an

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explanation of our abstention as being a reservation of position which does not commit us to any view on the resolutions and on the other hand does not show disinterest.

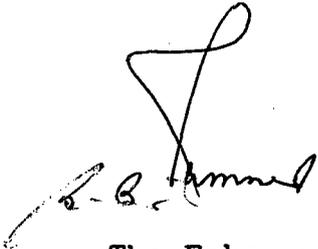
The delegations of the developed countries followed with explanations of their abstentions along similar lines.

5. We enclose translations of draft preambles to the documents which will respectively incorporate all the resolutions in relation to the World Trade Conference and those with relation to Economic Integration.

6. The resolutions, copies of which we enclose which relate to the World Trade Conference, were nearly all passed by favourable votes of 18 or 19 with abstentions of 5 or 6. The developed countries mentioned above abstained on all. On some others the abstention was made by Trinidad and Tobago or by Cuba. A detailed voting record will be sent with the final documents when available, but an indication of it so far as our present records show is set out with the enclosures.

7. One of the resolutions presented with regard to Economic Integration, which is enclosed as Conference Room Paper No. 5 Rev. 1, was passed with favourable votes by the whole committee except for an abstention by Trinidad and Tobago. The sponsors of this resolution, in particular Chile, made a special appeal to the developed countries to give their favourable vote and not to abstain in accordance with the decision which had been announced in relation to resolutions on the World Trade Conference. There seemed no objection to a favourable vote on this resolution and in line with the action taken by the United States, United Kingdom, France and The Netherlands, we voted in favour. On another resolution on economic integration which brought in questions as to multilateral payments arrangements and other subjects which were not so clearly non-controversial we abstained, in line with the action taken by representatives of countries outside of the Latin American area. A more detailed report will follow promptly.

8. As requested, we are enclosing three copies of the "Note by the Secretariat on the Commission's Activities in the Field of Economic Integration".


A. B. Hammond
The Embassy.

(* in ~~fact~~ private discussion not in the debate)

Speech by the Canadian Ambassador, Mr. G. B. Summers, at the Economic Commission for Latin America, 4th Session - November 12, 1964.

I would like to express in broad terms the views of my Government on some of the specific subjects we have been discussing here, adding that in this short exposition these views cannot cover every aspect of the problems and should not, therefore, be regarded as final, exhaustive or inflexible.

Canada considers that the most effective means of assisting the developing countries to expand their exports in order to accelerate their development process is through a positive programme for improved market access along the lines of the G.A.T.T. action programme and similar recommendations approved at the United Nations Conference on Trade and Development. Such a positive programme involves the elimination or reduction of tariffs or other trade barriers that now deter larger sales of the developing countries' primary and tropical products; it requires tariff reductions in the context of the Kennedy round of tariff negotiations on manufactured and semi-manufactured goods of interest to the lesser developed countries without expecting full reciprocity from the lesser developed countries for any benefits that they may receive; it requires a general removal of quantitative restrictions now impeding imports into the industrialized countries of manufactured goods from the lesser developed countries. We have always held that the likelihood of market disruption from the imports of the lesser developed countries' manufactured goods would be lessened if there were freer access for these goods in the markets of industrialized countries generally.

As separate and complementary measures Canada believes that international commodity arrangements can play an important role in establishing commodity prices at equitable and remunerative levels. Canada, which is a party to all major commodity agreements, is prepared to explore with other countries the possibility of new agreements on a commodity-by-commodity basis. Canada does not believe, however, that it would be in the interests of the lesser developed countries to encourage unduly high prices for primary commodities under the framework of long-term commodity arrangements. High prices are likely to generate unsaleable surpluses by stimulating production and reducing consumption through the use of natural or synthetic substitutes.

Canada also recognizes that whatever part is played by trade, the international community will have to continue to support by means of aid the efforts of the lesser developed countries to accelerate their rates of economic growth. Canada supported at the United Nations Conference on Trade and Development the proposal to have the World Bank study how long-term declines in export receipts might be alleviated through new types of multilateral assistance.

Canada agrees that expansion of the industrial base of the lesser developed countries is of vital importance to their economic development and that it is important for these countries to find markets for the exports of their growing industries. One solution may be a general reduction in tariff and non-tariff barriers. (However, Canada doubts that the advantages which might be gained from new preferences extended by the industrialized countries to all lesser developed countries would outweigh the long-term disadvantages, particularly for the smaller developing countries, which would arise from new discriminatory patterns of world trade. Nevertheless Canada is prepared to examine this question in co-operation with other interested countries.)

A number of the speakers whom we have heard have expressed with varying degrees of emphasis their disappointment because of the fact that the United Nations Conference on Trade and Development fell short of their

BEST ORIGINAL AVAILABLE
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expectations, or at least their hopes, because it did not succeed, as an immediate result of its deliberations, in ensuring the implementation of a number of specific measures having as their objective the establishment of more favourable terms of trade and the more rapid economic development of developing countries.

With a full understanding and appreciation of the reasons for this disappointment I prefer to take a more optimistic view and express my agreement with those speakers, in particular Dr. Prebisch, the Secretary General of the Conference, who have stressed the tremendous importance of what the Conference has in fact achieved. If we consider the degree to which certain of the ideas which were basic to the Conference discussions have been for long controversial, and indeed it might be said in certain instances, contrary to attitudes of mind long established and opinions firmly held by many people throughout the world. If we take into account that even with the best will in the world representatives of governments - and this is a very obvious point which is not always remembered - representatives of governments cannot commit themselves to new and controversial courses of action unless they are certain that the parliament of their country will pass the necessary laws and further that the people who elected the parliament are equally convinced of the rightness of this course of action and will re-elect to power the representatives who have taken these decisions.

These very general observations, on specific subjects are made within the spirit of the suggestion made by the Executive Director Dr. Mayobre in his opening address to the effect that our discussions here provide an opportunity to hear something of the views of countries which attended the Geneva Conference but which are not Latin American. They are not, however, intended as a continuation of the dialogue, or confrontation of views commenced at Geneva and which will be carried further in the discussions at the United Nations General Assembly and thereafter, in the sense of stating here firm attitudes of the Government of Canada or even of negotiating from our respective positions. To enter into detail on the various points raised, for a serious continuation of that dialogue would, in my view, mean the repetition of statements already made in Geneva or the anticipation of statements which can properly be put forward in discussions at the United Nations General Assembly. I feel sure that the Executive Director and my colleagues, the distinguished delegates from other countries represented here, will appreciate this position. At this particular stage we are discussing in the Economic Commission for Latin America recommendations to Latin American governments and while the recommendations are to be presented from CEPAL as a whole and Canada has the honour to be a member of this body I am inclined to think that the occasion is not appropriate at least in so far as Canada is concerned for a detailed statement of views on Canada's attitude on the various specific points discussed here and which have been incorporated in different resolutions. To do this would prolong our discussions, and would mean a presentation of Canadian views in a debate concerned with the formulation of recommendations to Latin American governments for which we believe other forums are more appropriate. I am speaking now only of the debates and resolutions in which we are concerned at this meeting. There will I am sure be other occasions when CEPAL makes recommendations even to Latin American governments where Canada as a member of CEPAL will wish to express its views, and my reluctance to go into detail on this occasion is related to practical considerations concerning the subjects under discussion. When the resolutions which we have before us come to a vote Canada will abstain. I would like to explain this vote. It does not mean that we are in favour. It does not mean that we are against. It does not mean that Canada as a member of CEPAL has no interest in the important matter being discussed. It does not mean that we are neutral. We will on the appropriate occasion have very definite ideas on the proposals put forward. It means simply that we reserve our position and would not wish at this stage to anticipate an exchange of views we will have another early opportunity to undertake.

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Bearing these facts in mind, and no less the complexity of many of the problems discussed, I believe it is fair to say that all of the countries which took part in the Conference, whether we classify ourselves as in the early or later stages of economic development, can with justice express satisfaction with the Conference as a notable example of international co-operation in the solution of economic and social problems. I would express, also, my agreement with those speakers who have mentioned despite the obvious necessity for certain purposes of talking of countries as belonging to one group or classification or to another the desirability of placing less emphasis on the confrontation of one group by another and more on our unity to achieve certain aims which if directed in particular for the benefit of certain countries are none the less for the benefit of mankind as a whole. To achieve these ends each country or group of countries, while it cannot for very practical reasons avoid considering its own interests and how far it can go in making sacrifices, needs to consider with goodwill the needs and interests and the points of view of the others. Canada's participation in the Conference was based on this spirit of goodwill, and in the same spirit it will join in the discussions at the forthcoming session of the General Assembly and intends to play a positive and constructive role in relations with the United Nations Trade and Development Board.

I would, in conclusion, like to pay a tribute to the work of the dedicated staff of the Economic Commission for Latin America, not only for the well prepared papers we have before us and which have so much facilitated our task, but also for all of the studies and preparatory work extending over many years which have been of such great importance for the economic development of this region, and because of that for the world as a whole.

(Office Translation)

The Trade Committee of ECLA, considering the urgent need to ensure that the recommendations approved in the United Nations Conference on Trade and Development have a concrete application as soon as possible and are perfected and complemented;

Likewise, considering the convenience of using fully the solidarity of Latin America, and its solidarity with other developing countries, which were so evident in Geneva in the search for aims so important for the economic future of these countries such as increasing their access to the world markets for their basic products, the improvement of interchange relations, the intensification and geographic diversification of their exports of manufactured and semi-manufactured products, the achievement of a financial external cooperation under conditions and magnitude important enough to help maintain an adequate rate of development, the solution of their problems on international transport and of other invisible items of their balance of payments, all of which should lead to fill the gap between the present perspectives of foreign income and the necessities of importation for development;

Equally, considering the urgency of encouraging a firm internal action in the countries of the area to organize and intensify their production in such a way as to permit taking the optimum advantage of the new conditions which it is hoped to attain in international trade;

Has adopted the following group of resolutions:

(Office Translation)

LATIN AMERICAN ECONOMIC INTEGRATION

The Committee reaffirmed its belief that the economic integration of Latin America is an urgent necessity to intensify the development of these countries, achieve the indispensable social changes, improve the position of the region towards the problems of its external sector, and restructure their production under conditions of lower costs and of a more rational use of the existing resources.

Therefore, the Committee adopted the following group of resolutions about integration, with the purpose that they may be used as a basis for the future steps that should be taken in this field:

The following is a summary of the voting on resolutions. Please note that, for various reasons such as agreement on the floor of the duplication of some resolutions, no vote was taken.

Conference Room Paper #2
revision 1

6 yes
0 no
17 abstentions

Conference Room Paper #3

no vote

Conference Room Paper #4

15 yes
0 no
7 abstentions

Conference Room Paper #5
revision 1

23 yes
0 no
1 abstention

Conference Room Paper #6

no vote

Conference Room Paper #7

19 yes
0 no
5 abstentions

Conference Room Paper #8
revision 1

19 yes
0 no
5 abstentions

Conference Room Paper #9

17 yes
0 no
7 abstentions

Conference Room Paper #10

18 yes
0 no
3 abstentions

Conference Room Paper #11

18 yes
0 no
5 abstentions

Conference Room Paper #12
revision 1

18 yes
0 no
6 abstentions

Conference Room Paper #13

19 yes
0 no
5 abstentions

Conference Room Paper #14

18 yes
0 no
6 abstentions

Conference Room Paper #15

18 yes
0 no
6 abstentions



DEPARTMENT OF TRADE AND COMMERCE
MINISTÈRE DU COMMERCE

E	TO: <i>Mr. Wilgress</i>
	NOV 19 1964
	REGISTRY

FILE NO. 22-168-1
DOSSIER

November 16, 1964

<i>35-20-ECLA</i>
<i>6 1 6</i>

The Under-Secretary of State
for External Affairs,
177 East Block,
O t t a w a, Ontario.

*File
for
you*

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Attention: Mr. E.D. Wilgress

Dear Sir: Observations of the ECLA Secretariat on UNCTAD

The following represent some key observations extracted from the recent ECLA Trade Committee Study on UNCTAD. Although these views are quite naturally strongly oriented to Latin America and represent their interpretation of the nature of the Conference and the United Nations in general, they do provide a useful illustration of what one particular group of LDC's felt was accomplished at the Geneva Conference.

Also of special interest is how the Secretariat envisages the contribution of the Latin American countries in the context of the LDC's efforts to improve their position in the international trading world. Section 5 is of particular interest in this respect.

Yours faithfully,

Wilfrid Lavoie
Wilfrid Lavoie, Chief,
International Organizations Division,
Office of Trade Relations

Encl.

E

OBSERVATIONS OF THE ECLA SECRETARIAT
ON UNCTAD

E/CN12/C1/21 8 October, 1964

1. GENERAL OBSERVATIONS ON THE CONFERENCE

Marked progress was achieved in establishing new principles of trade and development, now accepted as guidelines for the international community. However, by and large, the progress achieved was not matched by precise and specific decisions signifying the acceptance of commitments on the part of the industrial nations. In this respect little was accomplished and much remains to be done in the immediate future. It is through the new institutional machinery that attainment of the objectives specified at Geneva, and on which no definite promise of action was obtained, can be attempted.

2. PRIMARY COMMODITIES

(a) The Report comments that on the whole the results obtained in this field may, on balance, be considered favourable. The approval of the objectives and principles which should guide international commodity arrangements, as well as their scope and techniques, represents a considerable advance on what was set forth in this respect by the Havana Charter.

(b) As to possible techniques for commodity arrangements, a very full list was drawn up that represents a considerable advance in relation to those used traditionally. Thus it is envisaged that agreements might include provisions of floor and ceiling prices and price ranges, systems of levies in the developed importing countries of which the proceeds would be paid over to the developing exporting countries through appropriate international funds, and funds to finance programmes for diversification of the production and trade of the developing countries.

(c) Although there would be no obligation to adopt such techniques in every agreement, explicit reference to them in the text of the recommendation will strengthen the position of the developing countries at the negotiating stage and enable them to insist that the agreements include such of the provisions as they consider necessary to improve their relative position.

(d) Clearly the negotiation of further international commodity arrangements could not be based on unilateral decisions by the developing countries. However, it is important that those countries should study and define the arrangements they would be interested in promoting through the proposed Commission. For example, Latin America should study the situation of such agricultural products as cocoa, cotton, tobacco, meat, wool and bananas, and such ores as tin, lead, zinc, etc.

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International Organizations Division,
Office of Trade Relations
Department of Trade and Commerce

November 16, 1964

3. REMOVAL OF OBSTACLES TO TRADE

In general, the report is favorable to the UNCTAD recommendation on the measures to be taken to remove the obstacles to trade, and suggests a programme of work for the Latin American countries so as to carry on the recommendation. (see attached).

4. MANUFACTURES AND SEMI-MANUFACTURES

(a) General Observations

(1) The results of the Conference, insofar as manufactures are concerned, were fairly promising, but require further clarification and decisions. The results in regard to recognition of the principles upon which the aspirations of the developing countries are based, while not far reaching, may be considered satisfactory for a first meeting of this kind and scope.

(b) In the matter of specific obligations and commitments, progress was less marked. The developed countries with market economies on which the developing countries placed their main hopes were unable to enter into any commitment which would result in immediate abolition of external obstacles to the developing countries' export trade in manufactures and semi-manufactures.

(c) Attention should be drawn to the fact that the developed countries, in opposing the measures proposed but which failed of adoption, did not act as a single bloc. It is possible, therefore, that in the institutional machinery the discussions started at Geneva can progress to the point where specific formulas and measures, acceptable to all, will be found, particularly in relation to the system of preferences.

(d) Conclusion of a System of Preferences and Conditions for Access to Markets (Recommendation A.III.4 and A.III.5)

(1) These two recommendations which were adopted unanimously may have considerable influence on the future treatment of imports of manufactured products from the developing countries. They combine the two distinct strategies of (a) a system of preferential access to the markets of the industrialized countries, and (b) steps to improve export prospects based on providing wider access to markets as laid down in recommendation A.III.4. In this preferences would disappear, together with the prospect that the developing countries would benefit from special multilateral action in their favour, such as that implicit in the system of preferences, which in essence is a form of special protection for their new industries.

(2) Naturally, the first alternative seems preferable to the developing countries, since it envisages practical international action on their behalf. The achievement of a system of preferences should therefore continue to be the key objective in the negotiations undertaken by the Latin American countries. Although Recommendation A.III.5 did not actually include a specific commitment regarding preferences, it provided for the necessary machinery to negotiate on this point. Success will still depend on the powers of persuasion of the developing countries and of those industrial nations which agreed in Geneva that a system of preferences of some sort was desirable.

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(3) The developing countries should also take fullest possible advantage of the opportunities which the recommendations for access to markets under A.III.4 may create. It is noted that if the developed countries swiftly reduce tariffs they apply to one another, the margin available for the granting of preferences will shrink in proportion. Hence the developed countries should put into effect a system of preferences as soon as possible, before the gradual elimination of tariffs between them dashes the hopes of the developing countries.

5. POSSIBLE LINES OF ACTION RECOMMENDED FOR LATIN AMERICAN COUNTRIES

1. System of Preferences and Access to Markets

(1) The developing countries should continue to make every effort to secure the establishment of a system of preferences.

(2) The first opportunity to do so will be in the special group of governmental experts to be appointed by the Secretary-General of the UN. The Latin American countries should continue to look into the possibilities and problems involved in the establishment of a preferential system, so they can take an active part in the discussion of the special committee.

(3) Until such time as a preferential system becomes operative, the developing countries should spare no effort to insure that any reductions negotiated in GATT are actually applied to tariffs and other trade barriers on those products which are in a better competitive position. For instance, the developing countries might, as one of their cardinal aims, immediately tackle the problem of influencing the developed countries to abolish customs duties on all semi-manufactures.

2. Industries with Export Potential

In relation to the recommendations on this question the following lines of action are suggested:

(a) An analysis by individual countries of industrial planning in the Latin American countries that are already industrialized.

(b) A study of the possibilities of establishing new industries potentially capable of exporting to the less developed Latin American countries.

3. Measures Recommended to the Developed Countries with Market Economy

In order to facilitate and expedite the implementation of this recommendation the following lines of action are proposed:

(a) That the developing countries prepare an outline of all appropriate measures of an administrative, fiscal, juridical, financial and other nature that might be adopted by the developed countries for the purpose of eliminating the obstacles and difficulties encountered by their manufactures in the domestic markets of the developed countries.

(b) This outline would be submitted to the developed countries and the organization that is to continue the work of the Conference, for discussion and subsequent adoption. They can always be adapted to the particular conditions and legislation pertaining in the developed countries which are to apply them.

2. Removal of obstacles to trade

(a) Actions recommended to the developed market economy nations

(i) General provisions. At the request of the developing countries a number of general clauses were added, some of which help to make clearer the scope and applications of the provisions recommended, while others tend to mitigate the effect of those provisions by recognizing situations to be excepted from them.

The first such provision establishes that the recommendations made shall apply to products of particular interest to the developing countries, in accordance with lists to be prepared by appropriate international bodies. Although it is not specified what body is to draw up such lists, the work could be done by the Commission on Commodity Arrangements and Policies referred to above. Until the Commission is organized and begins to operate, the preparation of the lists could well be allocated to the United Nations Commission on International Commodity Trade in conjunction with FAO and its subsidiary organ, the Committee on Commodity Problems. The Governments of the Latin American countries should also begin to prepare national lists, which will in any case serve as the basis for drawing up consolidated lists for negotiation with the developed countries. The Trade Committee could also proceed with the preparation of provisional lists.

The second provision is a saving clause. It provides that pursuant to the provisions of international commodity agreements and in "other exceptional circumstances" individual developed countries may find it necessary to deviate from the recommendations adopted by the Conference, but that they should consult the developing countries substantially affected, where possible before taking action. The first of the grounds justifying an exception does not pose a serious problem, since the developing countries participating would have the opportunity of presenting their point of view during the negotiation of the agreements concerned, well in advance of any decision and without being in fear

/of any

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of any surprise action. The second grounds are perhaps more objectionable since the term "other exceptional circumstances" is so wide as to be open to unilateral interpretation. As the prior consultation referred to is not compulsory, some frame of reference for such exceptional circumstances should be drawn up.

The third clause relates to target dates for the implementation of the recommendations approved and includes an express reference to the developing countries' desire that maximum progress be made by 31 December 1965. However, a more realistic deadline is adopted, that of the end of the United Nations Development Decade. This provision should meet the wishes of the developing countries, since it establishes a time-limit of about five years for making the changes requested, which are of a magnitude and significance that would make it impossible to carry them out in a little over a year.

(ii) Standstill. Apart from the general limitation relating to the identification of the products of interest to the developing countries, the recommendation is identical with the proposal put forward by those countries.

(iii) Tariff and internal fiscal charges. In their original proposal the developing countries asked for the total abolition, within a specific time-limit, of all tariffs and other customs charges on commodities. The recommendation adopted, on the other hand, is that the developed countries should "substantially reduce, and where possible eliminate" such charges. There is no doubt that it will be difficult to achieve abolition in all cases, since the developed countries can fulfil this provision by substantially reducing the charges. However, what is meant by "substantial" remains to be defined. As in previous instances, it seems essential to establish certain rules on the percentage reduction that each developed country should apply to existing charges for each of the products included in the list referred to above. This could be another task to be carried out within the next two years by the Commission on Commodity Arrangements and Policies.

/For tropical

For tropical products, however, total abolition of charges was accepted, but the time-limit was postponed until the end of the Development Decade. Although this postponement may represent a setback compared with what had been agreed to under GATT's Programme of Action, the acceptance of the provision by the developed market economy nations as a whole gives it a more worldwide character.

With respect to internal fiscal charges on primary products "wholly or mainly" produced in developing countries, it was agreed that they could be progressively reduced, but their total abolition was to be effected not by any specific time-limit (even a longer time-limit than that requested), but "as soon as possible". However, it is understood that in this case also the general provision referred to above applies, indicating the end of the Development Decade as the time-limit for fulfilling the provisions of this part of the recommendations.

In this connexion it should be noted that the reference to products "wholly or mainly" produced in the developing countries restricts the coverage to a small group of primary products (mainly tropical products), since many ores, fuels and temperate zone agricultural products are also produced on a considerable scale in the developed countries. Although this proviso was also included by the developing countries in their original proposal, it should be stressed that the abolition or reduction of internal fiscal charges would help to strengthen the domestic demand for many other commodities in addition to tropical products, which would mean an increase in imports of those products.

(iv) Quantitative restrictions. Under this provision the developed market economy nations undertake to eliminate, "in so far as possible", their quantitative restrictions on products of particular interest to developing countries within the Development Decade.

Despite the reservations introduced, this provision paves the way for a vigorous campaign to reduce existing quantitative restrictions, and in particular to ensure that when such restrictions are maintained they are not of a discriminatory nature.

/One step

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One step that could be taken at once in this field would be to indicate the existing quantitative restrictions that the Latin American countries wish to see eliminated, together with a possible time-table for doing so, with due regard for the provision on transitional preferential arrangements referred to in sub-paragraph (vi) below.

(v) Domestic policies of the developed countries. The protectionist or subsidizing policies pursued by the developing countries were extensively discussed during the Conference. As this point is basic to the strategy followed by many developed countries in protecting their production of primary products (especially temperate zone agricultural products and certain ores), it naturally aroused the resistance of most of those countries.

The final text reflects some part of the concern felt by the developing countries, and embodies the intention of the developed countries not to take measures that stimulate uneconomic production in such a way as to deprive developing countries of the opportunity to obtain a fair and reasonable share of world markets and market growth. The provision also recommends that where existing levels of protection have adverse effects upon the exports of developing countries, their form should be modified or their aggregate reduced.

This text shows that despite the desire to prevent the situation from worsening in the future, the present structure is left intact. Consequently the countries affected by protectionist policies should submit facts to show that the present systems and levels of protection are restricting the markets for some of their exportable products.

This is undoubtedly one of the most difficult problems to solve, because of the domestic vested interests in the developed countries that are striving to maintain the status quo and prevent any changes that would be highly unwelcome, at least to certain groups. As regards the products covered by international agreements, the problem may be resolved by co-ordination of production policies.

(vi) Transitional

(vi) Transitional arrangements. The agreement on preferential arrangements represented the area of greatest unity for the Seventy-five. This was made possible by a formula that satisfied the two groups of developing countries - those that enjoy some form of discriminatory preferential treatment, and those that are not included in any such favourable arrangement, in particular Latin America - and thus overcame the main obstacle to the unity of the developing countries.

However, the compensatory measures provided for must be studied and agreed on, so that the proposed machinery can begin to operate as soon as possible. The work of considering and proposing suitable measures could probably be carried out by the Commission on Commodity Arrangements and Policies, or by the Trade and Development Board itself.

(b) Actions recommended to the developed centrally-planned economy countries

This part of the recommendation contains a number of provisions aimed at promoting imports of primary products and semi-manufactured goods by the developing centrally-planned economy countries from the developing countries. One provision suggests that the former, when fixing the quantitative targets in their long-term economic plans, should take duly into consideration the export needs of the developing countries.

If the economic growth rate in the centrally planned economies in recent years continue, and the above provision is fully satisfied, a more rapid growth of trade between the two groups of countries can be hoped for, although the probable amount if such an increase cannot be estimated in advance. The centrally-planned economy countries indicated their intention of increasing their purchases of commodities from the developing countries, but stated frankly that such increases would depend largely on the willingness of the developing countries to purchase goods from the socialist countries.^{5/} In other words, the increase

5/ In this connexion it should be noted that the centrally planned economies consider their trade with the developing countries as an integral part of the world trade system. Consequently they believe that any expansion of their trade with the industrial market-economy countries will make it easier for them to attain high economic growth rates, and thus permit a corresponding increase in their trade with the developing countries.

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy
Santiago, Chile

Reference: Our letter 348 of November 13, 1964

Subject: ECLA Trade Committee - Fourth Session

No.: 362

Date: November 20, 1964

Enclosures: several

Air or Surface Mail: Air

Post File No.: 13-1-3-1

TO: *W. J. ...*
NOV 25 1964
REGISTRY

Ottawa File No.
35-20-ECLA7
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References

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T.O. / June 1964
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file
in*

Because of numerous revisions, the final report of the ECLA meeting has been delayed. The documents office advises that these publications, incorporating the resolutions adopted, will not be available until next week. Our final report on the meetings delayed because of this will be forwarded at the earliest possible date. In the interim we submit for your examination three copies each of Friday's provisional summary records.

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S. B. ...
The Embassy

ATTACHMENT
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CONCERNANT
ANNEXE
VOR
AUG 15 1980

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Circulation

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FROM: The Canadian Embassy,
..... Santiago, Chile
Reference: ... Our Letter No. 348 of Nov. 13, 1964.
Subject: ... Economic Commission for Latin
..... America - Fourth Session of the
..... Trade Committee.

Date: November 27, 1964.
No. 367
Enclosures: - - -

Air or Surface Mail: ... Air
Post File No: ... 13-1-3-1

Ottawa File No.
35-20-ECLA
3-1 2-1

TO: *M. Summers*
2
REGISTRY

References
Refer to
Mr. Ritchie
L A Dir.
Finance (A. Murphy)
TOC
B. G. C.
Ag. in J.
o
file
To see
Mr. Summers
Mr. [Signature]

The meeting of the Fourth Session of the Trade Committee was held in Santiago November 9 through 13, 1964. Mr. G. B. Summers, Ambassador to Chile, represented Canada with Zen W. Burianyk, Third Secretary Commercial, in attendance as alternate representative. Mr. Burianyk was a last minute replacement for Mr. R. E. Gravel, the Commercial Counsellor in Santiago, who had returned to Canada on compassionate leave. It became evident as the meetings progressed that a three-man team would have been more desirable, as both Mr. Summers and Mr. Burianyk were often hard pressed to cover the proceedings.

Documentation

2. Documentation was for the most part good. However, there were a few instances where discussions of resolutions were postponed, at the insistence of the delegation from Trinidad and Tobago, when either only Spanish versions of resolutions or amendments were available or English versions were distributed just moments prior to debate. General translations were made available in an amazingly short time and were very well composed.

Canadian Participation

3. As anticipated, Canadian participation on the floor was limited. Mr. Summers addressed the delegates prior to any voting on the morning of November 12. His speech explained Canada's position re abstentions in the actual balloting and incorporated the talking points sent with your letter no. E-136 of October 20, and a general expression of Canadian goodwill, etc. The speech was well received and was the first of a series of speeches made by the delegations of Canada, France, the Kingdom of the Netherlands, the United Kingdom and the United States in which they stated that while they sympathized with the views expressed by the Trade Committee and understood the problems confronting the countries of the region, they would abstain from voting on the draft resolutions which could be specifically interpreted as a mandate or line of action for the Latin American Governments, particularly those relating to the United Nations Conference on Trade and Development. Accordingly, they would limit their remarks on those questions, and the views set out in the body of the present report therefore represent essentially those of the developing States members of ECLA. As the first intervention on this important point

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- 2 -

Document disclosed under the Access to Information Act -
Document divulgué en vertu de la Loi sur l'accès à l'information

of the attitude of the developed countries. The evidence it had more impact than the subsequent short confirmations from countries in the same position and gave us an opportunity to elaborate somewhat on Canada's views towards the subjects under discussion.

4. There was only one other intervention of the Canadian delegation. This occurred on the last day and was related to the resolution then contained in Conference Document No. 11 Rev. 1 later incorporated as paragraph 3 of the first resolution set out in the final report under the heading "General Evaluation of the Conference". Mr. Summers pointed out that this resolution, which "expressed the deepest concern" of the ECLA Trade Committee at "the unilateral decisions taken by some developed countries since the U.N. Conference on Trade and Development, should more appropriately have been limited to an expression of concern of the member countries of the ECLA Trade Committee affected. Although Canada with other developed countries had abstained on this as on other resolutions it seemed appropriate to draw particular attention to this point as the resolution was not a recommendation to Latin American Governments but to be transmitted to the Group of Seventy-seven developing countries as a decision of the ECLA Trade Committee as a whole. Mr. Summers was assured privately by Mr. Mendez, Secretary of the Trade Committee, that Canada's point was well taken and would be considered when the final communiqué is drafted and in the form in which they were transmitted to the Group of Seventy-seven.

Participation of Other Delegations

5. All the Latin American countries were more or less equally active in the general proceedings with but a few exceptions such as Guatemala. One would expect that this could be attributed to Guatemala's interest in her own free trade area, but this explanation would not be consistent as Costa Rica was a very active participant. However, the driving forces of the Conference were Brazil, Columbia, Chile, Mexico and Venezuela.

6. The Chilean delegation gave no indication that they were representatives of a Government which had taken office the week before. They were very well prepared, participated fully and were instrumental in the drafting of most major resolutions.

7. A number of the delegations from Latin American countries were led by important political figures and this has some relation to the degree to which the Conference's results emphasize the political aims of the countries concerned in relation to the concessions they expect from the developed countries with but little indication of the need for corresponding effort and a more realistic approach to what may be achieved by negotiation. This is not to say that such realism is not present in certain quarters, but the mood of the Conference was evidently that the aims of the under-developed countries at this stage should be stated at their highest and that unity in preparation for discussions at the General Assembly should be stressed and maintained.

8. The Cuban delegation's performance was as expected. Following their opening tirade against the United States they settled back into their accustomed role of being 000372 vocal, proposing occasional amendments most of which had ly

political overtones. In this regard they were successful in one instance, although this success was achieved by chance through a technicality and was entirely unexpected, even by the Cubans. The particular amendment dealt with the establishment of multilateral trade between the developing countries and the centrally planned economy countries. The result of the vote taken was 7 in favour, none against, and 19 or 20 abstentions. It was first announced that the motion had been defeated until it was revealed that the regulations did not permit a vote of abstention to be counted as negative. As a result the amendment carried 7 to 0. Summing up the Cuban attitude it appeared that the delegation did not want to risk the disfavour of the other Latin American countries and, after their anti-U.S. remarks of the opening day, did not appear to want to antagonize the United States delegation further, nor other Latin American countries, and with the latter at least wished to go as far as possible in appearing co-operative.

9. The United States delegation consisted of Sydney Weintraub and Robert Walker. Mr. Weintraub's speech, which followed that of Mr. Summers, basically covered three points: (1) the reasons for his Government's abstentions in the balloting (which were essentially the same as Canada's); (2) refuting the charges of the Cuban delegation; and (3) his Government's attitude towards the resolutions in general. With reference to this latter point Mr. Weintraub emphasized that while the U.S. does not disagree with many of the points raised it is only because of the fact that they feel that this meeting was the immediate concern of the Latin American countries. However, had they chosen to participate fully they would have voted against many of the resolutions, consistent with their voting pattern at Geneva.

10. The representatives of The Netherlands Government were quite passive in their activity and, with the exception of one subtle allusion to Surinam directed to Venezuela, followed the line of the developed countries.

11. The delegation from France abstained where expected and also followed the developed country line.

12. The remarks of the British delegation were disappointing, perhaps because it is expected that the British will always have something profound to say. Mr. Kennedy, the alternate representative for the Government of Great Britain, was the only representative for the United Kingdom in attendance throughout the session, except for the opening formal session when the Ambassador attended. Mr. Kennedy's remarks were limited almost completely to a short explanation of his Government's position on the surcharge imposed by his Government recently.

(2)

13. Mr. Forde, the representative for Trinidad and Tobago, appeared to be on the horns of a dilemma. His private attitude during the first days of the Conference was one of disillusionment with the Latin American countries in general. Although his country did not qualify by reasons of development, Mr. Forde felt more fraternity with the developed countries at the Conference. However, at some time during midweek Mr. Forde appeared to take a more active interest in the resolutions being considered and this could

be related to the closing statement of Dr. Mayobre, who stressed the importance of the Caribbean countries in the overall economic planning of the area and further announced the preparation of a document exploring the possibilities of increased trade between the Caribbean countries and Latin America. Whether Mr. Forde was given prior knowledge of Dr. Mayobre's points is, of course, not known.

14. Jamaica was not represented at the meeting.

General

15. The impression given by the Latin American delegates was one of genuine enthusiasm. Despite the passing of the resolution declaring the dissatisfaction with the results achieved by the Conference on Trade and Development, it was evident that all were still quite flushed with their success in having maintained a united front at Geneva.

16. It was evident that Dr. Prebisch continues to command a great deal of influence on the Latin Americans' thinking. In his remarks to the Conference on its opening day Dr. Prebisch congratulated the members on the united stand taken at Geneva and further remarked that it appeared that the Latin American countries were now prepared to sacrifice some of their individual interests for the overall benefit of the Group of Seventy-seven. This was exactly the type of praise the delegates wanted to hear and it is doubtful whether the remarks of caution of Dr. Prebisch were given too much attention. He warned that the problems of Latin America could not all be solved through the external actions of the developed countries. He emphasized that few Lesser Developed Countries are willing to admit that domestic measures must also be taken. This point was also stressed in the opening day's remarks of Dr. Mayobre but it is doubtful whether it received any more attention at that time. Further, Dr. Prebisch stated that LAFTA must move ahead more vigorously and in this regard he referred to a recent speech by President Frei of Chile in which Frei announced that major political decisions vis-a-vis Chile and LAFTA must be made immediately in order to push LAFTA into its next stage of development.

17. It is apparent that the solidarity achieved in Geneva was strengthened at this Conference and the participating countries fully realize what a powerful force they have become through union. An event exemplifying the new attitude was the appearance and full participation of the Bolivian delegation despite the exciting changes in their Government just days before.

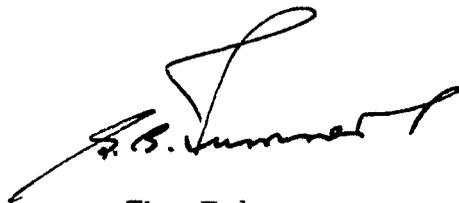
18. The ECLA Trade Conference emphasized once again in the clearest manner the deep conviction of the under-developed countries of Latin America that the existing system of world trade works to their disadvantage, is unjust, and major changes are required. This view is held by responsible statesmen and leading economists and it would be wrong to regard it as representing nothing more than the claims of "have nots" to be given more from the richer countries. It is firmly believed that the more developed countries must make concessions to change the existing system not only for humanitarian reasons but because it must be clearly in the interest of developed countries as well as of under-developed countries to establish a world system with a higher standard

of living in those regions of the world now described as under-developed or in the way of development. The pressure to have these principles accepted and, much more, to have practical measures taken to change the existing system will continue and must be taken into account by the developed countries.

19. The greater portion of the time of the Conference was taken up with discussions on the United Nations Conference on Trade and Development; there were also important discussions and decisions on the subject of Latin American integration. The necessity to go forward with a greater degree of economic integration in Latin America as an essential for economic progress in the area was strongly stressed once again. This is coupled with statements of dissatisfaction as to the progress made and the necessity for decisions to be taken at a high political level to implement in practice what is accepted in principle. The Chilean delegation took a leading part in stressing these views. In addition the Secretariat of the Economic Commission for Latin America has studies prepared and will continue with them, outlining concrete suggestions for governments in this direction.

20. The importance of the movement towards economic integration in Latin America should not be under-estimated but it is not at an advanced stage of development. It would therefore, we think, be premature to attempt to assess the impact on Canadian trade and economic interest. In broad terms we would be inclined to say that the Latin American countries are right in their conviction that economic integration, opening up larger regional markets, is an important means to develop the prosperity of the area, and even if some particular Canadian interests may thereby be affected, such economic improvement in Latin America will be in the long run in Canada's benefit and the movement should be encouraged.

21. While Canada, in common with other developed countries at this Conference, played a role which was little more than that of an observer, we believe that this was appropriate, that our presence and contribution to the debates were appreciated and that it is in Canada's interests to participate in such discussions. A more active participation is not required and would go further than the practice being followed by other countries in the Economic Commission in a similar position.



A. B. Summers

The Embassy.

000375

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy
Santiago, Chile

Reference: Our letter 367 of November 27, 1964

Subject: Economic Commission for Latin America -
Fourth Session of the Trade Committee

Security: CONFIDENTIAL

No: 371

Date: November 27, 1964

Enclosures:

Air or Surface Mail: air

Post File No: 13-1-3-1

Ottawa File No.	
35-20-ECLA	
35	35

TO: *M. Wilson*
DEC 2 1964
REGISTRY

J.36

References

Refer to
LA in
TOC
Finance
Mr. [Signature]

A general report on the Fourth Session of the Economic Commission for Latin America Trade Committee has been sent with our numbered letter under reference. This should be read in conjunction with our report sent on November 13, 1964, under No. 348.

2. We have not attempted to analyze in detail the various resolutions adopted by the Committee and contented ourselves with giving general impressions of the Conference. To have done more would have delayed the report and we feel that a more detailed analysis of the particular resolutions can be more effectively carried out by experts at Ottawa who are more directly concerned with developments at the United Nations Conference on Trade and Development.

3. I would like to add a word of commendation for the work done by Mr. Zen Burianyk, who was appointed to replace Mr. Gravel when the latter could not attend for personal reasons. This was Mr. Burianyk's first international conference and it dealt with a subject which was new to him. Both at the meetings of the Conference, extending over a week, which required constant attendance with myself, in the collation of documents and in the preparation of the final report Mr. Burianyk showed exceptional competence and efficiency which I believe it appropriate to record.

[Signature]
S. B. [Signature]

The Embassy

Internal Circulation

E

TO:

FROM: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference:

Subject: SPECIALIZED ORGANIZATIONS, OTHER AGENCIES
AND CONFERENCES OF THE OAS.

Security: CONFIDENTIAL
Document divulgué en vertu de la Loi sur l'accès à l'information

No: XL(M)-349

Date: December 1, 1964

Enclosures:

Air or Surface Mail: Air

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Ottawa File No.	
35-20-ECLA	
22	-

References

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There is attached for your information, and any comments you may wish to contribute, a departmental paper which, as explained in the introduction, gives a systematic outline of Canada's present and possible relations with the various Specialized and other Organizations which are linked directly or indirectly with the Organization of American States, as well as a summary of Canadian attendance at recent Specialized and other inter-American Conferences.

Internal Circulation

W. C. F. Park
Under-Secretary of State
for External Affairs.

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CONFIDENTIAL

December 1, 1964

Specialized Organizations, other Agencies and
Conferences of the OAS

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Specialized Organizations, other Agencies and
Conferences of OAS

This paper attempts to set out systematically the various organizations and agencies linked, in one way or another, to the Organization of American States and which form part of what is called the Inter-American System and to summarize Canada's relations, actual or prospective, whether before or after joining the OAS, with each of these. Not included in this survey is participation in the OAS itself, which would include the regular OAS Council meetings in Washington, the Meetings of Foreign Ministers and the Inter-American Conferences, and the three organs of the Council: the Inter-American Economic and Social Council, the Inter-American Council of Jurists and the Inter-American Cultural Council.

This is a revision and recasting of a memorandum of November 1, 1963, which constituted Annex "B" to a basic paper of the same date entitled "Canada and the OAS".

Part I - Specialized Organizations

There are six organizations of a technical character that meet the formal definition of Specialized Organizations under the Bogota Charter. These are briefly described, with an indication of Canada's position on each, in the following order of descending importance:

1. Pan American Institute of Geography and History (PAIGH)

This body, which has its headquarters in Mexico City, has in its membership all 21 American republics (though the present regime in Cuba is excluded from participating) and Canada. Its purpose is to encourage and coordinate geographic, cartographic, historical and related scientific studies in the Americas.

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Canada sent some observers to various meetings, mainly in regard to geography and cartography since 1943 and decided to become a full member in October 1960. This was confirmed by the PAIGH General Assembly in Buenos Aires in August 1961. There is a national section now headed by Mr. S.G. Gamble, Director of the Surveys and Mapping Branch, who represents Canada on the Directing Council. The annual Canadian contribution to PAIGH, which was \$9,100 for 1963-64, and which has risen to \$14,900 for the year beginning July 1, 1964, is carried in the estimates of the Department of Mines and Technical Surveys. Files 67-8-5-1; 6046-40

2. Pan American Health Organization (PAHO)

This body, formerly called the Pan American Sanitary Bureau, was founded in 1902. There are now 26 members (Cuba has not been excluded) including Jamaica since 1962 and Trinidad since 1963, as well as Britain, France and The Netherlands on behalf of their Western Hemisphere territories. It serves as the regional agency for WHO in the Western Hemisphere. The headquarters are in Washington and the secretariat is still called the Pan American Sanitary Bureau. It conducts the Pan American Foot-and-Mouth Disease Center in Brazil.

Canada has sent observers to its meetings since perhaps as early as 1946. Since 1956 a professional officer of the Department of National Health and Welfare, Dr. B.D.B. Layton, has consistently gone to the meetings. It may be said that Canada sends observers as a matter of right rather than by invitation because of the WHO connection.

The view has been expressed informally by officers of National Health and Welfare that, since all other American states are now

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members of both the WHO and PAHO, it would not be easy for Canada to continue as a non-member of the PAHO after joining the OAS. Membership in PAHO obviously need not await Canada's entry into the OAS and a good case can be made for joining it. Incidentally, we recently indicated that we would like Canada to be included in a plaque at the entrance of a new PAHO Headquarters Building in Washington, and the question now arises of an appropriate gift.

This is much the most costly Specialized Organization and its budget has been increasing rapidly because of its technical assistance services. The estimated annual cost of Canadian membership in PAHO would now be nearly \$500,000. This presumably would be carried in the estimates of the Department of External Affairs, in the same way as the annual payment to the WHO, now of the order of \$1 million, is paid by this Department.

Files: 46-4-1; 46-12-1; 5475-K-12-40.

3. Inter-American Indian Institute (IAII)

This was created by an international convention in 1940. Since Chile joined in 1961 there are now 17 members (though one may have dropped out): the only non-members in Latin America are Uruguay and the three Caribbean countries - Cuba, Haiti and the Dominican Republic - which no doubt take the position that they do not have significant Indian populations. The headquarters is in Mexico City.

Normally the Institute meets in general conference every four years. Canada was invited to send an observer to the Second Conference in Peru and did so but declined to send an observer to the Third Conference in Bolivia in August 1954 though invited to. Apparently we were not invited to the Fourth Conference in Guatemala in 1959. The Fifth Conference was held in Ecuador in October 1964 and on invitation from the host government Canada sent two observers, the Director of Indian Affairs and the Acting Director of Citizenship.

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On October 26, 1961, Cabinet approved a recommendation that appropriate steps be taken to secure Canada's entry into the Institute. Later, however, the Department of Citizenship and Immigration expressed some doubts concerning the value of the Institute to Canada and estimates for the payment of the Canadian quota were deleted.

Following the Cabinet's decision, the Department studied the legal and other aspects of the question of Canadian membership in the Institute. In brief, the conclusions of this study were:

- (a) While there is strictly no legal obstacle to Canada's becoming a full member of the Institute, it would be necessary to consider a number of points before a final decision can be taken to adhere to the convention establishing the Institute. These would have to be studied in consultation with other Departments concerned and also further information would be required from our Embassy in Mexico, where the headquarters of the Institute is located.
- (b) Careful consideration would have to be given to the form of Canada's adherence, as we are not an "American Republic" as defined in the convention and would have to reach a mutually acceptable formula with other countries before we could join.
- (c) It would be advisable to obtain a policy decision in Cabinet before any further action is taken toward Canada seeking membership in the Institute.

After we received a strong recommendation from the Canadian Ambassador in Mexico that Canada should join the organization, the Department of Citizenship and Immigration was consulted in July 1963 regarding its current views on possible Canadian participation. The views of that Department, on the official level, were that there would be little direct benefit to the Indians of Canada or to the Department itself from membership in the Institute. It recognized, however, that there are other significant considerations that should be taken into account in assessing the desirability

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of Canada's entry and if the Department of External Affairs should be wholly in favour of membership, it was unlikely to raise any objections. More recently the Department of Citizenship and Immigration has renewed its interest in the Institute, and we are awaiting the recommendations of Mr. Battle and Mr. Lagassé as a result of their participation at the Quito Conference.

The budget of the Institute has increased since the matter of Canadian participation was first raised in 1961 and it is expected that Canada's assessment would be upwards of \$7,200.00 per annum. If Canada joined, it would seem appropriate that its assessment be carried in the estimates of the Department of Citizenship and Immigration. Files 45-13-3-2; 9456-CZ-40

4. Inter-American Institute of Agricultural Sciences (IAIAS)

This technical body was established in 1944. All the American republics belong except Cuba. Brazil only joined in 1958. The field headquarters are at Turrialba in Costa Rica but it is supervised by a Board of Directors composed of members of the OAS Council in Washington. This Organization appears to have centred its activities mainly on research and training in tropical agriculture. There are some reports from our mission in San José on the Turrialba centre (San José reports Numbers 492 of September 19, 1962 and 178 of April 20, 1964)

The question of Canadian membership or participation on an observer basis does not appear to have arisen in the past. Canada has sent observers to the Inter-American Conferences on Agriculture convened on a quite irregular basis by the OAS which, in recent years, have sometimes met jointly

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with regional conferences of the FAO. The Fifth Inter-American Conference on Agriculture was held in Mexico in 1960, with the sixth regional conference for Latin America of the FAO. Since then the FAO has held its seventh regional meeting in 1962 and its eighth in 1964 (see Washington Letter 450 of May 4, 1964). Even on joining the OAS there would seem to be no good reason for early action concerning Canadian membership in the Institute of Agricultural Sciences. File 7660-40.

5. Inter-American Children's Institute (IACI)

This body, which is concerned with child welfare, was founded in 1927. It has its headquarters in Montevideo and all twenty-one American republics belong (although the present regime in Cuba has been excluded).

It does not appear to have been very active and Canada has shown little or no interest in its work. Canada was invited by Venezuela to be represented at the ninth congress in Caracas in 1948 but declined, as did the Canadian Welfare Council at the same time. There may have been no contact since then. Canada has a good record in its support of UNICEF and this might be a valid answer in declining to join the regional Institute at an early date after joining the OAS. Nevertheless, as all the American republics belong, Canada could probably not refuse to join for very long. (See report from Montevideo, No. 74 of March 11, 1964, on file 20-4-19).

6. Inter-American Commission of Women (IACW)

This body, started in 1928, to which all the American republics belong, is concerned with the rights of women in this hemisphere. Its budget and secretariat are provided by the Pan American Union

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in Washington and there is, therefore, no separate financial assessment of the members. It works closely with the U.N. Commission on the Status of Women (on which Canada served a term from 1958-60). The 14th assembly is to be held in Montevideo in March 1965. The view has been expressed that most of its causes have been won and that it is not now very effective.

It seems that Canada has never shown any interest in its activities or been invited to participate in any way. (There appears to be no relevant file.) Presumably Canada would feel compelled to join subsequent to entering into the OAS itself.

Part II - Other Official Inter-American Organizations

There are five bodies which can be conveniently dealt with under this heading.

1. Inter-American Statistical Institute (IASI)

This is both an inter-governmental organization and a professional body. It was established in 1940 and Canada has been a full member since 1943. All the American republics belong.

Its Secretary-General is the head of the PAU Department of Statistics and its expenses are provided for in the PAU budget. Canadian membership is paid by the Dominion Bureau of Statistics, some of whose officers are individual members in their professional capacity. Canada, not being a member of the OAS, pays a special annual membership fee which is included in the estimates of the DBS. This was \$10,028 in 1962-63 and is estimated to be \$10,500 for 1964-65. On joining the OAS this assessment would be absorbed in Canada's annual contribution to the PAU.

Files 67-8-10-2; 2421-40.

2. Inter-American Radio Office (IARO)

This Organization was created at a conference in Havana in 1937 and has had its secretariat there since then. Only in 1957 did it come under the administration of the Pan American Union, and nowhere is it ever listed as an organ or agency of the OAS. It is a sub-regional body concerned with the registration of radio frequencies. The original members, apart from Canada, were Brazil, Britain for the Bahamas and Jamaica, Cuba, the Dominican Republic, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru and the United States. With the reorganization in 1957, Brazil, Honduras, Nicaragua, Panama and Peru did not continue as active members, which are now reduced to seven. Plenary conferences were originally provided for but have never been held.

For a while, during the mid-50's, Canada, the U.S. and some others ceased making their annual payments because they were not satisfied with the financial management of the Havana office. More recently because of Cuba's isolation and the inefficiency of the office, arrangements have been under discussion to transfer the office to the Pan American Union in Washington, though Mexico has been resisting this.

Files 41-4-OIR; 28-GC-40"E".

3. Inter-American Nuclear Energy Commission (IANEC)

This is a regional body, established in 1959, concerned with the peaceful uses of atomic energy. Under its statute membership is limited to the countries which belong to the OAS, each of which is called upon to appoint a technically qualified representative. Its secretariat is provided by the PAU in Washington. The Fourth Meeting of the Commission was held in Mexico in April 1962, the Fifth in Valparaiso in March 1962 and the Sixth is to be held at the PAU in March 1966.

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Canada sent an observer to the Fourth meeting but Atomic Energy of Canada Limited has not been anxious to seek membership on a special basis. On joining the OAS Canada would be expected to have a representative on this body, which is really a committee of the whole. Because of Canada's achievements in the atomic field, we would have a contribution to make and there might be some commercial advantages.

Files 65-4-IANEC; 14001-1-8"E".

4. Inter-American Defense Board (IADB)

The Inter-American Defense (sic) Board was established in 1942, shortly after Pearl Harbour and has its headquarters in Washington. The expenses are met from the budget of the PAU. All the American republics are members though the present Cuban Government was expressly excluded by a resolution of the second Punta del Este conference (January 1962) and Costa Rica does not participate actively as constitutionally it does not have armed forces. The others are customarily represented by quite senior service officers. The IADB is concerned with the coordination of continental defence measures and military plans, and in general the promotion of military cooperation. On joining the OAS Canada would be expected to participate in the IADB, which has been described officially as "an inter-governmental agency". It may be noted that, in the formal sense, it exists apart from the Inter-American Treaty of Reciprocal Assistance (known as the Rio Treaty) of September 1947.

Under the IADB there has been set up in recent years the Inter-American Defense College to which most of the OAS countries send officers for advanced training in carrying out collective defence tasks. It should also be mentioned that there is provision for an Advisory Defense Committee

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under the Bogota Charter (Article 44) to convene in connection with the meeting of Foreign Ministers as Organ of Consultation. In fact this Committee has never been convoked and the idea seems to be that the IADB can, if necessary, perform its functions (See OAS Annual Report 1961 p. 12). Files 27-4-OAS; 10445-DL-40.

5. Inter-American Development Bank (IDB)

The IDB came into existence at the end of 1959 as a regional lending institution similar to the World Bank, designed to finance and promote the economic development of the countries of Latin American. It is an autonomous body, with headquarters in Washington. Under the agreement establishing the Bank only members of the OAS can be members, and all belong except Cuba which never joined.

The resources of the Bank consist of the capital subscriptions, both paid-in and callable, of its members, and the "Fund for Special Operations". Other resources have also been made available to the Bank, from the outset by the U.S. and more recently by a few Western European countries.

On joining the OAS there would be no legal obligation for Canada to become a member of the IDB, but it is considered, as a political judgment, that Canada, on entering the OAS, should become a full member of the Bank. Perhaps some time could elapse between these two important decisions but it must be borne in mind that the other members of the IDB would expect Canada to join it since it is to be regarded as one of the principal institutions of the Inter-American System. There have been various estimates as to the cost to Canada of joining the IDB, using different scales of assessment. The amounts would be negotiable and could be paid over a period of several years. Under one calculation the Canadian cash contribution would be \$25 million for the two

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funds. Another calculation gave a cash contribution of \$60 million, while a third estimate was that Canada would have to pay in \$75 million out of a total quota of \$300 million, the balance being only callable.

An agreement between Canada and the IDB is to be signed on December 4, 1964, under which up to \$10 million of Canadian special development loan funds will be made available for agreed projects in Latin America in close cooperation with the Bank.

Files 38-4-6; 11771-C-10 E.

Part III - Committees of the OAS

As explained in the introduction to this paper, it is not concerned with participation in the principal organs of the OAS. Apart from these, which are covered by the Bogota Charter, there are several fairly autonomous commissions or committees that are sometimes listed separately. These are made up of a limited number of member countries or individual experts from member countries. After joining the OAS, early decisions regarding Canadian membership in these would not appear to be required and we could resist taking on much of this committee work. Apart from the eight permanent and some special committees of the OAS Council itself, the following are the three main committees or commissions, which function at the PAU in Washington:

1. Inter-American Commission on Human Rights (IACHR). Seven experts are elected by the OAS Council.
2. Inter-American Peace Committee (IAPC). Five countries serve for five-year terms on a rotational basis.
3. Special Consultative Committee on Security (SCCS). Seven individual experts are chosen.

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Part IV - Non-OAS Organizations

For completeness two bodies should be mentioned which are of a regional character but have no formal connection with the OAS:

1. The Postal Union of the Americas and Spain (PUAS)

This regional postal organization has its bureau in Montevideo. Normally it holds a meeting prior to each Congress of the Universal Postal Union which meets usually at intervals of five years. Canada joined the PUAS in 1931.

Files 40-4-PUAS; 1878-40 (iv)

2. The Economic Commission for Latin America (ECLA)

This is a regional body of the United Nations with its headquarters in Santiago. It comes under the U.N. ECOSOC which determines its membership and composition. ECLA has no separate financing apart from the U.N. general budget. All the countries of the Western Hemisphere belong including the three metropolitan powers: Britain, France and the Netherlands, on behalf of their dependent territories in the region. British Guiana and British Honduras are associate members. Canada has been a full member since October 1961.

File 35-20-ECLA

Part V - Specialized and Other Conferences

The Specialized Conferences are technical meetings formally called under article 93 of the Bogota Charter. If Canada joined the OAS more would be expected in the way of active participation in them, but Canada would still not be required to send full delegates to all such conferences. The pressure to do so would, however, be much greater after joining the OAS.

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There is some variety in inter-American conferences and Canada's role in them. Thus, we sent observers to the first Inter-American Conference of Ministers of Labour held in Bogota in May 1963. The purpose of the Conference was directly linked to the Alliance for Progress and we might not wish to send delegates to a future similar conference if we still do not take an active part in the Alliance for Progress. We did not send anyone to the Third Inter-American Meeting of Ministers of Education held in Bogota in August 1963, though we did send an observer to the Second Meeting in Lima in 1956.

In the field of transportation and communications, Canada sent delegates, for the first time, to the Ninth Pan-American Highway Congress held in Washington in May 1963, but was not represented at a follow-up meeting in November 1964 of its Technical Committee on Traffic and Safety. (A trade commissioner represented Canada as an observer at the Seventh Congress in Panama in 1957, but there was no federal observer at the Eighth Congress in Bogota in 1960). (File 42-11-4-1). We declined to participate in any way in the Second Inter-American Ports and Harbours Conference held at Mar del Plata in May-June 1963 (file 42-4-1) but sent observers to the Eleventh Pan-American Congress on Railways held in Mexico in October of that year. (The two principal Canadian railways had been members of the Pan-American Railway Congress Association from 1942 to 1946, when they withdrew.) (File 42-10-4-1) After having been more active at earlier meetings of the Inter-American Travel Congress, Canada was not represented even by an observer at the Sixth, Seventh and Eighth Congresses, the latter being held in Mexico in September 1962 (file 42-4). The Ninth Congress is due to take place in Bogota in March 1965.

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Canadian observers, from the Air Transport Board, attended the First Inter-American Meeting of Government Experts on Civil Aviation organized by the OAS in Washington in March 1963, and the Second Meeting held in Santiago in July 1964 (file 72-APC-40).

Canada was a member of the Inter-American Conference on Social Security from its formation in 1942 until the end of 1955 when a notice of withdrawal became effective. The Chief Commissioner of the Unemployment Insurance Commission, on his own decision, attended as an observer the Sixth Inter-American Conference of the Permanent Committee on Social Security held in Mexico in May 1963. It was decided not to send an observer from any department, although invited to do so, to the Seventh Conference held in Asuncion in June 1964. (The U.S. has also had reservations about this ineffective Conference and has not sent delegates to all meetings, though it did attend the Asuncion Conference because the statutes were under revision.) Files Numbers 45-4-2; 1491-40.

There are, of course, other conferences of an inter-American character - official, semi-official and non-governmental - which are not Specialized Conferences since they are not convened by the OAS. Some of these are regular meetings of permanent organizations and some have formal links with the United Nations. The Third Pan-American Inter-Parliamentary Conference was held at the headquarters of the Pan-American Union in February 1964, with Senator Dessureault as observer for Canada, accompanied by Mr. Paquette, the Assistant Clerk of the Senate (file 20-4-8). This was a regional meeting of the Inter-Parliamentary Union, which has its headquarters in Geneva. The ILO holds a Regional American Conference every five or six years and there is a proposal that the next such meeting be held in Ottawa in 1966 (file 44-4-ILO-12). In

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June 1964 the ILO decided to establish an Inter-American Advisory Committee, constituted on similar lines to the existing ILO committees for the Asian and African regions. The First Meeting of the Governors of the Central Banks of the American Continent was held in Guatemala in April, with the attendance of Mr. Rasminsky and Mr. Lawson of the Bank of Canada (file 36-13-CEMLA). The second such meeting is to be held at Punta del Este, Uruguay, next April and Mr. Rasminsky has agreed to serve on the Agenda Committee.

Finally, there are every year a number of non-governmental conferences held on a hemisphere basis, which are usually of a professional or scientific character. It is very difficult to learn of the nature and extent of Canadian participation, which sometimes appears to be of a marginal or irregular character.



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Latin American Division

Economic Division

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Briefings for Special Trade Mission to South America

ENCLOSURES
Annexes

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... Attached is an unclassified brief on the United Nations Economic Commission for Latin America which you requested us to prepare for the trade mission to South America which will be headed by Mr. Sharp.

J. C. LANGLEY

Economic Division

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MILLER ORIGINAL

ECONOMIC COMMISSION FOR LATIN AMERICA

Canada became a member of the United Nations Economic Commission for Latin America (ECLA) in October 1961. ECLA is one of four regional economic commissions established by the United Nations: the others are the Economic Commission for Asia and the Far East (ECAFE), Europe (ECE) and Africa (ECA). ECLA's purpose is to help raise the level of economic activity in Latin America, strengthen economic relations between the countries of the region and other countries of the world, and advise on U.N. technical assistance and other programmes in Latin America. Its membership now includes all the countries of North and South America, together with France, Britain, and the Netherlands, which have territories in the Western Hemisphere.

ECLA has helped promote, and has continued to be closely associated with, three major Latin American projects: the Latin American Free Trade Association (LAFTA), the Central American Economic Integration Programme, and the Latin American Institute for Economic and Social Planning. The Latin American Free Trade Association aims to create in Latin America a unified market free of trade restrictions. Nine countries are now signatories to its Treaty, which was drawn up in February 1960: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru and Uruguay. The Central American Economic Integration Programme aims to create a common market among the countries of Central America. Countries participating in this programme are Costa Rica, El Salvador, Nicaragua, Guatemala and Honduras, while Panama is linked to it by a tripartite treaty signed in August 1961 with Nicaragua and Costa Rica. The Latin American Institute for Economic and Social Planning, which is a United Nations agency, assists Latin American governments in formulating national development plans and trains Latin American officials in the techniques of development planning.

- 2 -

A major concern of ECLA at the present time is Latin American economic integration. Together with the Institute and the Inter-American Development Bank, ECLA is now undertaking a programme of studies for Latin American governments on economic integration. These studies include trade policy questions; industries suitable for integration of markets and production, i.e. the steel, chemical, textiles, pulp and paper and machine-tool industries; and infrastructure problems such as the transport situation in Latin America and the future of transport in relation to integration.

ECLA will have an important new role to play with the establishment of the U.N. Conference on Trade and Development (UNCTAD). (A separate brief on UNCTAD has been prepared.) Close and continuing links will be established between the UNCTAD and the regional economic commissions. The Secretariats of the respective organizations will be asked to work closely together on projects of common concern. The commissions will no doubt be originating continually suggestions and recommendations for the UNCTAD's consideration.

ECLA's sessions, at which the work of the Secretariat is reviewed and policy recommendations adopted, are held every two years in one of the Latin American capitals. (ECLA's eleventh session will be held in Santo Domingo, Dominican Republic, in May 1965.) In the intervening years, ECLA's Committee of the Whole meets in Santiago, Chile, the headquarters of the Commission. ECLA also has a Trade Committee which meets periodically to discuss Latin America's trade problems. Canada, as a member, participates at all these meetings.

ECLA's administrative costs are financed through the regular budget of the United Nations. Its present Executive Secretary is Dr. Antonio Mayobre, former Venezuelan

000396

TO: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Date: March 18, 1965

FROM: The Canadian Embassy,
Santo Domingo, D.R.

Reference: Santiago Letter No. 182 of July 12/64

Subject: ^{Postponement}
(Cancellation) of ECLA Conference

Enclosures:

Air or Surface Mail:

Post File No:

TO: *M. Wilgus*
MAR 22 1965
SECRETARY

Ottawa File No.
35-20-ECLA
6 6

238

References

*Refer to
T.O. of
Finance
C.A. 24
&
file
w.*

The Secretary of State of the
Presidency, Agrimensor Fabio F. Herrera, announced
on March 17, 1965 that the XI Session of the
Economic Commission for Latin America, scheduled
to be held in Santo Domingo in May of this year,
had been "postponed". The Dominican Government,
he continued, had requested this postponement
in order to prevent the meeting being used for
"political purposes".

2. We have confirmed with a colleague in
the United States Embassy here that the "political
purposes" for which the Triumvirate feared the
session would be utilized are related to the
possible attendance of a Cuban delegation. The
presence of such a delegation here would inevitably
lead to demonstrations by various elements and
these demonstrations would without doubt be put
down, giving rise to charges of suppression of
individual liberty. Dr. Reid Cabral is under-
standably unwilling to give the political parties
such a strong platform plank for the forthcoming
presidential electoral campaign, due to commence
June 1, 1965.

3. No mention of the length of the postponement
period has been made. However, in view of the
near record low world prices for two of the
Republic's most important commodity exports, sugar
and cacao, the Government will presumably attempt
to have the XI session convened after the September
1, 1965 elections, rather than having it cancelled
altogether.

Internal
Circulation

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Distribution
to Posts

Paul Creighton
for The Embassy

PERSONAL AND CONFIDENTIAL

CANADIAN EMBASSY



AMBASSADE DU CANADA

1746 Massachusetts Ave. N.W.,
Washington, D.C. 20036,
March 22, 1965.

35-20-ECLA
40 40

Dear Alfred,

Charlie Carlisle of Crimmin's shop has just sent me the attached ECLA report on the Cuban economy with apologies that no English language versions are as yet available. They have got a request in to the Washington ECLA office for copies in English and have increased it by four to look after us.

LB

I am not at all certain that Washington will be one of the early recipients of the English translation and probably your idea of getting it through Mr. Tremblay might save a week or so. It occurs to me it might even be faster to ask our Santiago mission to send it along when it is available. Although eventually we will be getting copies here (and sending three along to you) I wonder if you might let us have a copy should your sources give better service.

My first question to Vera when I got home last Thursday evening was whether or not there had been a 'phone call from you at National Airport and/or the Gramercy Inn. Her negative reply called for a drink because I realized this time I had apparently not jinxed your trip.

As ever,

E

Craig

A.J. Pick, Esq., Head,
Latin American Division,
Department of External Affairs,
Ottawa, Canada.



NACIONES UNIDAS
COMISION ECONOMICA PARA AMERICA LATINA
Av. Providencia 871
Casilla 179 D.
SANTIAGO, CHILE

35-20-ECLA		
49		✓

Cable: UNATIONS

22 March 1965

REFERENCIA. ORG 411 (1)

*Refer with
enclosure to
TO C (Mr. Chapin)
Kraus
Lo
Held for 20/6/65
W.*

Sir,

On behalf of the Secretary-General of the United Nations, I have the honour to invite your Government to send representatives to attend the eleventh session of the Economic Commission for Latin America (ECLA), to be held at Mexico City from 6 to 18 May 1965.

It has been decided to hold the session in Mexico City in response to the kind invitation extended to the Commission by the Government of Mexico after the Commission had received a communication from the Ministry of Foreign Affairs of the Dominican Republic to the effect that "in view of the political climate prevailing in the country on the eve of the forthcoming elections, it feels that the session cannot be held under the best possible conditions in the Dominican Republic."

I have pleasure in enclosing herewith, for your consideration, the provisional agenda and a list of the documents and studies to be presented at the session. These will be sent under separate cover, as indicated in the list. I take the liberty of drawing your attention to these studies and documents, which will give you a clear idea of the importance of the forthcoming session.

In view of the concern of the Latin American Governments for regional economic integration and the co-ordination of industrial development, we consider that the discussions on items 5 and 6 of the agenda - "The economic integration and trade policy of Latin America" and "Industrial development in Latin America" - will be particularly important. I would therefore impress on the Governments members of the Commission the desirability of including in their delegations persons competent and experienced in these fields.

His Excellency
The Hon. Paul James Martin
Secretary of State for Foreign Affairs
Ottawa
Canada

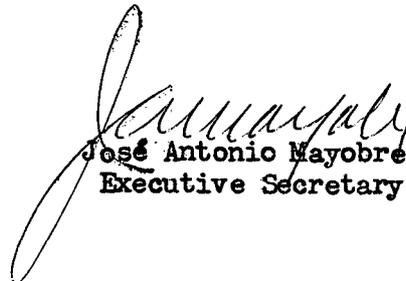
BF

RECEIVED
[Handwritten Signature]
MAR 31 1965

I should greatly appreciate it if you would make arrangements for the documents and studies to be duly transmitted to the members of your country's delegation.

I should also be most grateful if you would inform me in good time of the names of the persons who will constitute your country's delegation to the eleventh session of ECLA.

Accept, Sir, the assurance of my highest consideration.



José Antonio Mayobre
Executive Secretary



DEPARTMENT OF TRADE AND COMMERCE
MINISTÈRE DU COMMERCE

37-RO-ECLA
6 | 6

TO: *Mr. Wilgosh*
APR 6 1965
REGISTRY

FILE NO. 22-47
DOSSIER

OTTAWA, April 2, 1965.

Under-Secretary of State for External
Affairs,
OTTAWA, Ontario

Attention: Mr. J.C. Langley

Dear Sir:

Eleventh Session of ECLA -- Mexico City

Our Commercial Counsellor in Santiago, Chile, has reported that the site of the Eleventh Session of ECLA has been changed from Santo Domingo to Mexico City, and the opening date is to be May 6. He has informed us that the official invitation to member countries has been dispatched to Ottawa, together with agenda and documents. You may have received these by now.

This year's meeting will be a formal session of ECLA, as distinct from the Committee of the Whole meetings which are held on alternate years. Our examination of the preliminary agenda leaves us to believe that this session will be quite interesting for us and provides us with an excellent opportunity to get our Trade Relations officers in closer contact with ECLA activities. In this connection, I am considering having our Mr. Shapiro included in the Canadian delegation attending this session.

I will be in touch with you to discuss further details as soon as copies of the agenda are received and studied.

Yours faithfully,

R.E. Latimer, General Director,
Office of Trade Relations.

J39
To see
Mr. Langley
tree
file please pass
copy to Mr
Pick before
filling -
EW -

E

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

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MR. A. E. RITCHIE

Economic Division

Jager
also
Mr. [unclear]
12/4

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DATE

April 7, 1965

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FILE	DOSSIER
OTTAWA	35-20-ECLA
MISSION	40

TO
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SUBJECT
Sujet

Economic Commission For Latin America

ENCLOSURES
Annexes

1

DISTRIBUTION

...

The Executive Secretary of the Economic Commission for Latin America (ECLA) has advised us that ECLA's eleventh Session will be held at Mexico City from May 6-18, 1965. He stated that the most important items on the agenda will be "The economic integration and trade policy of Latin America" which includes the United Nations Conference on Trade and Development; and "Industrial development in Latin America". (The letter from the Executive Secretary of ECLA is attached).

2. The Department of Trade and Commerce have advised us that they would consider making available for this Session, Mr. R. E. Gravel, Commercial Counsellor, Santiago, Chile and Mr. B. Shapiro, Chief of the Latin American Division. They consider that this Session will provide an excellent opportunity to get their Trade Relations officers in closer contact with ECLA activities.

3. We should like to suggest, therefore, that the Canadian Delegation to this ECLA Session be composed as follows:

H. F. B. Feaver, Canadian Ambassador to Mexico,

Mr. Gravel, Mr. Shapiro and Mr. D. W. Fulford (First Secretary in Mexico)

4. Do you agree?

[Signature]
Economic Division.

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Economic/E.D., WILGRESS/er

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35-20-ECLA	
40	-

OTTAWA, April 9, 1965

No.

Sir:

On behalf of the Secretary of State for External Affairs, I have the honour to acknowledge receipt of your letter of March 22, 1965 inviting the Canadian Government to send representatives to attend the eleventh Session of the Economic Commission for Latin America (ECLA) which will be held in Mexico City from May 6-18, 1965.

I shall inform you as soon as possible of the names of the persons who will constitute the Canadian delegation to this Session of ECLA.

Accept, Sir, the renewed assurances of my highest consideration.

(SGD) J. C. LANGLEY
FOR THE

Under-Secretary of State
for External Affairs

Senor José Antonio Mayobre,
Executive Secretary,
United Nations Economic Commission
for Latin America,
Av. Providencia 871,
Casilla 179 D.
SANTIAGO, Chile.

MESSAGE

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		APRIL 15, 1965	35-20-ECLA		SECURITY
			41.	42.	CONFIDENTIAL
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TO/A	MEXICO FOR AMBASSADOR		E-849		PRIORITY
INFO	TANDC OTT				

REF

SUB/SUJ ECLA: ELEVENTH SESSION

ELEVENTH SESSION OF ECLA WILL BE HELD IN MEXICO CITY FROM MAY 6-18. CDA HAS BEEN FULL MEMBER SINCE 1961 AND WE HAVE REGULARLY BEEN REPRESENTED AT SESSIONS. WE SHOULD LIKE YOU TO HEAD CANDEL TO THIS SESSION IF CONVENIENT FOR YOU.

2. REMAINDER OF DEL WOULD BE COMPOSED AS FOLLOWS: R.E. GRAVEL, COMMERCIAL COUNSELLOR, SANTIAGO; B. SHAPIRO, TANDC OTT; AND D.W. FULFORD IF YOU CAN MAKE HIM AVAILABLE. BOTH GRAVEL AND SHAPIRO ARE EXPERIENCED IN ECLA'S WORK.

3. PLEASE ADVISE US BY TEL WHETHER YOU CAN ACCEPT THIS ASSIGNMENT AND WHETHER YOU AGREE WITH COMPOSITION OF DEL. BRIEFING MATERIAL WILL BE PROVIDED.

DISTRIBUTION LOCAL/LOCALE

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ORIGINATOR/REDACTEUR	DIVISION	TELEPHONE	APPROVED/AUTORISE
SIG.....E.D. WILGROSS/JA.....	ECONOMIC	2-7107	SIG..... J.C. LANGLEY.....J.C. LANGLEY.....

*See a
reply to* **ACTION COPY** *file*

*Keava
Thanks a
full sheet* **E** *copy done*

35-20-ECLA

FM MEXICO APR21/65 CONFD
TO EXTERNAL 92 DE WASHDC

I HAD TENTATIVELY PLANNED MY SECOND VISIT TO GUATEMALA FROM
MAY10-20 BUT WOULD OF COURSE BE HAPPY TO REVISE DATE TO MEET
YOUR SUGGESTION I HEAD DEL TO ELEVENTH SESSION ECLA FROM MAY6
TO MAY18. FULFORD AVAILABLE. IN VIEW INADEQUATE DOCUMENTATION AT
EMB I WOULD APPRECIATE REPORT ON PREVIOUS SESSION OF ECLA AS
WELL AS OTHER RELEVANT BACKGROUND MATERIAL IN ADDITION TO
BRIEFING MATERIAL FOR THE PRESENT SESSION WHICH YOU ARE SENDING
FORWARD

FEAVER

MESSAGE

FM/DE	EXTERNAL OTT	DATE	FILE/DOSSIER		SECURITY SECURITE
		APRIL 22, 1965	35-20-ECLA 42 42		RESTR
TO/A	SANTIAGO	NO		PRECEDENCE	
		E-897		PRIORITY	
INFO	TANDC OTT	MEXICO			

REF

SUB/SUJ ECLA ELEVENTH SESSION

FOLLOWING CONSULTATION WITH DEPT TANDC,
/ WE SHOULD LIKE R.E. GRAVEL OF YOUR EMBASSY TO ATTEND ECLA
ELEVENTH SESSION WHICH WILL MEET IN MEXICO CITY MAY 6-18 IF YOU CAN MAKE
HIM AVAILABLE. DEL WILL BE HEADED BY OUR AMBASSADOR TO MEXICO. IF GRAVEL
ATTEND
CAN ~~REXKXKXKXKXKXKX~~/HE SHOULD ADVISE EMBASSY MEXICO OF HIS TIME OF
ARRIVAL AND ~~REXKXKXKXKXKXKX~~ HOTEL ~~RESERVATIONS~~ REQUIREMENTS.
BRIEFING MATERIAL IS BEING SENT EMBASSY MEXICO.

DISTRIBUTION Latin American Div
LOCAL/LOCALE Personnel Division

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ORIGINATOR/REDACTEUR	DIVISION	TELEPHONE	APPROVED/AUTORISE
SIG..... ED. WILGESS/JA.....J.C. LANGLEY.....	ECONOMIC	2-7107	SIG..... J. C. LANGLEY.....J.C. LANGLEY.....

SEEN BY THE MINISTER

Letter signed
April 26

April 22, 1965.

35-20 ECLA		
42		EW

MEMORANDUM FOR THE MINISTER

...
...
...

Attached for your signature, if you agree, is a letter to Dr. Mayobre, Executive Secretary of the United Nations Economic Commission for Latin America (ECLA) advising him of the composition of the Canadian Delegation to the Eleventh Session of ECLA. Dr. Mayobre's letter to you dated March 22 is also attached.

2. Canada became a full member of ECLA in October 1961, and has participated regularly at its Sessions and committee meetings since then. ECLA is one of the four regional economic commissions of the United Nations. Its membership is open to all the countries of North and South America together with Britain, France and the Netherlands, which have territories in this hemisphere.

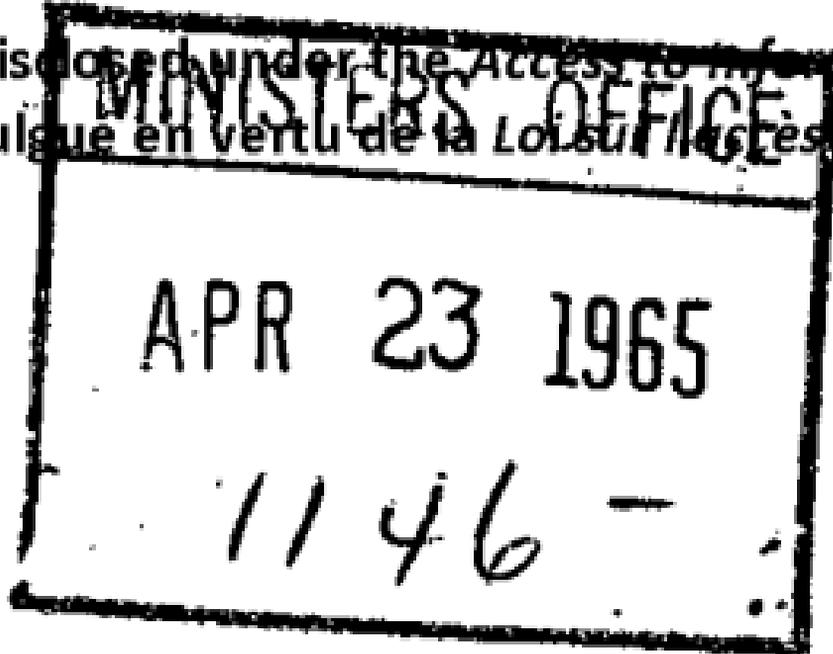
3. ECLA is concerned primarily with the trade and development problems of the Latin American countries as well as of Jamaica and Trinidad and Tobago which recently joined the organization. The main subjects to be considered at this Session are: "The Economic Integration and Trade Policy of Latin America"; "The United Nations Conference on Trade and Development"; and "Industrial Development in Latin America".

R.M.

MC
M.C.

BF

234.52(us)



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C.C. O/SSEA
O/USSEA
P & L
Parliamentary Secretary

35-20-ECLA		
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OTTAWA, April 22, 1965.

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kw.*

No. _____

Sir:
I have the honour to refer to your letter of March 22, 1965 inviting the Canadian Government to send representatives to attend the Eleventh Session of the Economic Commission for Latin America to be held in Mexico City from May 6-18, 1965.

The Canadian Delegation to this session will be composed

as follows:

- H.F.D. Feaver, Canadian Ambassador to Mexico, Head of Canadian Delegation;
- R.E. Gravel, Commercial Counsellor, Canadian Embassy, Santiago, Chile;
- B. Shapiro, Chief, Latin American Division, Department of Trade and Commerce;
- D.H. Fulford, First Secretary, Canadian Embassy, Mexico City, Mexico.

Accept, Sir, the assurances of my highest consideration.

ORIGINAL SIGNÉ PAR
PAUL MARTIN

Secretary of State
for External Affairs

José Antonio Mayobre, Esq.,
Executive Secretary,
U.N. Economic Commission for Latin America,
Av. Providencia 871,
Casilla 179 B,
Santiago, Chile.

BF

BEST ORIGINAL AVAILABLE
MELLEUR ORIGINAL

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

TO United Nations Division

SECURITY UNCLASSIFIED
Sécurité

FROM Latin American Division

DATE April 23, 1965

REFERENCE
Référence

NUMBER
Numéro

SUBJECT CANADIAN ECONOMIST FOR ECLA.
Sujet

FILE	DOSSIER
OTTAWA	
35-20-ECLA	
MISSION	40

ENCLOSURES
Annexes

DISTRIBUTION

Mr. Ritchie
Econ. Div.
Personnel Ops.
Santiago

Yesterday I had a visit from Mr. David Pollock, a Canadian economic officer who has been in charge of the Washington office of ECLA. He says that he is the only Canadian who is at present serving with ECLA, in Santiago or anywhere else. He will be leaving ECLA formally on June 20 to join Mr. Prebisch's staff at UNCTAD in Geneva. He says the Executive Secretary would be very pleased if a Canadian economist could be found for the ECLA staff so at least there would be one Canadian with the Commission. The level they are aiming at is P3 (about \$8,500 net of any taxation) or P4 (\$11,500 net), which classifications will be familiar to your Division.

2. I told Mr. Pollock that I agreed in principle that it would be desirable to have a Canadian economist with ECLA, but that I was pessimistic on the possibility of recruiting a qualified person. I understood that the Department of Finance was looking for economists at about this level and there was much evidence that they were in demand by private corporations and even more by the explosion in the university world. He was disposed to agree. In fact, he had just seen Mr. Deutsch who said that he was himself still recruiting economists of the level and type that Pollock was suggesting.

3. I do not know whether we can do much, if anything, about this proposal. At the minimum, I would like you to consider this in connection with the enquiry you are conducting on the recruitment or secondment of Canadians for U.N. purposes.

David H. Pollock
U.N. ECLA
Wash. Office
La Salle Bldg. # 905
1028 Connecticut Ave N.W.
Wash D.C.

A. J. PICK

A.J. Pick,
Latin American Division.

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ACTION COPY

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TO EXTERNAL 81

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ECLA ELEVENTH SESSION

GRAVEL WILL ATTEND.

*file
hw*

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

TO
À Economic Division

FROM
De Latin American Division

REFERENCE
Référence

SECURITY
Sécurité RESTRICTED

DATE April 26, 1965

NUMBER
Numéro

SUBJECT
Sujet POSSIBLE VISIT OF EXECUTIVE SECRETARY OF ECLA
TO OTTAWA.

FILE	DOSSIER
OTTAWA 35-20-ECLA	
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ENCLOSURES
Annexes

DISTRIBUTION

*File
hmc*

Mr. Ritchie
Santiago
Protocol

Yesterday afternoon I had a visit from Mr. David Pollock, a Canadian economist who has been in charge of the Washington office of the Economic Commission for Latin America. He raised several points including the informal suggestion that we might like to invite the Executive Secretary of ECLA, José Antonio Mayobre, to visit Ottawa, possibly next October when he will be going to some regular meeting at the U.N. Secretariat.

2. Canada became a full member of ECLA in October 1961 and the then Executive Secretary of ECLA, Raul Prebisch, visited Ottawa in November of that year at the invitation of the Canadian Government (see Canada and the United Nations, 1961, page 47).

3. Mayobre is a Venezuelan and was at one time his country's Ambassador in Washington. Pollock assured me that his English is quite good. I do not know whether he has any talent for public speaking and our Embassy in Santiago might be able to advise us on this. While I do not think he has the prestige and dynamism of Prebisch it would seem desirable to have him pay us a visit. He has been Executive Secretary of ECLA since May 1963 and by October it will have been nearly four years since his predecessor came here.

4. If Mayobre is recommended as a public speaker, some suitable engagement or engagements could no doubt be made in Ottawa, or perhaps in Toronto or Montreal.

A.J. Pick
A.J. Pick,
Latin American Division.

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

TO A The Ambassador, The Canadian Embassy,
Mexico City

FROM De The Secretary of State for External Affairs,
Ottawa

REFERENCE Référence

SUBJECT Sujet ECLA's Eleventh Session

SECURITY Sécurité CONFIDENTIAL

DATE April 30, 1965

NUMBER Numéro E-96

FILE	DOSSIER
OTTAWA	
	35-20-ECLA
MISSION	

ENCLOSURES
Annexes

DISTRIBUTION

T & C
Finance

... Attached is a briefing book for the Canadian Delegation to the Eleventh Session of ECLA. The main brief is entitled "Notes on Agenda Items" which appears on the top of the book. This will, we hope, provide you with guidance on the various agenda items. We have also included a draft statement on UNCTAD which you may wish to use at the meeting. Finally, we have included reports of Canadian Delegations to earlier meetings of ECLA, as well as speeches made by the Head of the Canadian Delegation at some of these meetings.

2. As you know, ECLA has played an important role in the past, in particular by initiating the Central American Common Market and the Latin American Free Trade Association. Today ECLA's main interests are:

- Economic integration of Latin America;
- Industrial development in Latin America.

The establishment of the UNCTAD should also provide ECLA with an important new role: it should become the forum for preparing the positions of the Latin American countries for future UNCTAD meetings.

3. ECLA is the only Latin American economic organization of which Canada is a full member and we attach importance to it. As it deals with the trade and development problems of the Latin American countries, however, our role in many ways is that of an interested and sympathetic observer. Nevertheless, as a full member of the organization we are expected to participate in the discussions where appropriate as well as vote on the resolutions. Our position is very similar to that of the United States, Britain, France and the Netherlands and you may wish to consult with them on the various resolutions to obtain further guidance.

(Sgd.) J.C. Langley

(for the) Secretary of State
for External Affairs

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CANADIAN ASSISTANCE TO LATIN AMERICA
AND THE CARIBBEAN AREA

Canada's aid contributions to economic development in the ECLA region include the provision of long-term development loans to Latin American countries through the Inter-American Development Bank and the Canadian Programme of assistance for the Commonwealth Caribbean area. In addition substantial amounts in long-term credit financing have been made available and a sizable portion of Canada's contributions to the United Nations Assistance Programme has gone to countries of the ECLA region.

.... Last December the Secretary of State for External Affairs signed an Agreement with the Inter-American Development Bank under which the Bank will administer \$10 million of long-term development loans for projects in Latin American countries. Copies of the Agreement and of a related press release are attached. 30

Since 1961 Canada has extended some \$120 million of export credit financing to Latin America under the terms of Section 21A of the Export Credit Insurance Act. For your confidential information the Minister may announce shortly that Canada is now negotiating through the Export Credit Insurance Corporation a further \$15 million of export credit financing for administration by the Inter-American Development Bank.

Canada has also provided assistance to Latin America through contributions to the United Nations and its Specialized Agencies (e.g. The World Food Programme, The Expanded Programme of Technical Assistance and The Special Fund). Canada has played a leading role in the establishment of some of these programmes and in the past two years we have substantially increased our contributions which in 1964-65 totalled some \$26 million.

.... Our aid to the Commonwealth Caribbean area began in 1954 when a \$10 million programme was introduced to provide assistance to the West Indies over a five year period. In 1963-64 the Commonwealth Caribbean Assistance Programme was introduced for the purpose of continuing assistance to our Commonwealth partners in the area. The attached note contains details of our programmes in the re 000415

NOTES ON AGENDA ITEMS

Item 1. Opening Addresses

The session is usually opened by the representative of the host country who welcomes the delegates. A Latin American from the floor then thanks the host government for their welcome.

Item 2. Election of Officers

The meeting then proceeds with the election of officers. As a rule, the person in the Chair is nominated as the Chairman for the session. Other nominations take place for first and second Vice-Chairmen and a Rapporteur.

Item 3. Adoption of the Agenda

Item 4. The Present Position of the Latin American Economy

- (a) General Considerations
- (b) Progress in Planning

The first report on the 1965 agenda is a statement by the Executive Secretary in which he presents the economic survey of Latin America 1964. This is usually followed by comments on the subject by representatives and observers on the lines of a general debate. In the past, the delegates have offered resolutions at this stage of the proceedings touching on many social and economic subjects, such as the need for easier credit terms for external and internal financing, more equitable distribution of income, increased savings, more housing, greater publicity of ECLA

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MEILLEUR ORIGINAL

- 2 -

activities, etc. The continuing and serious rate of inflation in many Latin American countries is also quite likely to be the subject of discussion at this time. We should be interested in a short report on these discussions.

The sub-item of "Progress in Planning" is in the nature of a permanent item on ECLA agendas. Usually, however, there appears to be little discussion on it.

A study has been submitted under this agenda item on development and trade in the Commonwealth Caribbean. It deals particularly with the new Commonwealth ECLA members - Jamaica and Trinidad and Tobago. This study has a special interest for Canada as it raises questions of our British preferential tariff relationships with these Islands. A ... paper which we have prepared commenting on this study is attached. We should be very interested in a report on any discussions on this subject.

Item 5. The Economic Integration and Trade Policy of Latin America

(a) Latin American Economic Integration

ECLA, through Dr. Prebisch, its former Executive Director, has played an important role over the last decade in spreading the doctrine across Latin America that regional economic integration would promote the expansion of the economies of the various countries of the area. When the Latin American Free Trade Association and the Central American Common Market groups came into existence, ECLA offered its technical assistance and advice to both groups and it therefore has a very real interest in studying recent trends towards integration in each of these groups. It is in a good position to analyze developments and to offer advice on these activities.

.....3

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- 3 -

We recognize that regional economic integration can promote the development of the less developed countries if it does not isolate these economies by raising new barriers against the rest of the world. We would hope that in pursuing regional integration these countries would take proper account of the interests of third countries, like Canada, with whom they have important trading relations. The statement by Mr. G.B. Summers on May 7, 1963, to the third plenary meeting of the Tenth Session of ECLA sets forth our position.

We have been concerned over the increasing protectionism shown by the LAFTA countries. For example, Peru, which is not in balance-of-payments difficulties, has just recently made a very substantial increase in its tariff structure; other LAFTA members have intensified import restrictions, although perhaps largely on account of balance-of-payments difficulties. The total effect is, nevertheless, to create excessive protection.

The recently released report entitled "Proposals for the Creation of a Latin American Common Market" (see attached UNCTAD document TD/B/11 of April 15, 1965) will undoubtedly be mentioned at this session. Our Embassy in Washington (Tel 191 of April 15, copy of which is attached) reports that the United States State Department found this report "thoroughly disappointing because it is thoroughly irresponsible". The State Dept. seem to believe that these proposals imply the granting of tariff preferences by the United States to the Latin American countries

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to make the common market scheme viable . Any discussion of these proposals, including any suggestion that the United States should grant tariff preferences to Latin America would be of particular interest to us. The attached paper entitled "UNCTAD - Preferences for Less Developed Countries" outlines the position of various countries on the preferences issue in the UNCTAD discussions. It also contains the Canadian position.

(b) United Nations Conference on Trade and Development

As background papers on UNCTAD we attach the following:

- (i) Memorandum to Cabinet containing the instructions for the Canadian Delegation to the first session of the Trade and Development Board;
- (ii) background paper on UNCTAD;
- (iii) statement delivered to the Trade and Development Board by our representative on April 12, 1965;
- (iv) statement by head of Canadian Delegation at 4th session of ECLA Trade Committee.

... We also attach a draft statement on UNCTAD which you could use as a basis for a statement at this session, should you consider it desirable to make one. This item would seem to provide the best opportunity for a statement to be made by the Canadian representative.

The Latin American governments use the ECLA forum to prepare their positions for the UNCTAD meetings. The resolutions adopted by ECLA and the documentation prepared by the ECLA Secretariat on UNCTAD matters are very useful to us, as they indicate the positions Latin American countries will adopt at subsequent UNCTAD meetings. We should be grateful therefore if you could airmail to us as soon as possible a report on the discussions on this item as well as forward any important new documents or resolutions.

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At the meeting of the ECLA Trade Committee last fall a resolution on UNCTAD was adopted which Canada and the other developed countries could not endorse. Our representative to the Trade Committee in the attached statement explained the reasons why Canada had to abstain on this resolution. It is likely that Canada and the other developed countries in ECLA may again be placed in a position at this session where they could not support a resolution on UNCTAD. In this case you may again wish to explain the reasons for your vote along the lines of the statement made by our representative to the Trade Committee.

One of the documents to be considered under this item is the "Report of the Meeting of the Executive Secretaries of the Regional Economic Commissions" (E/CN12/72). We agree that it is very desirable that the Secretariats of the Regional Economic Commissions should cooperate fully with the UNCTAD Secretariat. The report of the meeting of the Executive Secretaries of the Regional Economic Commissions represents a useful start in this connection.

The first session of the Trade and Development Board will have ended just before ECLA's eleventh session begins. This session of the Trade and Development Board was primarily an organizational one. The three main subsidiary committees of the Board were established: the Committee on Commodities, Committee on Manufactures and Committee on Invisibles and Financing Related to Trade. (Canada was elected to all three committees.) The terms of reference and work programmes of these committees were also drawn up. All three committees will now meet

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over the next few months to prepare for the second U.N. Conference on Trade and Development which is scheduled for 1966. The Trade and Development Board will meet again in August 1965.

Item 6. Industrial Development of Latin America

This will be a particularly important item for the Latin American countries as it will serve as a basis for preparing the regional symposium on industrialization, which is to be followed by a world symposium on the subject. There is usually little controversy on this subject since the debate in the past has been largely technical. The studies made by the Secretariat on various industries in Latin America, both on a country basis and on a regional basis, are often very useful to the Department of Trade and Commerce. These studies will probably be more valuable than ever to us since they will reflect the combined studies of the various Latin American organizations now deeply interested in industrial development - the Latin American Institute for Economic and Social Planning - the Alliance for Progress, the Inter-American Development Bank, and the studies by the Latin American Free Trade Association.

There exists within the United Nations Secretariat, the Centre for Industrial Development. The LDCs have been dissatisfied with the operation of this body and have requested ECOSOC to establish a separate specialized agency to coordinate studies of industrial development. Recently the U.N. Secretary General asked members how they felt about holding regional and world symposia on the subject of industrial development. Canada's reply is contained in the attached

U.N. Document E/3921 Add. 1 of June 18, 1964. This will be one of the questions raised at the ECLA meeting.

It was the Canadian view at the ECOSOC meeting that every effort should be made to avoid creating a new specialized agency. The Centre could be expanded somewhat and used more efficiently.

Item 7. Report on the Activities of the Commission

This should be a factual list of the technical meetings and seminars held under ECLA's auspices since the last session.

Item 8. Latin American Institute for Economic and Social Planning

(a) Report on Activities in the Period 1963-1965.

The report on the activities of the Institute is contained in E/CN/720 of January 15, 1965.

(b) Election of New Members of the Governing Council

The eight members of the Governing Council of the Latin American Institute for Economic and Social Planning whose term of office expires at this session must be elected by ECLA. We do not know the candidates to this Governing Council and leave it to your discretion to decide which ones to support.

Item 11. Date and Place of the 12th Session

The commission has since 1951 held its sessions every two years, while the Committee of the Whole has met in the intervening years. We assume therefore that the next session will be held in 1967. As to the place of the next session, we leave it to your discretion to decide which country to support on the basis of the offers received from the governments of member states with due consideration for the principle

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that "the countries of Latin America be chosen in rotation".

DRAFT STATEMENT ON UNCTAD FOR CANADIAN REPRESENTATIVE

We welcome wholeheartedly ECLA's intention to follow regularly the activities and recommendations of UNCTAD so as to stimulate the regional governments' interest and active participation in its work. We are also glad to note from the report of the meeting of the Secretariats of the Regional Economic Commissions that a basis for close and continuing links has been established between the Secretariats of these Commissions and the UNCTAD Secretariat.

With its intimate and specialized knowledge of Latin American economic affairs, ECLA, its Trade Committee and its Secretariat can make an invaluable contribution to UNCTAD's work. In ECLA we have a forum where the suggestions and recommendations which the Latin American countries will wish to put before the Trade and Development Board and its committees can first be discussed and analyzed. In our highly qualified Secretariat we have the staff to prepare the expert studies on Latin American development problems to assist the UNCTAD Secretariat in its extensive work. We know how important ECLA's work was to the success of the first UNCTAD Conference. We are confident that it will continue to make a vital contribution to UNCTAD's future work.

For Canada this new role of ECLA will be of particular interest. It will give us the opportunity to learn first hand of the trade and development problems of the Latin American countries. It will give us a better understanding of these problems and a better appreciation of the position which the Latin American countries intend to adopt in the UNCTAD forum. This will be of great value to us in our work in UNCTAD.

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As you know, the Trade and Development Board recently concluded its first session. At this session the ^{four} ~~three~~ main committees of the Board - Committee on Commodities, Committee on Manufactures, ~~and~~ Committee on Invisibles and Financing Related to Trade ^(AND COMMITTEE ON SHIPPING) - were established and their terms of reference drawn up. We had the honour to be elected to all ^{four} ~~three~~ committees. Now that the basic organizational work in UNCTAD is done, we hope that the work on specific trade and development problems can proceed efficiently and effectively.

We have noted that delegates from the Latin American countries have expressed impatience that more rapid progress has not been made in translating the Geneva proposals into concrete action. We can sympathize with this impatience. We recognize that the trade and development problems which the Latin American countries face are urgent ones and require urgent solutions. We recognize too that the urgency is such that the developing countries cannot accomplish this task by themselves. The more developed countries must come to their assistance and support their efforts by appropriate policies in the trade and aid fields.

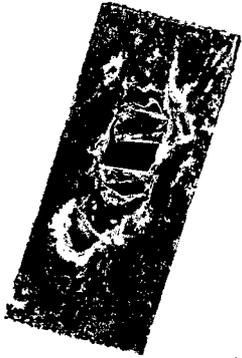
Before any UNCTAD proposals can be translated into new policies, however, it must gain the general acceptance of ^{public opinion} ~~peoples~~ and parliaments. This requires time and patience and a building of confidence in the new UNCTAD organization. So far as Canada is concerned, I can assure you that the first UNCTAD Conference has had an important impact on Canadian opinion. As our representative to the Trade and Development Board meeting recently pointed out: "Canada is now 'seized' of the problem of underdevelopment in a new context and with fresh urgency. As a result of this new dimension of involvement, this fresh

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concentration on the contribution trade can make to development, we are more familiar with, and better prepared to come to grips with, the manifold aspects of the problem than we were a year ago."

Mr. Chairman, I do not believe that this is the appropriate time for me to enumerate the policies of my government which support the aims and principles of UNCTAD. I should, however, like to mention two policies that are in the spirit of UNCTAD and I believe of particular interest to ECLA members. First, on the trade side, the conditions of access to our markets for products of export interest to developing countries are among the most liberal in the world: we have no quantitative restrictions on such products and a wide range of them enter into Canada duty free or subject only to moderate tariffs. Second, on the aid side, we have recently concluded arrangements whereby through the Inter-American Development Bank we shall be extending development loans on concessional terms in Latin American countries. These arrangements will enable us to make a more direct contribution to Latin American economic development than has been possible in the past.

Mr. Chairman, we look forward to following closely ECLA's work in the UNCTAD field. We believe that UNCTAD can and must become an important and constructive agency for furthering the economic development of the developing countries.



DATED FROM 63-10-21 ~~7/10/62~~ FILE No. 35-20-ECLA
TO 31/4/65 VOLUME No. 1

CLOSED VOLUME

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FOR SUBSEQUENT CORRESPONDENCE SEE:

FILE No. 35-20-ECLA VOLUME No. 2

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