

IV. SECOND SESSION

Buenos Aires, Argentina  
February 15-26, 1967

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A. OFFICERS<sup>1/</sup>

PRESIDENT OF THE SECOND  
SESSION:

Nicanor Costa Méndez  
Minister of Foreign Affairs and Worship  
of Argentina

MEMBERS:

[The accredited members during the Second Session were the Special Delegates, Counselor and Technical Advisors whose names appear on the corresponding list of participants, page 41.]

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Minister of Foreign Affairs of Chile

Vice Chairman:

Dean Rusk  
Secretary of State of the United States

Rapporteur:

Alfonso Ortega Urbina  
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All Delegations

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Drafting Group No. 1:

Chile, Colombia, Guatemala, Mexico and the United States

Drafting Group No. 2:

Argentina, Brazil, Panama, Peru, and the United States

1. Revised version of the document published during the Second Session of the Meeting under the title "Officers", classified as OEA/Ser.F/II.11/Doc. 19.

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Assistant Secretary General of the Second Session (host country): Guillermo de la Plaza  
Ambassador

Assistant Secretary General of the Second Session (OAS): Santiago Ortiz  
Director, Office of Council Secretariat Services and of Conferences

IV. SECOND SESSION

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B. LIST OF PARTICIPANTS<sup>1/</sup>

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Minister of Economics and Labor

Alberto Solá  
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Alvaro Alsogaray  
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Pablo Santos Muñoz  
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<sup>1.</sup> Published during the Second Session of the Meeting, classified as  
GEA/Ser.F/II.11/Doc. 6-B Rev. 2.

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Alternate Representative on the Council of the OAS

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Iván Pedro Ivanissevich  
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Claudio Garcia de Souza  
Chief of Staff for the Ministry of State Foreign Affairs

Expedito de Freitas Resende  
Chief of the South American Division

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Julio César Anzueto

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Counselor

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Marceline Antoine

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General Consul of Venezuela in Buenos Aires

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Third Secretary of the Venezuelan Delegation  
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United Nations Policy Department

Appendix 1

REPORT OF THE RAPPORTEUR OF THE GENERAL COMMITTEE<sup>1/</sup>

(Second Session)

It was the responsibility of the General Committee to examine matters related to the preparation of an agenda for the Meeting of Chiefs of State and the guidelines for elaborating upon the topics on that agenda, and to determine the place and date of that Meeting.

In accordance with the provisions of Article 25 of the Regulations of the Meeting of Consultation of Ministers of Foreign Affairs, approved by the Council of the Organization of American States at the meeting held on March 1, 1951, the General Committee is also called upon to submit its conclusions to a plenary session of the Meeting for approval.

The General Committee, made up of all the members of the Eleventh Meeting of Consultation, was installed by the President of the Meeting at the session held on February 16, 1967. His Excellency Gabriel Valdés S., Minister of Foreign Affairs of Chile, was elected President, and His Excellency Dean Rusk, Secretary of State of the United States of America, Vice President. The undersigned had the honor to be chosen as the Committee's Rapporteur.

Mrs. Elba Gómez del Rey de Kybal and Mr. Cristián García Godoy served as the Committee's technical secretaries, and Mr. Modesto Lucero as secretary for the preparation of minutes.

At its first meeting, held on February 17, the General Committee institutionalized the informal technical group that had been meeting to bring about a consensus, and made it an advisory group to the Chairman of the Committee. This Advisory Group, composed of delegates of Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, and the United States, met continuously, forwarding to the Chairman of the General Committee the findings of the experts for consideration at the political level.

At the second meeting of the General Committee, on February 18, it was decided to establish a Drafting Group, made up of the delegations of Chile, Colombia, Guatemala, Mexico, and the United States, to work out guidelines for exposition of topic I of the agenda, "Latin American Economic Integration and Industrial Development." Later this Group was charged with preparing guidelines for the exposition of three other topics on the agenda: "II. Multinational Action for Infrastructure Projects"; "III. Measures to Improve International Trade Conditions in Latin America;"

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<sup>1/</sup>Published during the Second Session of the Meeting, classified as OEA/Ser.F/II.11/Doc. 34 Rev.



and "IV. Modernization of Rural Life and Increase of Agricultural Productivity, Principally of Food." The Group's meetings were attended by members of those other delegations that had asked to take part in the work.

The foreign ministers met informally on several occasions to agree on the topics to be included in the agenda and the guidelines for the exposition of the agenda.

At an informal meeting held on February 21, the ministers agreed to establish a second drafting group to prepare guidelines for the exposition of topics V and VI of the agenda: "V. Educational, Technological, and Scientific Development and Intensification of Health Programs" and "VI. Elimination of Unnecessary Military Expenditures." This group was composed of delegates of Argentina, Brazil, Panama, Peru, and the United States.

The General Committee and the drafting groups it set up used the following documents in the course of their work:

DOCUMENTS OF THE ELEVENTH MEETING OF CONSULTATION  
CONSIDERED BY THE GENERAL COMMITTEE

(All the documents are of a confidential nature)<sup>1/</sup>

A. Documents of the Meeting

- No. 13 APPENDICES. Appendices to the Report of the Rapporteur of the Committee on Preparations for the Eleventh Meeting of Consultation of Ministers of Foreign Affairs.
- No. 13 Addendum. Ideas on the Subject of Education for the Meeting of Chiefs of State.
- No. 23 Points where the document presented by the United States and the document of the special advisors concur and where they differ.
- No. 24 Annotated Draft Agenda prepared by the United States.

Working Document No. 1. Working Document presented by the Delegation of Panama containing a summary of the principal differences observed upon comparing the documents presented by the special advisors and the United States.

<sup>1.</sup> They appear in Volume II. They were classified as confidential when registered, but by a subsequent decision that classification was removed. See the explanatory note at the beginning of this volume.

B. Working documents of the General Committee

- No. 1 Brazil. Proposal for the Agenda for the Meeting of American Chiefs of State.
- No. 2 Bolivia. Proposal for the Agenda for the Meeting of American Chiefs of State.
- No. 3 Argentina. Proposal for the Agenda for the Meeting of American Chiefs of State.
- No. 4 Colombia. Preliminary Draft Agenda for the Meeting of American Chiefs of State.
- No. 5 Ecuador. Proposals for the Agenda for the Meeting of American Chiefs of State.
- No. 6 Uruguay. Proposals for the Agenda for the Meeting of American Chiefs of State (Gradual Opening Up of Markets Within a Program of Reduction or Elimination of Duties and Charges).
- No. 7 Uruguay. Proposals for the Agenda for the Meeting of American Chiefs of State (Establishment of an Inter-American Financial Corporation).
- No. 8 United States. Proposals for the Agenda for the Meeting of American Chiefs of State.
- No. 9 Costa Rica. Proposal for the Agenda for the Meeting of American Chiefs of State.
- No. 10 Uruguay. Proposal for the Agenda for the Meeting of American Chiefs of State (Establishment of Multinational Mechanisms for Cooperation in Solving the Problem of the Balance-of-Payments Crisis).
- No. 11 Mexico. Proposals for the Agenda for the Meeting of American Chiefs of State.
- No. 12 El Salvador. Proposal for the Agenda for the Meeting of American Chiefs of State.
- No. 15 Dominican Republic. Statement presented by its Delegation.
- No. 16 Guidelines for the Exposition of the Agenda of the Meeting of American Chiefs of State.
- No. 17 United States. Proposal presented by its Delegation.

- No. 18 Memorandum on the Economic Problems of the Dominican Republic.
- No. 19 Statement by His Excellency Francisco Peña Trejo, Minister of Justice and Delegate of El Salvador, on Paragraph 3.f of topic III of the Agenda.
- No. 20 Proposed Modifications to the Agenda Guidelines.

C. Documents of the Advisory Working Group of the Chairman of the General Committee

- No. 1 Suggestions for the Agenda for the Meeting of American Chiefs of State.
- No. 1 Add. Economic Integration. Latin American Efforts.

The documents of drafting groups I and II that concern the proposals submitted by both groups on each of the topics of the agenda and on the guidelines for the exposition of the agenda of the Meeting were not numbered because they were regarded as confidential documents for each group's internal use.

The Delegation of Bolivia requested that the agenda of the Meeting of American Chiefs of State include an item on the problem that its land-locked condition posed for Bolivia's development plans. In response to this request, the General Committee decided that the guidelines for the exposition of topic II of the agenda, "Multinational Action for Infrastructure Projects," which will be given to the Special Committee, should contain the following statement:

A high priority should likewise be given to the mobilization of financial and technical resources for the preparation and execution of infrastructure projects that facilitate the participation of land-locked countries in regional and international trade.

After examining the document submitted to it by the aforementioned drafting groups and after introducing certain changes, the General Committee decided to approve ad referendum the guidelines for the exposition of the agenda of the Meeting of American Chiefs of State.

I have the honor to submit to the plenary session for its consideration, the following decisions which accompany this report:

1. Meeting of American Chiefs of State (draft resolution, approving the date and place of the Meeting and the procedure for continuing the work being done in preparation for it).
2. Guidelines for the Exposition of the Agenda of the Meeting of American Chiefs of State (published separately as Doc. 33 of the Meeting).

3. Draft resolution on expenses in connection with the Meeting of American Chiefs of State.

Finally, the undersigned wishes to acknowledge the strong spirit of cooperation and dedication to the principles of the inter-American system that prevailed in the General Committee during the course of its deliberations on the important topics of the agenda of the Meeting.

Alfonso Ortega Urbina  
Minister of Foreign Affairs and  
Special Delegate of Nicaragua to  
the Eleventh Meeting of Consultation  
of Ministers of Foreign Affairs  
Rapporteur

MEETING OF AMERICAN CHIEFS OF STATE

(Draft resolution)

WHEREAS:

During the First Session it was decided that the decision on the date and site of the Meeting of American Chiefs of State would be deferred until this Second Session;

It was also decided that the date and site would be set once the corresponding agenda had been approved; and

That mission has been accomplished at this Second Session,

THE ELEVENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS

RESOLVES:

1. To recommend that the Meeting of American Chiefs of State be held at Punta del Este, Uruguay, from April 12 to 14 of this year.

2. To approve the following agenda for the meeting:

Intensification of inter-American cooperation in order to  
accelerate the economic and social development of Latin  
America and reaffirmation of the Charter of Punta del Este

- I. Latin American economic integration and industrial development.
- II. Multinational action for infrastructure projects.
- III. Measures to improve international trade conditions in Latin America.
- IV. Modernization of rural life and increase of agricultural productivity, principally of food.
- V. Educational, technological, and scientific development and intensification of health programs.
- VI. Elimination of unnecessary military expenditures.

3. To approve Document No. 33 Rev. 2<sup>1</sup>/<sub>1</sub> of this Meeting of Consultation, which contains the guidelines for the exposition of the agenda for the Meeting of American Chiefs of State.

4. To form a Special Committee whose terms of reference for discharging its functions shall be the guidelines contained in the document mentioned in the previous paragraph, and to recommend that each Chief of State appoint a personal representative and such advisers as it deems appropriate.

5. The Special Committee will begin its work on March 13 next in Montevideo, Uruguay, to prepare draft documents for the Meeting of American Chiefs of State on the basis of the guidelines agreed upon during this Meeting. The Committee shall present those drafts by March 27, 1967, at the latest.

6. To hold, in the Republic of Uruguay, a Third Session of the Eleventh Meeting of Consultation of Ministers of Foreign Affairs to consider the draft documents presented by the Special Committee. The starting date of that session shall be determined by the Council of the Organization of American States.

7. To request the Secretary General of the Organization of American States to make available all the technical and administrative services necessary to organize the meetings that have been convoked.

8. To charge the Council of the Organization of American States with studying and, if appropriate, approving, in consultation with the Government of Uruguay, the rules of protocol for the Meeting of American Chiefs of State.

EXPENSES IN CONNECTION WITH THE MEETING OF  
AMERICAN CHIEFS OF STATE

(Draft resolution)

WHEREAS:

During the Second Session held in Buenos Aires, it was recommended that the Meeting of American Chiefs of State be held in Uruguay from April 12 to 14, 1967;

It was also decided to establish a Special Committee to study and prepare the documents that will be considered at the aforementioned meeting, which this Committee is to undertake on March 13, next;

The Third Session of the Eleventh Meeting of Consultation will open in Uruguay on a date to be determined later, for final consideration of the documents the Special Committee is to submit,

THE ELEVENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS

RESOLVES:

To request the Secretary General of the Organization of American States that, in consultation with the Government of Uruguay, he prepare an estimate of the expenses that the three aforementioned meetings will require and submit it to the Council of the Organization.

Appendix 2

GUIDELINES FOR THE EXPOSITION OF THE AGENDA OF  
THE MEETING OF AMERICAN CHIEFS OF STATE<sup>1/</sup>

(Approved at the Second Plenary Session of  
the Second Session of the Meeting,  
held on February 26, 1967)

TABLE OF CONTENTS

	<u>Page</u>
Preamble . . . . .	72
I. Latin American Economic Integration and Industrial Development . . . . .	72
II. Multinational Action for Infrastructure Projects . . . . .	75
III. Measures to Improve International Trade Conditions in Latin America . . . . .	76
IV. Modernization of Rural Life and Increase of Agricultural Productivity, Principally of Food . . . . .	77
V. Educational, Technological, and Scientific Development and Intensification of Health Programs . . . . .	78
VI. Elimination of Unnecessary Military Expenditures . . . . .	81

Appendix

Observations and declarations concerning the guidelines for the exposition of the agenda of the Meeting of American Chiefs of State . . . . .	82
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1. Published during the Second Session of the Meeting, classified as  
OEA/Ser.F/II.11/Doc. 33 Rev. 2.



GUIDELINES FOR THE EXPOSITION OF THE AGENDA OF  
THE MEETING OF AMERICAN CHIEFS OF STATE

PREAMBLE

Six years ago, in the Charter of Punta del Este, the Governments of the American States undertook to carry out a great task: to unite the efforts of all their peoples in order to accelerate Latin America's economic and social development.

This cooperative venture, carried forward in the main through the Alliance for Progress, has led to an improvement in the standard of living of our peoples, although it must be admitted that the goals set forth have thus far been attained only in part.

In view of this fact, it is essential that our countries embark upon a new stage of transformation and social change, which, owing to its overriding importance, must be defined at the highest political level, with future requirements clearly in view.

One of the most pressing needs is to strengthen the Alliance for Progress, emphasizing its multilateral nature, in the support it must provide and ensure for the effective achievement of national development plans and multinational infrastructure projects.

These, among others, are the reasons that justify holding this historic Meeting of Chiefs of State.

I. LATIN AMERICAN ECONOMIC INTEGRATION  
AND INDUSTRIAL DEVELOPMENT

1. Economic integration is a collective instrument for the development of Latin America and should be a policy goal of each of the countries of the region, as a necessary complement to national efforts.

Furthermore, the varying levels of development and marketing conditions among the Latin American countries must be borne in mind in order that the integration process might yield harmonious and balanced growth.

Adequate financing is required to facilitate the economic restructuring and adjustments presupposed by the urgent need to accelerate integration.

Therefore, we have agreed to recommend the following action:

- a) To create, in the decade beginning in 1970, the Latin American Common Market, which should be fully in place by 1980 at the latest;

- b) To establish the Latin American Common Market by enhancing the two existing integration systems: the Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM). The two systems will institute, simultaneously and by stages, a merger of cooperation, association, and integration;
- c) To encourage other countries of the region to join the existing integration systems.

2. Measures with regard to LAFTA

- a) To accelerate the process of converting LAFTA into a common market. To this end, starting in 1970, a system will be instituted for a programmed elimination of duties and other restrictions on reciprocal trade, and for tariff adjustments so as to establish a common external tariff at levels that will promote efficiency and productivity;
- b) To gradually align national economic policies and instruments and juridical institutions (trade and commerce law; customs and tax systems; policies with respect to labor, trade, monetary exchange and stabilization). The adoption of these measures will parallel the enhancement of the integration process;
- c) To promote the conclusion of sectoral complementarity agreements for specific lines of production, providing for a more accelerated schedule for reducing duties and making adjustments than the general programs;
- d) To encourage the conclusion of temporary subregional agreements, with systems for reducing domestic tariffs and adjusting treatment toward third nations more rapidly than the one provided for in the general commitments, and that are consistent with the objective of regional integration. The subregional duty reductions will not be accorded to countries not party to the subregional agreement, nor will they create special obligations for them.

3. Measures with regard to the Central American Common Market

To carry out an action program aimed primarily at achieving a common foreign trade policy; completing infrastructure projects that are Central American in scope; conducting a vigorous, coordinated, joint industrial policy; improving the Common Market where agricultural products are concerned, and encouraging measures for the creation of a Central American monetary union.

To implement this accelerated program, including the strengthening and expansion of the existing Central American Bank for Economic Integration, it is recommended that adequate technical and financial resources be made available within the Alliance for Progress.

In addition, closer ties should be fostered between Panama and the CACM, as should rapid expansion of the CACM's trade and investment relations with neighboring countries of the Central American region and the Caribbean, thereby taking advantage of their geographic proximity and of existing opportunities for economic complementarity.

4. Joint measures

To stipulate:

- a) The commitment not to create new restrictions on trade among Latin American countries, save under exceptional circumstances such as those that obtain as a result of tariff equalization and from the need to assure the initiation or expansion of certain productive activities in relatively less economically developed countries;
- b) Establishment, by a tariff cut or other similar means, of a preference allowance within the region for all products originating in Latin American countries, taking into account the countries' varying degrees of development;
- c) That these measures are to be implemented immediately among the member countries of LAFTA and be extended to nonmember countries in a manner consistent with existing international commitments, inviting the latter countries to extend similar preferences to the members of LAFTA, with the same qualification;
- d) That these commitments shall not constitute an impediment to internal readjustments made necessary in order to adapt the instruments of trade policy so as to carry out national development plans and accomplish the goals of integration.

5. To create a committee composed of the executive organs of LAFTA and to CACM to coordinate implementation of the foregoing points. To sponsor meetings at the ministerial level in order to ensure that Latin American integration will move as quickly and, in due course, to begin negotiation of a general treaty or the protocols required to create the Latin American Common Market.

Nonmember Latin American countries will be invited to send representatives to these meetings, and to those of the committee of the executive organs of LAFTA and the CACM.

6. To mobilize financial and technical resources within and outside the hemisphere to help correct the problems of the balance of payments, industrial readjustments, and retraining of the labor force that may result when trade barriers are rapidly reduced in the transition toward a common market, and to increase the amounts available for export credits in intra-Latin American trade.

7. To mobilize public and private resources within and outside the hemisphere to further industrial development within the integration process.

## II. MULTINATIONAL ACTION FOR INFRASTRUCTURE PROJECTS

For Latin America to develop into an integrated economic region, it is essential that the physical infrastructure of integration be improved in such fields as transportation, telecommunications, interconnected electric power systems, and development of watersheds. Several studies are in progress in these areas and the Inter-American Development Bank has established a preinvestment fund. The resources from this fund are allocated on the basis of the priorities recommended by CIAP and taking into account the requests presented by LAFTA and the CACM. Further inter-American cooperation will be required to conduct specific studies on the feasibility of individual projects in the above fields and in industrial sectors that are multinational in scope. International cooperation will also be required to finance and execute the projects themselves.

In determining the priorities, special attention should be given to projects that are of interest to the relatively less developed countries of the region. High priority should also be given to mobilizing financial and technical resources to prepare and execute infrastructure projects that enable landlocked countries to participate in regional and international trade.

We have therefore agreed to recommend action on the following points:

1. To endow the Preinvestment Fund for Latin American Integration with sufficient resources to carry out studies of multinational infrastructure projects. A portion of those funds may be allocated on a nonreimbursable basis or with reimbursement contingent upon execution of the respective projects.

2. To mobilize, within and outside the hemisphere, resources in addition to those that will continue to be made available to the countries to assist national economic development programs, especially for implementation of multinational infrastructure projects that can represent significant progress in the Latin American economic integration process. The IDB shall play an active part in mobilizing such resources.<sup>1/</sup>

1. The Special Committee will examine the possibility of identifying fields of special significance for the physical integration of the hemisphere.

### III. MEASURES TO IMPROVE INTERNATIONAL TRADE CONDITIONS IN LATIN AMERICA

1. The economic development of Latin America is seriously affected by the adverse conditions in which its international trade is conducted. Market structures, financial conditions, and actions that are prejudicial to Latin American exports are impeding its growth and retarding the integration process. All this causes particular concern in view of the serious and increasing disparity between the standard of living in developing countries and that in the industrialized nations.

2. Individual and joint efforts of the OAS member states are essential to increase and stabilize the earnings of the Latin American countries from their traditional exports and, at the same time, to promote new exports in such a fashion as to guarantee Latin America the opportunity to obtain the resources needed to provide increasingly higher standards of living for its peoples.

3. The economic standards of the Charter of Punta del Este and the new Charter of the Organization reflect an understanding of these problems, to which end we have recommended action on the following points:

- a) To act in concert in multilateral negotiations so as to achieve the greatest possible reduction or the elimination of tariffs and other restrictions that impede the access of Latin American products to world markets;
- b) To jointly consider possible systems of generalized nonreciprocal preferences for exports of manufactures and semimanufactures from the developing countries, with a view to improving the terms of Latin American export trade;
- c) To undertake a joint effort in all international institutions and organizations to eliminate preferences prejudicial to Latin American exports;
- d) To strengthen the effectiveness of intergovernmental consultations so as to ensure that programs for placing and selling surpluses and reserves that affect the exports of developing countries will take into account the interests of the Latin American countries;
- e) To ensure compliance with international commitments to refrain from introducing or increasing tariff and nontariff barriers that adversely affect exports of developing countries, taking into account the interests of Latin America;
- f) To unite efforts to strengthen and improve existing international agreements, particularly the International Coffee Agreement, with

a view to securing favorable terms of trade in commodities of interest to Latin America and to explore every opportunity to develop new agreements;

- g) To support the financing and prompt initiation of the activities of the Coffee Diversification Fund and to examine, in due course, the creation of other funds to make it possible to control the production of commodities of interest to Latin America for which there is a chronic differential between supply and demand;
- h) To adopt measures to make Latin American export products more competitive on world markets;
- i) To establish as soon as possible an inter-American export-promotion agency and strengthen national and regional agencies intended for the same purpose.

#### IV. MODERNIZATION OF RURAL LIFE AND INCREASE OF AGRICULTURAL PRODUCTIVITY, PRINCIPALLY OF FOOD

To foster an improvement in the standards of living of rural people, modernization of the living conditions of the hemisphere's rural population and their full participation in economic and social life, agriculture in Latin America must be made more dynamic by means of comprehensive modernization programs and, when necessary, agrarian reform.

To achieve the objectives and conduct the programs contained in the Charter of Punta del Este, internal efforts must be intensified and the necessary additional external resources provided.

Agricultural modernization programs, agrarian-reform programs, and land-settlement programs will be geared toward increasing food production in the Latin American countries in amounts sufficient to adequately supply their population and to meet world food needs to an ever-increasing extent. They will also be geared toward improving agricultural productivity and diversification, to make certain that the agricultural output competes under the best possible conditions.

To accomplish these goals we have agreed to recommend action on the following points:

1. To improve the formulation and ensure the execution of plans, programs, and projects in preinvestment, agricultural development, agrarian reform, and land settlement, coordinated with the national economic development plans in such a way as to facilitate the intensification of internal efforts and additional allocations of external contributions.

2. To improve credit systems for production, marketing, storage, transportation, and distribution of agricultural products, and to use adequate price incentives for production.

3. To encourage and finance the acquisition and intensive use of agricultural inputs and the establishment and expansion of Latin American industries producing fertilizers, insecticides, and farm machinery.

4. To adjust the tax systems that affect the agricultural sector so that they may be used as means to improve productivity, the volume of production, and land distribution.

5. To expand substantially educational programs in specialized areas, research programs, and extension programs in order to improve the competence of the rural labor force and the preparedness of technical personnel.

6. To provide incentives for the industrialization and processing of agricultural production, especially by developing small and medium-sized industry.

7. To facilitate the establishment of international programs that will make it possible for Latin America to supply a greater portion of the world's food needs.

In recognizing the importance of the stated objectives, goals, and plans, the Presidents will undertake, within the spirit of the Alliance for Progress, to coordinate and combine the intensified internal efforts and additional external contributions especially earmarked for such measures.

In this respect it will be recommended that when it analyzes the agriculture sector within the national development plans, CIAP should bear in mind the objectives and measures indicated, giving due attention to agrarian reform programs in those countries that regard them as an important basis for their agricultural progress and economic and social development.

#### V. EDUCATIONAL, TECHNOLOGICAL, AND SCIENTIFIC DEVELOPMENT AND INTENSIFICATION OF HEALTH PROGRAMS

The Presidents would adopt decisions that put into practice the principles on education incorporated in the amended Charter of the OAS. Domestic and external efforts alike in the fields of education, technology, and science would be even more closely tied in with the general process of economic and social development in Latin America.

A. Education

New momentum should be given to "education for development," designed to markedly accelerate the internal educational effort of the countries aided by additional external support earmarked specifically for that purpose. The governments will prepare the corresponding programs, with the cooperation of international technical missions, if they deem such cooperation necessary. In this respect, it is recommended that when analyzing the education sector within national development plans and programs, CIAP bear in mind the objectives and measures indicated below. The joint efforts referred to above could be used, following the priorities established by each country, to accomplish the following objectives:

1. To create the conditions for increasing school enrollment among the school-age population;
2. To increase the capacity of secondary schools and improve their curricula;
3. To intensify adult literacy programs;
4. To expand the program of technical vocational education to encompass various levels and specialized fields, so as to improve the training of skilled and semiskilled labor;
5. To expand university facilities and, when necessary, provide universities with better equipment and improve the quality of university education.
6. To increase research in education and the use of modern techniques to make educational programs more efficient and effective;
7. To expand and improve training programs for teachers, professors, and administrators in the field of education;
8. To organize national and regional volunteer teacher programs.

B. Technology and Science

Recognizing that the development of the Latin American countries can and should be assisted by the technological and scientific advances of the more developed countries, and recognizing further that the widening gap that separates the latter from the former in scientific and technological research and application is a serious obstacle to the Latin American development process, the Presidents would decide the following:



1. Domestic efforts

To establish the necessary machinery and allocate the necessary resources for the formulation and implementation of policies and programs in technology and science, integrated into overall economic and social development plans, and that make it possible:

- a) To ensure that, insofar as possible, additional public and private funds will be assigned to expand and improve technological and scientific research;
- b) To increase the number of technicians and scientists and enhance their professional qualifications;
- c) To create the conditions whereby the technical and scientific competence can be used to correct the most important economic and social problems and the exodus of persons possessing such qualifications averted.

2. Exchange of information

To examine the possibility of establishing procedures to promote the exchange of technological and scientific information and know-how.

3. External financial cooperation

To cooperate in supplying the additional external financial support for the objectives set forth above.

4. Multinational training and research institutions in technology and science

To create multinational institutes for postgraduate research and training institutes in technology and science. Such institutes will be intended, inter alia, to attract highly qualified technical and scientific personnel to Latin America. To defray their expenses, suitable support should be forthcoming from the member states of the inter-American system, inter-American and international financing institutions, technologically advanced countries, universities, and foundations. The directorship of such institutes would be multinational in nature.

To implement the above program, a group of top-level individuals with expertise and experience in technology, science, and university administration should be established. This group would make recommendations to the governments of the member states regarding the characteristics of such multinational institutes, including their methods of financing, location, coordination of activities, and other relevant aspects of their operation.

This group would meet within 120 days of the close of the Meeting of American Chiefs of State.

C. Health

The Presidents would reaffirm the importance that must continue to be assigned to the improvement of health conditions in the hemisphere, and would recognize its fundamental role in Latin America's socio-economic development.

Available scientific and technical knowledge makes it possible to obtain tangible results which, within the framework of the Charter of Punta del Este, should be geared to the following:

- a) Intensifying the battle against communicable diseases;
- b) Stepping up programs for supplying potable water, sewerage and other services essential for environmental sanitation; and
- c) Greater and more rapid advance in the improvement of nutritional levels among low-income sectors.

To accomplish these goals, the Presidents would decide:

- a) Within the general planning framework, to provide for greater activity in the area of preparing and implementing domestic programs to strengthen the health infrastructure, and
- b) To mobilize domestic and external resources to meet the financial requirements and underwrite the training of personnel so as to ensure the success of the aforesaid programs.

The Presidents would likewise express their determination to promote intensive child welfare and child nutrition programs that take advantage of the possibilities that internal effort and international cooperation have to offer.

VI. ELIMINATION OF UNNECESSARY MILITARY EXPENDITURES

The importance of the function of the armed forces in maintaining security is recognized.

It is also recognized, however, that the limited resources available in Latin America must be devoted primarily to satisfying the needs posed by economic development and social progress.

Consequently, the Presidents of the Latin American republics would state their intention to confine their countries' military spending to those outlays that are essential to enable the armed forces to discharge their duty under their respective constitutions and, when applicable, to fulfill the international obligations undertaken by their respective governments.

OBSERVATIONS AND DECLARATIONS CONCERNING THE  
GUIDELINES FOR THE EXPOSITION OF THE AGENDA OF  
THE MEETING OF AMERICAN CHIEFS OF STATE

1. General observation of the delegations of  
Uruguay, Peru, El Salvador, and Honduras

The delegations of Uruguay, Peru, El Salvador, and Honduras state for the record that for this Chapter, as for the remainder of the agenda, they reserve the right to study and propose any observations that they may wish to make when the personal representatives of the Presidents convene, as they announced in the informal meeting of Foreign Ministers held on February 25, 1967.

2. Reservation of Venezuela concerning Topic I

Venezuela has expressed its reservation on the matter of establishing dates for completing the various stages of the integration process.

3. Basic concepts which Ecuador believes should  
be covered under the topic on Latin American  
economic integration, on the agenda of the  
Meeting of American Chiefs of State

- a) Maximum support for integration-oriented programs;
- b) Latin American economic integration requires equitable participation by all countries of the area;
- c) The fact that some countries of the hemisphere have not achieved the same degree of progress that others enjoy makes it necessary to establish preferential treatment for those countries that are less economically developed relative to the others.

To that end, consideration should be given to the following points, among others:

- a) Designation and financing of projects exclusively for the relatively less economically developed countries, in order to expand the market for their products.
- b) Promotion of foreign investments of benefit to the nation and of the kind that do not produce immediate and speculative profits but rather, by being long-term investments--at least ten years--, contribute effectively to the recipient country's capital formation and productivity. Adoption of a more liberal policy regarding investments that offer guarantees in this respect and show good promise for reinvestment.

- c) Conclusion of industrial-complementarity agreements that take into account the special structure of the economies of the relatively less economically developed countries so that projects of interest to them will neither be obstructed nor represent advantages for the more economically developed countries.
- d) Studies undertaken for the purpose of finding formulas that in some way will make it possible to merge the two integration movements presently operating in South and Central America.

Notwithstanding the ad-referendum nature of the "Guidelines for the Exposition of the Agenda for the Meeting of American Chiefs of State," the Delegation of Ecuador believes it necessary to state that until the national experts who are to examine the document prior to its presentation to the Presidential Meeting have rendered their opinion of it, the terms of the document should not be construed as a commitment binding upon Ecuador.

4. Observation of Uruguay concerning  
Topic I, paragraph 1, subparagraph a)

It should be noted that, given the dissimilarities among the Latin American countries, it is difficult to immediately undertake a commitment to put the Common Market in full operation by no later than 1980, without new studies, comparisons, and methods that make it possible to proceed with the process without interfering with the objectives of sustained and balanced growth for each of the countries.

5. Observations of Costa Rica on Topic I

The Latin American economic integration process should be based primarily on the following principles:

- a) Improvement of the existing systems (LAFTA and the CACM);
- b) Convergence of both systems toward the model Latin American Common Market, with a view to the signing of a general treaty;
- c) Incorporation of uncommitted countries into the existing arrangements on the general treaty;
- d) Recognition of the varied levels of economic development and market conditions among the Latin American countries or groups of countries, for the purpose of achieving their harmonious and balanced growth. Action in the field of automatic programmed tariff reductions and tariff equalization, and action in the area of external financing so that this principle may be carried out in practice, and

- e) The necessity of facilitating the economic restructuring and the fiscal adjustments that the urgency to accelerate the integration process presupposes, by making available internal and external financial resources on flexible terms that do not aggravate the recipient countries' balance-of-payments position.

In this connection, the Delegation of Costa Rica has placed on record with the Secretariat the following specific amendments to Document 16, Part I:

1. Add to paragraph 1 of the first page, after "esfuerzos nacionales" (national efforts), a sentence saying:

Furthermore, the differing levels of development and marketing conditions of the various Latin American countries must be borne in mind in order that the integration process may promote their harmonious and balanced growth.

2. Add the following at the end of section 3 of Topic I:

In addition, closer ties should be fostered between Panama and the Central American Common Market, as should a rapid expansion of the CACM's trade and investment relations with neighboring countries of the Central American region and the Caribbean, thereby taking advantage of their geographic proximity and of existing opportunities for economic complementarity.

3. Add the following at the end of section 4, item a.:

. . . save under exceptional circumstances, such as those that obtain as a result of tariff equalization and of the need to assure the initiation or expansion of certain productive activities in relatively less economically developed countries.

4. In section 5 omit the words "to which nonmember countries will be invited to send representatives." Add at the end a new sentence reading:

Nonmember countries will be invited to send representatives to these meetings, and to those of the committee of the executive organs of LAFTA and the CACM.

6. Reservations of Peru to Topic 1, section 2

The Delegation of Peru proposed some modifications to various paragraphs of this section; they did not, however, win unanimous approval. The Delegation of Peru, which has said that, failing a consensus, it would withdraw the proposed modifications, then decided to do so, but on the understanding that it reserved its right to present the modifications again at the meeting of the Special Committee.

7. Reservations made by Guatemala with regard to Topic III of the Agenda

Guatemala proposed addition of the following text to Topic III:

In order to ensure effective and timely accomplishment of the aims listed in subparagraphs a), b), c), f), h), and i) of the previous section, the Inter-American Economic and Social Council (CIES) is requested to prepare a schedule of the operating and consulting procedures to be used in each case. CIES shall submit that study to the governments of the member states of the OAS by no later than June 30, 1968. (This is a tentative date and could be changed if the calendar of CIES meetings warrants said change.)

Since a consensus was lacking, the Delegation of Guatemala reserved its right to request the inclusion of this matter at the meeting of the Special Committee. There was agreement, however, that a schedule covering all topics of the Meeting of Chiefs of State should be forthcoming from that meeting, and that action should not be confined to trade matters. The Special Committee would thus decide how the guidelines would be carried out and to which organs the respective tasks would be assigned.

8. Reservation of Costa Rica to Topic III

Costa Rica proposed that the following text be added to section 3, item i, of Topic III:

It will be the duty of this inter-American agency to promote, inter alia, activities designed to identify and take advantage of opportunities for joint marketing of (basic) goods on international markets.

The aforementioned observations were made notwithstanding the fact that on the occasion of the meeting of presidential representatives, the Chief of State of Costa Rica might present initiatives designed to broaden the general principles, to make changes to substantive points that, because of some action or omission, might have to be changed, and to give broad, comprehensive consideration to other proposals.

Consequently, the Delegation of Costa Rica reserves its right to present new suggestions at the meeting of presidential representatives to be held in Montevideo.

9. Observations of El Salvador

STATEMENT BY HIS EXCELLENCY FRANCISCO PEÑA TREJO,  
MINISTER OF JUSTICE AND DELEGATE OF EL SALVADOR,  
ON PARAGRAPH 3.f OF TOPIC III OF THE AGENDA

MEASURES TO IMPROVE THE TERMS OF LATIN AMERICA'S  
INTERNATIONAL TRADE

We would like to make some brief observations on this paragraph. Considerable progress has been made toward abandoning the original idea of a pure and simple extension of the International Coffee Agreement, opting instead to improve it. However, in the opinion of the Delegation of El Salvador, the position that best satisfies the Latin American coffee-producing countries has not been reached. Our contention has been that a Latin America meeting must be held before making any effort at the world level to improve this agreement.

We harbor many doubts that cases that involve special problems, such as those of El Salvador and the other countries of the Central American Common Market, can be resolved within the organs of the present International Coffee Agreement. These doubts are the product of experience. Because of their size, two producing countries have a voting power that is actually tantamount to a veto. We would like to have other formulas that would protect to some extent the opinion of minority-vote countries.

We shall not go into detail on the specific formulas for correcting the voting procedure, but we wish to recall a doctrine that has prevailed within the inter-American system and that originated here in Argentina. The eminent Foreign Minister Carlos Saavedra Lamas, who carried on the work initiated by Roque Sáenz Peña and Manuel Quintana, almost 80 years ago, tried to preserve unity among the countries of the hemisphere by upholding the high-minded principle that in no case should a matter be forced upon those who take issue with it. According to this school of thought, striving for and achieving a unanimous agreement was always regarded as the essential guarantee of the sovereignty of each country.

Our Delegation believes that this lofty principle has not become outmoded. We believe it is fully applicable for purposes of concluding, improving, modifying, and even extending the International Coffee Agreement.

The extension of the agreement and its modifications should be examined by our Congresses. Thus, it is by exercising our sovereign right that we should reach a consensus.

Any agreement in regard to basic products should be concluded by means of free consensus and under equality of conditions.

The Delegation of El Salvador does not wish to give the impression that ours is an arrogant and intransigent posture. We are conscious of our small size; it places us in a position of weakness. Our country, like all the others represented here, has its sovereign individuality, which gives it the right to disagree and imposes upon it a duty that cannot be forsaken, which is to state our allegiance to principles such as that maintained by the doctrine of Foreign Minister Saavedra Lamas.

Of the large coffee-producing countries that have more diversified resources, we ask understanding and equanimity when considering the situation of small countries such as those that constitute the Central American Common Market, which are engaged in efforts to accelerate their development.

Consequently, with regard to the proposed text, we wish to go on record to the effect that in all subsequent instances we shall insist on there being an inter-American forum for coffee.

We shall argue no longer, but we shall return to our country with the thought that the Foreign Ministers of the coffee-producing countries will carry back to their Presidents the message that El Salvador has invoked a doctrine that protects the interests of small countries and that we shall continue to uphold it as a guarantee of our sovereignty.

10. Statement of Brazil regarding Topic III.F  
(International Coffee Agreement)

The shortcomings in the International Coffee Agreement mainly concern the following: first, the absence of effective international controls with regard to coffee exports; second, the lack of individual efforts on the part of certain exporting countries, including Latin American ones, to comply with authorized export quotas and to practice proper marketing policies; and third, the nonexistence, in certain countries, of domestic production and diversification policies and related measures, with regard to such matters as storage capacity, and the like.

This being the case, not all the operational shortcomings of the International Coffee Agreement can be attributed to the Agreement itself, since they are partly due to the failure of certain countries to comply with the obligations inherent in their position as parties to that market-regulator instrument.

With regard to strengthening and improving it, as mentioned in item (f), the International Coffee Agreement has recently given examples of the fact that it can be improved upon, with the decisions regarding controls and the Diversification Fund.

This is the reason why Brazil believes that the International Coffee Organization, headquartered in London, is the only appropriate forum for



action aimed at strengthening and improving the Agreement, through the adoption of decisions that will make the market more effective.

That Organization is the forum that can best judge whether to revise the Agreement or merely renew it.

Brazil can justifiably cite the unilateral effort it has always made to defend prices and regulation of the world coffee market. For many years it alone bore the burden of the efforts in that direction. The International Coffee Agreement is the first effective instrument to make this effort multilateral--which is also of interest to the consumer--and to share obligations and benefits fairly.

Brazil cannot accept the insinuation that its greater economic interest in the matter should be interpreted as veto power.

At all the political meetings within and outside the hemisphere, Brazil has consistently upheld the principle of the juridical equality of nations, which ought not to be confused with the greater or lesser degree of interest they may have in certain international economic or financial matters. This fact is made clear within the United Nations system, by the voting procedure used in the International Monetary Fund and the International Bank for Reconstruction and Development; in the inter-American system, we see it in the weighted-voting method adopted by the Inter-American Development Bank.

Finally, the system of voting in the International Coffee Agreement, simply reflects the greater or lesser responsibility of each producer or consumer country; it is not a question of juridical inequality among the member states of the OAS.

#### 11. Reservation of Bolivia to the document

The Minister of Foreign Affairs of Bolivia reserved the right to present to the plenary session the problem created for Bolivia's development plans by virtue of the fact that it is a landlocked country.