

INTERIM COMMISSION
FOR THE INTERNATIONAL
TRADE ORGANIZATION

COMMISSION INTERIMAIRE
L'ORGANISATION INTERNATIONALE
DU COMMERCE

ANNEX M

INTER-AMERICAN ORGANIZATIONS

1. At the ninth international conference of the American States held at Bogota in April 1948, a Charter of "The Organization of American States" and an "Economic Agreement of Bogota" were worked out and signed. These Agreements provide for a comprehensive Organization of American States to take over the functions of existing inter-American organizations, including the Pan American Union and the Inter-American Economic and Social Council. These Agreements do not come into force until ratified in accordance with their terms. The Economic Agreement of Bogota provides inter alia for technical co-operation between the American States. The relevant Articles nos. 9 to 17 inclusive, are included in Chapter II, and are set out below:

CHAPTER II

TECHNICAL CO-OPERATION

Article 9

The States undertake through individual and joint action to continue and to expand technical co-operation for carrying out studies; preparing plans and projects directed toward intensifying their agriculture, cattle raising, and mining; developing their industry; increasing their trade; diversifying their production and generally strengthening their economic structures.

Article 10

In order to realize the objectives set forth in the preceding Article, the Inter-American Economic and Social Council which, in the text of this Agreement, is hereinafter called the Council, shall within the sphere of its competence be responsible for the development and co-ordination of the activities necessary to:

- (a) Make a study of the current economic situation and prepare an inventory of the economic potential of the States, consisting of studies of their natural and human resources and of the possibilities of agriculture, mineral and industrial development, with a view to the
/full utilization

full utilization of these resources and the expansion of their economies;

(b) Promote such laboratory research and experimental work as it considers necessary;

(c) Promote the training of technical and administrative personnel in all economic activities through such means as teacher and student exchange between technical educational institutions in the Americas; the exchange of specialized Administrative officials; the exchange of specialists between governmental, technical and economic agencies; the apprenticing of skilled workers, foremen and auxiliary personnel in industrial plants and technical schools; and lectures and seminars;

(d) Prepare studies on technical problems in public administration and finance, relating to trade and economic development;

(e) Promote measures to increase trade among the States and between them and other countries of the world. Such measures should include the study and promotion of the adoption of sanitary standards with respect to plants and animals, for the purpose of reaching an international understanding to prevent the application of sanitary regulations as an indirect means of imposing barriers to international trade. The said study should be undertaken in co-operation with other appropriate organizations;

(f) Place at the disposal of the interested country or countries the statistical data, information, and general plans that it is possible to develop in connection with the above-mentioned programme;

(g) Study, at the request of the Member States, specific proposals for development or for immigration with a view to giving advice in regard to their practicability and their utility in the sound economic development of the country concerned, and to assist in preparing for their later presentation to private capital, or to governmental or inter-governmental lending agencies for possible financing;

(h) Place technical advice at the disposal of countries requesting it and make arrangements for the exchange of technical aid in all fields of economic activity, including social security and welfare.

Article 11

In order to perform the functions assigned to it in Article 10, the Council shall organize a permanent Technical Staff. This Staff shall be directed by a technical chief, who in matters within his competence shall

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participate and have a voice in the deliberations of the Council and shall execute the decisions of the latter.

The Council shall absorb existing inter-American organizations having similar functions and shall utilize the services of the Pan American Union.

Article 12

The Council shall maintain permanent contact with the Economic Commission for Latin America of the United Nations Economic and Social Council, in order to assure close collaboration and a practical division of functions so as to avoid duplication of work and expense.

In carrying out its activities, the Council shall maintain communication and exchange of information with the agencies in each country that are engaged in the study of economic problems or that serve as directing and planning agencies for the national economy, as well as with educational, technical, and scientific institutions, and with private national and international organizations of production and trade. The Council shall transmit to the governments concerned copies of its correspondence with such entities.

Article 13

In carrying out its functions the Council may request of the respective governments the assistance which in its judgment it needs. The Governments may decline to give any information they consider to be confidential in character. The Council may perform its functions in the territory of a country only if authorized by that country.

Article 14

The Member States may request special studies by the Council, which shall determine whether the studies requested are within its competence and which may also indicate whether it would be more appropriate for the respective requests to be directed, in whole or in part, to other national or international institutions or to private entities.

Article 15

The States in fixing the budget of the Pan American Union, shall take into account the amounts necessary to cover the increased expenditures of the Council and of its Technical Staff, in order that they may be able to perform the functions set forth in Article 10.

Article 16

Whenever one or more countries request the preparation of specific projects on economic development or immigration, such projects shall be drawn up by the Council with its own staff or with experts especially
/engaged

engaged for the account and at the cost of the country or countries requesting them, it being left to the Council, in the latter case, to determine the proportion of the costs to be borne by those countries.

Only in cases determined to be exceptional by the Council itself may the costs of specific studies on reconstruction or economic development be chargeable to the general budget.

Article 17

Nothing in this Chapter shall interfere with other arrangements entered into by the States for the reciprocal granting of technical co-operation in the economic field.

2. In addition a proposal is being considered by which the Inter-American Economic and Social Council should create a Commission on Development to take over the functions of the Inter-American Development Commission, which was set up in June 1940 as an independent body. The following paper prepared by the Inter-American Development Commission sets out information regarding its powers, responsibilities and activities:

15 June 1948

INTER-AMERICAN DEVELOPMENT COMMISSION

Origin and Purposes

First Meeting of Ministers of Foreign Affairs

The First Meeting of Ministers of Foreign Affairs of the American Republics held in Panama 23 September to 3 October 1939, resolved to form the Inter-American Financial and Economic Advisory Committee, to deal with various economic and financial problems. By Resolution XIII of 15 January 1940, this Committee created a permanent commission to have charge of promoting the development of industries in Latin America and inter-American trade. This agency, known as the Inter-American Development Commission, held its first meeting 3 June 1940.

Second Meeting of Ministers

At the Second Meeting of Ministers of Foreign Affairs at Havana in July 1940, Resolution XXV was adopted approving and confirming the creation of the Commission. The Resolution stated that a national commission should be formed in each of the American Republics to co-operate with it, and recommended that the Governments of the American Republics lend them all necessary assistance.

Third Meeting of Ministers

The Third Meeting of Ministers in Rio de Janeiro in January 1942, by Resolution XIII, indicated that the Inter-American Development Commission
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should promote the policy of utilizing the national resources of the American Nations, and of the exploitation of such raw materials as are favourable to permanent production and market possibilities.

Also in Resolution XVI the Meeting declared in effect that plans for these developments in each country should be prepared in co-operation with the Inter-American Development Commission and its National Commissions to facilitate their financing.

Further, the purposes of the Commission as stated by the Inter-American Financial and Economic Advisory Committee in conformity with Resolution VIII of the Third Meeting of Ministers were, in brief:

To promote the formation and financing with mixed United States and Latin-American capital of enterprises to undertake production for new or complementary markets in the United States or other American Republics.

These enterprises to be devoted to:

- (a) Exploration and exploitation of Latin-American mineral resources;
- (b) Cultivation and marketing of agricultural and forest products;
- (c) Establishment and development of industrial plants.

Conference of Ministers at Mexico City

The Inter-American Conference of 1945 in Mexico City, in its Resolution XX, recommended emphasis by the National Commissions of Inter-American Development on:

- (a) Collaboration in studying and putting into effect special measures for reconversion and readjustment; and
- (b) Application of the Recommendations of the Conference of Commissions of May 1944, relative to commercial arbitration.

Also that Conference in Resolution XLIX directed:

"1. That the Governments of the American Republics continue to give to the Inter-American Development Commission of Washington and to the National Commissions, as recommended by the Third Meeting of the Ministers of Foreign Affairs of the American Republics, all the support that the Commissions may need in order to accomplish the purposes for which they were created."

"2. That the Governments, in preparing the material they are to present to the Inter-American Technical Economic Conference to be held in June 1945, give careful consideration to and take into account the recommendations adopted at the Conference of Commissions of Inter-American Development, held in New York in May 1944, in so far as
/they do not

they do not conflict with the resolutions and recommendations of this Conference." (This Conference has not yet been held.)

Inter-American Economic and Social Council - Reports to

The Inter-American Financial and Economic Advisory Committee, by which the Inter-American Development Commission was created, as stated above, and under which it had functioned, was succeeded by the Inter-American Economic and Social Council, to which the Inter-American Development Commission has reported concerning its activities.

Activities and Accomplishments

National Commissions

One of the first accomplishments of the Commission was the completion in 1941 of the organization, pursuant to the instruction of the Meeting of Ministers at Havana in 1940, of an affiliated commission in each republic. The commissions are composed of citizens prominent in financial, industrial and technical circles as well as of government representatives selected with the collaboration of the respective governments. The purpose was to provide, with the parent Commission in Washington, a means of co-operation for prompt and effective performance.

War effort assistance

Shortly after this Inter-American organization was completed, restrictions were placed on transportation and use of machinery, equipment and materials, except for war purposes. Hence it was decided that peace time planning should be postponed in favour of aiding the war effort, to which this new Inter-American organization contributed valuable services during the entire emergency period.

Conference of National Commissions

In pursuance of the instructions of the Third Meeting of Ministers of Foreign Affairs, the Commission in Washington, with the approval and assistance of the governments of all the American Republics, called a Conference of Commissions of Inter-American Development in New York in May 1944, to consider plans for solving transition period problems and for peace time programmes to be carried out when equipment, materials, shipping, technical skill and manpower should again be available.

This Conference was attended by delegates, with advisers and assistants, from each of the twenty-one National Commissions.

After full discussion, the conferees unanimously adopted forty-five resolutions containing comprehensive recommendations regarding economic and social problems, and emphasizing the importance of technical collaboration, which recommendations were referred to by the Mexico City Conference of 1945 in instructions to the governments and the National Commissions.

/Inter-American

Inter-American Training Administration

The Inter-American Training Administration was originally organized by the Office of the Co-ordinator of Inter-American Affairs, to enable young men and women graduates of schools in the other Americas to come to the United States to acquire practical experience in industrial plants, technical laboratories, food production, health and sanitation, aviation and merchant marine, during the war emergency when otherwise they would have been unable to travel owing to war emergency restrictions. Because the collaboration of the National Commissions was required in the important work of choosing properly qualified candidates, the Training Administration was placed under the Inter-American Development Commissions. Nearly 1,000 trainees from Latin American countries received benefits under this programme. Upon the removal of the emergency travel restrictions the Training Administration was abolished, some of its activities being taken over by other organizations; and also industrial concerns and private institutions made their own arrangements for these training programmes.

Uniform Technical Standards

The Commission, with the collaboration of the National Commissions, collaborated with the American Standards Association, financially and otherwise, in its activities in Latin America. Realization of the importance of uniform standards led to the adoption by the Conference of Commissions of Resolution VI, recommending the creation, under the sponsorship of the Pan-American Union, with the co-operation of the Inter-American Development Commission, of a Pan-American Committee on Technical Standards, to promote adoption of uniform technical standards as an aid to industrial development.

The Commission created a special temporary committee, composed of representatives of the Department of State, Pan American Union, National Bureau of Standards, American Standards Association and the Commission, to submit recommendations as to programme and procedure. After various meetings and exchanges of views with National Commissions and other groups in the Americas, a report with recommendations was prepared and submitted to the Inter-American Economic and Social Council.

Standardization of Insurance Contracts

The recommendation of the Conference of Commissions in Resolution XXIV in support of legislation in each country with a view to simplification and standardization of insurance contracts, was the subject of conversations with officials of the United States Chamber of Commerce, and correspondence with National Commissions, which led to plans for conferences by insurance organizations and authorities from various countries of the Hemisphere.

/Regulations

Regulations for National Commissions

In compliance with Resolution XLV of the National Conference of Commissions, regulations to govern the functions, activities and duties of the national commissions were prepared and distributed.

Pan American Institute of Mining Engineering and Geology

The Commission with the co-operation of the National Commissions assisted in the organization and financing of the Pan American Institute of Mining Engineering and Geology in its activities in Latin-American countries, and sent delegates to the First Congress of Mining Engineering of Santiago, Chile.

Inter-American Safety Council

The Commission and the National Commissions, collaborated with the Inter-American Safety Council in its campaign for the adoption of safety precautions in industrial plants in Latin-American countries, providing funds to cover the cost of preparing and distributing profusely illustrated informative literature in Spanish and Portuguese.

Inter-American Engineering Co-operation

Through the Joint Committee on Inter-American Engineering Co-operation, organized for that express purpose, the Commission secured the collaboration of five of the principal engineering societies of the United States to work with Latin-American engineers in technical fields. The Committee established contacts with engineering groups throughout the other American Republics, and organized a programme to exchange with them literature on engineering subjects; and made it a practice to extend special courtesies to Latin-American engineers visiting the United States. This organization owing to its contact with engineering and other technical groups has been in a position to give the Inter-American Development Commission valuable aid in the selection of competent technicians for service in Latin America.

The functions of the Joint Committee now have been assumed by the Commission on Latin America of the International Engineers Joint Council.

Distribution of Technical Literature - "Adelantos de Ingenieria"

Under the joint sponsorship of the Inter-American Development Commission, the Division of Engineering and Industrial Research of the National Research Council, and the Commission on Latin America of the International Engineers Joint Council initiated the publication of articles on important current technical developments in magazine form, under the title of "Adelantos de Ingenieria" for distribution to engineers in Latin America.

/Commercial

Commercial Arbitration

The Inter-American Conference on Problems of War and Peace at Mexico City having delegated to the Commission and the Inter-American Commercial Arbitration Commission the drafting of a commercial arbitration treaty for presentation at the Ninth Pan American Conference, a study on the legal aspects of commercial arbitration in Latin America was prepared.

Statements of Latin-American Laws Affecting Business

Of special interest to United States business concerns, law firms, libraries and educational institutions, interested in closer Inter-American relations, is a series of studies of basic laws of the Latin-American Republics affecting business in its various aspects and activities, now being prepared by the Commission from data assembled by leading attorneys in each country, selected by the respective National Commissions.

Other Publications

The Commission has published for free distribution a large number of documents relating to conditions in Latin America; including reports that were presented by the delegates to the Conference of Commissions, reports by the Commission to the Inter-American Economic and Financial Advisory Committee and the Inter-American Economic and Social Council; and reports on many of the various activities of the Commission, including those briefly referred to above. (A list of the documents now available is enclosed.)

Services

The above mentioned accomplishments and the many services rendered by the Commission and National Commissions, upon request of their respective governments, involved the following functions:

- (a) Promotion, research, organization of technical missions, selection of technicians, financing and supervision;
- (b) Travel arrangements for officials technicians, members of missions and others from and to the United States and within the various countries;
- (c) Exchange of communications by mail, telephone, telegraph and cable, with the National Commissions and other correspondents in the American republics;
- (d) Personal interviews and conferences with representatives of the various governments, business concerns, institutions and associations;
- (e) Translations to and from English, Spanish, Portuguese and French, of correspondence, reports and other material;
- (f) Preparation and distribution of numerous reports, memoranda, radio broadcast scripts and other informative material.

/The Commission

The Commission in Washington has been increasingly called upon by business concerns, organizations, publishers, individuals and government agencies, for information and advice of all kinds by mail, telephone and telegraph concerning Latin-American resources and industries.

Method of providing technical assistance

It has been the policy of the Commission to provide technical and other assistance only when formally requested. The expense of furnishing missions or the procuring of services of specialists has been covered by written agreements.

The Commission originally studied the feasibility of establishing a technical office with a corps of specialists. However, it was found that the wide variety of problems presented required the services of so many different kinds of specialists, that the selection for each mission, project, or problem, of persons eminently qualified for the work involved was the most satisfactory.

These persons were engaged under contracts, for agreed upon compensation and terms, and for the time required to complete the task. Thus it was possible to pay customary compensation for the services of the best men, and the ultimate cost was far less than the expense that would have been involved in the permanent employment of a limited number of technicians.

Programme

The programme initiated by the Inter-American Development Commission and the National Commissions should be expanded and intensified and directed toward implementation and realization of the several mandates of the Meetings of Ministers of Foreign Affairs of various American nations.

Activities so far have been handicapped by limited funds and organization, and the wise hesitation of governments and private enterprise to undertake new industrial enterprises, without the certainty of being able to obtain machinery, equipment and materials.

When the Commission was organized in 1940 it was expected that the American governments would provide funds, by means of proportional contributions, for the conduct of its work. Owing to the impending international emergency and immediate need for the services of the Parent Commission and National Commissions in the war effort, it was realized that action by the various governments could not be awaited. Therefore the United States Government decided that funds for Commission activities should be provided by the Office of Inter-American Affairs which had been created as one of the war emergency agencies. This contribution, plus the
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participation of certain governments and National Commissions in meeting the expenses of missions to their respective countries make up the funds with which the Commission has been conducting its operations.

Future Development

As the result of actions taken at the Conference of American States, in Bogota, it has been proposed that the Inter-American Economic and Social Council create a Commission on Development to take over the functions of the Inter-American Development Commission, whereupon the latter will cease to exist; the new Commission, to be made up of five members of the Council, and to operate under the Council's direction.