following the same path of mutual understanding as the developing countries. It is the industrialized countries which now, at the stage the Conference has reached, hold the key to its success or failure, and we confidently hope that they will prove capable of fully understanding what the group of seventy-five is asking of them. We shall continue to follow the same path of conferences, of exchanges of ideas, of friendly discussion and patient exploration.

In the political field, the ending of the "cold war" has shown us how necessary it is to keep the dialogue always open. In the field of the economic and social needs of the developing countries, though the framework of our ideas remain very far from that of the industrialized countries, we shall equally keep up the dialogue which is necessary in the search for solutions adequate to a society in a perpetual state of change and ferment.

We all know that destiny is not a question of negotiation, but we also know that no progress can be made in isolation.

The Chilean delegation would like to take this opportunity to express its appreciation of the work of the Secretariat and of the admirable way in which the Conference officers have organized our proceedings.

The informal group composed of nineteen Latin American countries have done me the honour of asking me to speak on their behalf at this final meeting of the United Nations Conference on Trade and Development.

In order to carry out that task I must examine the results of this Conference objectively and candidly; I must say what we expect of those results; and lastly I must state what we propose to do in the future in accordance with the policy which sought its technical expression in the proceedings at Santiago and Brasilia, which was given concrete form at Alta Gracia and which has guided our actions throughout the whole of the Conference.

The group of seventy-five nations—Latin America, Asia and Africa

Leading personalities of nineteen nations of America, at varying stages of development but feeling themselves bound by many ties, with common problems and common aims, have expressed their determination to create a better life for their peoples through their own efforts and through international co-operation. Here they have established closer relations with the countries of Asia and Africa and have worked with their representatives on a basis of mutual understanding and sincere fraternity. This work in common is a wonderful page in the history of human relationships and opens a new chapter in international life, full of rich possibilities. Those of us who have had the good fortune to take part in it feel that there is something great in this gathering together of people from all corners of the world who have decided to face the future together under the influence of a common faith in the great principles of justice, a profound sense of solidarity and a general resolve to work untiringly in order that the evils of poverty, ignorance and backwardness should at last cease to be the tragic lot of the vast majority of men.

We do not believe that in present circumstances, which are the inheritance of a long past, there is perfect identity of feeling between Latin America, Asia and Africa in regard to the immediate economic problems. Clearly those problems do not present themselves in the same manner to all, and in this connexion I shall have some brief comments to make later. We might add that something similar is certainly taking place in each of the three continents. But that only gives greater value to the agreement to work in common which has been achieved. We have learnt to find out what we have in common and to avoid what might cause difficulties; we have even gone further, and agreements have been reached on matters which by their very nature appeared likely at first to cause irremediable dissension. Thus, a programme was laid down, a policy of joint action was worked out, which has had a great influence on this Conference and will continue to have an influence in the most varied mani-
festations of international life. No doubt, much in that
programme is lacking in precision and clarity; no
doubt time and further study will produce partial
adjustments and lead to essential additions. But the
content of the agreement is impressive and its sig-
nificance is great. Separated geographically by immense
distances, with few historical ties, without many trade
or political relationships which might have facilitated
mutual understanding, the peoples of Asia, Africa, and
Latin America have combined together with relative
ease in a common undertaking, they have understood
each other and today they feel themselves united by
sincere ties which we all hope will be strengthened
from day to day.

The spirit of the seventy-five

It is important to repeat here in the name of the
Latin American nations that this agreement with the
African and Asian countries does not to our minds
imply an offensive alliance, and has not inspired at this
Conference a blind desire to impose our views regard-
less of others' opinions. This agreement has served to
bring together in a common channel ideas and aspira-
tions hitherto dispersed; to facilitate their expression
and to enable us to study the best way of combining
them harmoniously in the commercial and financial
systems of the world. Moreover, while I do not claim
that the methods pursued at this Conference leave no
room for positive improvement and require no correc-
tion, it might well be asked whether this Conference,
which has debated the items of a long and complex
agenda without the guidance of a draft text care-
fully prepared in advance, as has been the case at
other conferences, could have accomplished its task
without the unifying and co-ordinating activity of
regional groups, and especially that of the group
comprising the largest number of countries. Any
impartial person would have to answer that question
in the negative. I am convinced that we can and must
improve our methods of co-ordination, seek greater
flexibility, do more to preserve that freedom of initia-
tive which complements rather than prevents solidarity
in common effort, avoid the risk of our joint projects
taking the form of an accumulating catalogue of the
aspirations of each and every country, without any
priorities based on the gravity and urgency of the
problems at issue. But one cannot arrive at once at
the best solutions and procedure, which are usually
the result only of long experience. Do not the very
regulations observed by a Conference of this kind, its
rules of procedure and its routines, perhaps need to be
revised so as to facilitate real personal consultation,
better suited to the problems arising from the large
number of countries participating?

So much for the formal aspect. Turning to the
substance of the problem, I am sure that once the
flame of occasional controversy has died down, it
will be recognized that in formulating their policy
generally the developing countries did not take up

extreme attitudes but took into consideration the
special problems and circumstances of the industrial
nations, and were animated by a spirit of negotiation
and compromise that stemmed from a realistic view
of events.

Formulae for a new policy

Of course, there was vigorous championship of
certain formulae which probably clash with the ideas
current in the ruling circles of some great nations,
and with groups of public opinion in those nations,
which at times, without knowing too much about
them, make pronouncements on the immense problems
facing other regions of the world. It may well be
asked how else we could have acted. By accepting at
the outset an orthodoxy which in those very industrial
nations has already been disavowed by leading
authorities?

We who for many years have followed attentively
the development of theories and the course of inter-
national economic policy, know that what is one day
presented as an incontrovertible scientific truth or a
perfect expression of a technique which it would be
duly to contradict, is later subject to amendment if
not total rejection; that often those supposed truths
and those techniques are not just the fruit of scientific
analysis but the defensive expression of certain material
interests; and that only a forthright and unprejudiced
comparison of theories, techniques and solutions can
result in progress. We are confirmed in this, I repeat,
by the study of history. It is enough to recall the origins
of the great depression and to ask again what in-
fluence was exercised on events by the commercial and
monetary policy of the great Powers; or how we should
judge today the actions of those experts who in 1928
handled the French economy, helped to ruin the gold
exchange standard and caused such grave monetary
stringency in other countries; or of those who in the
United States unleashed successive waves of protection-
ism provoking a chain of reprisals and the ridiculous
race for economic autarky; or of those who believed
it possible to remedy the imbalances caused by the
fall in commodity prices merely by credit operations
which later became subject to an almost general
moratorium. The history of economic mistakes should
be for all of us an inspiration to modesty, a
lesson of salutary scepticism. And if, as is the case
today, not only the peoples of the developing countries
but persons in the industrial nations who have a justly
deserved reputation for technical competence and
political vision have already expressed their support
for the introduction of far-reaching reforms in world
commercial and financial policy, how could we hesitate
to put them forward, to ask others to accept them, and
to invite others to study them without prejudice, not
only from the point of view of the advantages to
world economy but also from that of their own best
interests.
Understanding of other points of view

But while we deem it right and proper to submit to this Conference the principles and formulae which we consider best suited to the aims of a new commercial policy which will facilitate development, we have examined with due respect the standpoints of others and have realized that at times the divergencies that exist do not correspond to differences in aims but to a sincere conviction that those aims can be attained by means other than those we have proposed. Intellectual controversy, technical study, strict comparison of conflicting contentions will always be of value in such cases.

The point of view of the developed world

I should be unjust if, after praising the spirit of tolerance, adaptability and compromise which has prevailed in the informal Latin American group, and, in a wider setting, in the group of the seventy-five developing countries, I failed to recognize the efforts made among the major nations to promote agreement on the basic points of the Conference’s programme. While not attaching undue importance to what was mere negotiating strategy or watchful prudence on either side, we can recognize in many of the initiatives of the industrial countries a sincere desire for agreement with the developing world and a real conviction that the mutual interdependence of all nations, the manifest solidarity of world economy and the tremendous fact of an inequality which is growing deeper every day, require much more effective and comprehensive methods of co-operation than have hitherto been tried. How could it have been otherwise? The statesmen of the industrial countries are well aware—and they have said so here—that prosperity is indivisible; that in the long run our development will have a favourable effect on their economies, although for a time it may imply certain changes in the distribution of incomes or readjustments in the structure of production, and that the aggravation or even the prolongation of the present imbalances would be intolerable. They also know that any statistican or economist with a clear picture of the contemporary world must think not in terms of national or even regional economies, but of a world economy which is continually striving towards a better, fuller and more adequate integration; and they know that they must speed up the development of our countries in order to be able to maintain the rhythm of prosperity in their own. But, apart from all this, there are in many cases grounds for believing that the agreements reached owe their origin not to cold realism or selfish calculation, but to a sense of justice and an ideal of social democracy transcending frontiers and revitalizing the whole field of international economic policy.

Scope of the Conference—Agreement on the nature of the problem

If this Conference had served no other purpose than to express the universal recognition of some characteristic facts of contemporary economic development, that would have already provided sufficient justification for its convening. Despite some differences on the secondary details, and despite the attempts made by some people, on the pretext of recent changes in commodity prices, to weaken the forthright statements made by the Secretary-General in his report, it may be affirmed that the debates of this Conference have confirmed two things: firstly the undoubted reality of economic trends which have been watched with alarm since certain acute symptoms resulted in the formation of the Panel of Experts which produced the Haberler report, and secondly the need to make changes in the commercial policy of the major industrial nations, if those trends are not to go on stifling the development of the less-advanced countries and intensifying the enormous existing inequalities.

It has not only been established that there is a disproportion in the growth of consumption and in prices, which depresses basic commodities in relation to manufactured articles despite occasional fluctuations; it has not merely been proved that financial aid without a rise in exports cannot be a complete solution for the developing countries which are bearing an excessive burden today owing to their external obligations. In addition to these demonstrable facts, certain deep-seated causes, on which I can only touch lightly owing to the necessary brevity of this speech, have been brought out.

The relatively low elasticity of commodity consumption is most clearly explicable by the very nature of human needs. But the tendency to a continued fall in prices, which is causing such justified alarm and which is responsible for the strangling of development in many countries, stems not only from this factor but from many others. These include the rigidity of the factors of production in those countries due to the nature of production itself and the inevitable slowness of structural readjustments; the technical revolution in agriculture; the changes in the flow of international emigration, etc. Commodity prices are not a mere expression of cyclic variations; they are linked to changes in structure which began to be accentuated at the beginning of the century and were given a strong imetus by two world wars. To counteract their prejudicial effects on developing countries it is essential that the latter should find conditions of balance in the new structural plan, to which they must adjust the pattern of their production and their foreign trade, while pursuing a policy of trade and financial cooperation expressly designed to attain this goal.

This policy appears all the more necessary because it is easy to show that the policy hitherto followed by the major industrial nations is, to say the least, inadequate
to enable developing countries to resist those world economic trends and may even aggravate those trends, as is actually happening in some cases.

**Agreement on the new policy**

There has been no serious conflict of opinion at this Conference on the subjects which I have just mentioned. Indeed, in fullness of ideas already expressed when the United Nations General Assembly adopted the well-known resolution [1710 (XVI)] on the Development Decade, it has been almost unanimously accepted that the remedy for the existing imbalances, and the resulting intensification of development in our countries, must be a joint undertaking imposing on the industrialized countries a clear duty and a responsibility proportionate to the magnitude of their resources and means of action. Of course, we, the developing countries, have also a part to play; but it is acknowledged that the problem is a general one, and not ours alone, and that nothing but a joint general effort can solve it.

When the evolution of economic policy comes to be examined in its historical perspective, the full importance of this occasion will be recognized—an occasion when, after a precise identification of problems, the ideas which had been gaining ground in more restricted circles took concrete shape on a really universal plane; when anxiety about the future of the developing countries was shared unreservedly by the whole world; and when, I repeat, the great nations accepted the responsibilities which devolve on them naturally from the economic interdependence and solidarity of mankind. This acceptance has been given with a full knowledge of the consequences which it implies; it is an acceptance which today appears to us to be natural and which nevertheless represents an immense advance on the past, a happy moment in human consciousness.

**Dynamic force of principles**

We believe that ideas and principles have a dynamic force of their own. Those which have been generally accepted here will be translated into reality despite the fact that the instruments and methods chosen to give them practical effect and application may be described as imperfect or inadequate. At the same time, it cannot be denied that in some fields the instruments and methods, as set out in the Conference’s recommendations, are satisfactory and correspond in large degree to what, in present circumstances, could legitimately be hoped for. In other cases what the industrial nations have accepted is less not only than what we looked for, but even that what we thought would be the minimum required to approach the objectives which this Conference set itself. But because they were not accepted, or not accepted in full, are those proposals of ours to have no future influence? Will the new and old international machinery not continue to study them, and will they not be able in the end to win acceptance from those very persons who, today, find them inadequate, or powerless to overcome the resistance of other opinions and vested interests? Our own experience tells us the contrary.

Some years ago we were discussing at an Inter-American Conference some recommendations about international credit. The spokesman of a great nation refused to accept them and told us repeatedly that he could not sponsor illusions and unattainable Utopias. We replied that the illusions of today are often the realities of tomorrow and that any policy that does not foster some illusions is impotent and sterile. Well, of the things we asked for on that occasion, some have already been put into practice by international organizations and some very important ones are now frankly supported by that great nation to which that unduly positive and realistic official belonged. Now, when I reread the recommendations approved by this Conference on financial co-operation, I see that some of them go far beyond our Utopias of ten years ago. For that reason, I look forward optimistically to the future, and also because, as I said when speaking in the general debate at the beginning of this Conference, I am convinced that we are engaged in a process of integration of world economy which began some years ago and is already quite irreversible. This Conference will derive its future importance from the subjects on which it reached general agreement; and also from the ideas and formulae on which no agreement was reached, but which embody the aspiration and the determination which a great number of peoples of the world will not renounce.

**A definite orientation—Economic and social development**

Let us try to give a broad outline of the policy of development and international co-operation which has been formulated at this Conference.

Most of the countries of the world, despite their clear realization that they need to pursue their social and economic development by a deliberate and constant effort, and also despite everything they have done to achieve an adequate rate of progress, have found that up till now their development is too slow. The rate envisaged in the United Nations resolution was so described, particularly because of the very considerable population growth, and in general it was deemed necessary to speed it up. Of course, not even this rate is being reached in most cases.

Here the developing countries have renewed their determination to carry through this task and the developed countries their undertaking to give substantial support to it. The essential features of the internal economic policy recommended by the Conference had been manifest for some years but now they are enunciated in fuller—harmony with external commercial and financial policy. On the basis of plans which are a guarantee of continuity and lay down adequate priorities, each country’s development effort will be pursued in an international framework which
will not hinder or frustrate it but, on the contrary, stimulate it and enable it to produce the maximum results.

It has again been recognized, as the nations of the American continent had already recognized in the agreements for the Alliance for Progress, that the fulfilment of any development plan is impossible if external earnings do not keep pace with the growth of the total earnings or, what is worse, if they suffer sudden declines. A soberly planned internal effort must go hand in hand with a foreign trade policy and must be able to rely on international financial co-operation.

**International financial policy**

As I stated earlier, this Conference has achieved results in the matter of international financial policy which we all agree may be described as satisfactory. In particular, there has been full support for the principle that compensatory financing is indispensable when the value of a country’s exports is seriously affected by a fall in prices on international markets or other factors; such financing may take the form of short-term compensatory financing, which the International Monetary Fund (IMF) has already begun to provide under a system in which useful reforms have been suggested, or of long-term compensatory financing in cases where it is shown that the deterioration in export earnings is not fortuitous and temporary, but is of a more serious and permanent character. The International Bank for Reconstruction and Development (IBRD) and the new bodies which the Conference is planning to establish will study the mechanisms of the system in the light of a number of clear and realistic principles. This is a first step; it would be going too far at this stage to say that long-term compensatory financing is assured; but substantial progress has undoubtedly been made at both the theoretical and practical level. Many developing countries like ours which have had satisfactory experience with the IBRD are confident that it will speedily and efficiently carry out the function assigned to it at this Conference.

Compensatory financing is, of course, intended as a remedy to be applied where it has not proved possible to prevent a decline in export earnings by other methods; those other methods dealt with in the documents and conclusions submitted to the plenary by the First and Second Committees. An effective commodities policy and an increase in exports of manufactures may obviate the need for compensation or greatly reduce its direct role. What matters is that by one means or another, efforts should be made to ensure that the export earnings of the developing countries are not subject to fluctuations that may seriously disrupt their plans for economic progress and social well-being. At the same time, the recommendations of the Conference restore to international investments their traditional function in regard to development. Such investments cannot be considered as compensatory financing nor as a means of maintaining, at the cost of growing indebtedness, economies which are undermined by permanent foreign trade deficits and become increasingly inadequate for the regular servicing of the necessary loans. They constitute the additional impetus required to ensure a rate of development higher than that which would be permitted by the normal development of foreign trade.

The recommendations seek by various means to give the developing countries easier access to international markets either directly or through international machinery of a world-wide or regional character. The interesting idea of covering, by a co-operative effort, the difference between a reasonable rate of interest for developing countries and the prevailing market rate, the recommendation that loans and aid should be adapted to the nature of needs and projects, that certain loans should be free of restrictive attendant conditions, that, in accordance with long-standing observations, provision should be made for foreign loans to be used in a manner which does not necessitate recourse to inflationary measures to cover local costs, and, in general, all the recommendations of the Third Committee, constitute positive advances. With a few exceptions, such recommendations have been explicitly accepted by the large industrialized countries. Although there may have been excessive proliferation in some respects, there is no doubt that the work of the Conference in the matter of financial policy for development will be received with definite satisfaction. Among its recommendations, mention must be made of those relating to possible methods of refunding and converting external debts. They are the logical consequence of a fact of which the Conference was given abundant proof: the excessive indebtedness of countries which have been attempting to cover the shortfall caused by the deterioration in their export trade by means of loans, thus causing an alarming reduction in their external purchasing power.

**Commodity problems**

There is a long-standing conviction that the extreme vulnerability of the economies of the developing countries is chiefly due to the fact that their exports are very little diversified and consist to an overwhelming extent of primary commodities whose commercial development is attended by the unfavourable features which I mentioned earlier. Industrialization and the diversification of exports provide the most obvious solutions, but the acceptance of these ideas should not cause us to underestimate the vital role which commodities play and will continue to play in the economy of our countries for a long time to come. Furthermore, as those of us who were members of the group of advisers in connexion with the Santiago report had occasion to ask, how can accelerated industrialization and diversification be planned and carried out in the atmosphere of crisis provoked by the decline in traditional exports, with rationing of foreign currencies and...
in face of a permanent inflationary trend? For us, then, there can be no doubt that commodity problems will continue to be of prior importance. We stated those problems in the conclusions reached at Alta Gracia, we examined them together with our colleagues in the group of seventy-five and we have discussed them at length at this Conference.

What have we sought to attain here? In view of the characteristics of the problem already described, it was essential to consider, first, the enlargement of markets and of consumption, and second, the means of organizing and regulating markets, for it is unlikely that greater freedom of access to markets will in all cases be sufficient to correct disequilibria which are not due solely to existing restrictions; and on the other hand, we do not think that after so much experience there are still many people who can confidently speak of rapid readjustments being possible under the sole influence of the spontaneous forces of the market. If the nations with large resources have not succeeded in planning their internal policy on this basis, or have not even considered it desirable to do so, how can these prescriptions for basic economic recovery be addressed to us?

It will readily be understood that we must first of all demand that the existing situation regarding access to markets should not be aggravated by further increases in tariffs or by setting up obstacles of other kinds, such as quantitative restrictions. That demand has been put forward and we might say that it has been accepted, despite the escape clause introduced in the Final Act, a clause which cannot properly be invoked save in truly exceptional cases.

Latin American thought on this matter must, however, be somewhat further clarified. It is our understanding that, in accordance with the approved recommendations, respect for temporary agreements under which discriminatory preferences are operative today in favour of certain countries will not intensify the effects of the existing barriers against our products, and that it will not be possible to allege, on the other hand, that this intensification results from commitments entered into before the Conference. The existing situation must not be allowed to deteriorate, whether or not a system of discriminatory preferences is operating play at present.

It is obviously not enough to abstain from raising fresh barriers against primary commodities. A great effort must be made to broaden demand and to avoid as far as possible the replacement of natural products by synthetic ones. The Conference has expressed its opinion on both these subjects, not always unanimously, but still in such a way as to display support for a general trend towards maximum freedom and the elimination of charges restricting consumption.

It has been vigorously contended that not all the primary commodities affecting the developing countries present the same problems, and that in consequence no single method of treatment can be applied to all.

This fact cannot be ignored in considering either the elimination of barriers or the organization of markets. We reaffirm, however, that to achieve a better equilibrium of the world economy and facilitate the development process, it is essential that the trade in commodities should be liberalized as soon as possible and to the greatest extent possible, even though the tempo of liberalization cannot be the same in all cases. Our demand has in large measure received the assent of the industrialized countries, subject to escape clauses which should be invoked only in exceptional cases; and we maintain our views, of course, on those points in respect of which satisfaction has not been received.

We have also made some progress in formulating the principles and rules relating to commodity agreements, one of the basic objectives of which is, as has been expressly recognized, "to stimulate a dynamic and steady growth and ensure reasonable predictability in the real export earnings of developing countries, so as to provide them with expanding resources for their economic and social development".

I have not time to examine in detail the subjects that I have mentioned. Those subjects, I repeat, are of fundamental importance for the developing countries; but we are aware of their complexity. The progress made is undeniably substantial, though so far as some large consumer markets, and particularly certain products, are concerned, the proposals for making national agricultural policies compatible with the expansion of trade leave partly unsolved a number of problems for which the bodies created by this Conference will have to join with the parties concerned in a further endeavour to find solutions. The same applies also to the specific problems of minerals and fuels. In any case, the course is clear, and the manner in which it has been traced at this Conference cannot fail to produce beneficial results.

Existing preferences

At the beginning of the Conference, I said—speaking solely on behalf of the Colombian delegation—that I was confident that, with regard to the problem of existing discriminatory preferences, we should reach agreement with those developing countries for whose benefit such preferences had been established. Today, speaking on behalf of the informal Latin American group as a whole, I can say that, as a result of mutual good will and an understanding of the interests of all concerned, we have reached compromises which, of course, involve a departure by each of the parties from its initial position but which, if applied in a spirit of solidarity and with the effective co-operation of the Great Powers, should put an end, within the present decade, to any policy entailing discrimination harmful to the trade of the developing countries, without slowing down the progress of those which are now enjoying preferential treatment.

The provisions relating to this development, like other decisions taken by the Conference, have, of course, been drafted in terms which preclude the
establishment of new discriminatory preferences between developing countries and the intensification of existing preferences. There has been general agreement on this point, agreement which all the developing countries will no doubt welcome as a solid basis for unity and future joint action.

Towards diversification—Exports of manufactures

Attention should be drawn to the unanimous acceptance of the idea that an expansion of exports of manufactures and semi-manufactures from the developing countries is essential to the balance of the world economy. The change in the views previously held on this point comes almost as a surprise; it should spur us to further effort and marks an important development in the field of the international division of labour as a whole.

In order to promote exports of manufactures, we, the developing countries, have submitted many proposals, some relating to the necessary technical and commercial co-operation, others to access to markets and yet others, which are the most controversial, to the establishment of preferences. Our proposals have not all met with the same favourable response, but on the whole, progress has been made which we must not underestimate. Leaving aside the less important points or those which are important but not controversial, it should be noted that the final decisions have endorsed a number of broad formulae concerning access to markets and, above all, have upheld two basic principles—namely, that of non-reciprocity by the developing countries and that of the extension, also without reciprocity, of concessions to developing countries which are not parties to the General Agreement on Tariffs and Trade (GATT).

The acceptance of the principle of non-reciprocity is another major advance which would have seemed unthinkable only a few years ago. Those of us who took part in the negotiations on the Havana Charter and who then strove to obtain recognition of the idea that exceptional advantages—very different in scope from those now granted—should be accorded to the developing countries, are in a position fully to appreciate the decision embodying the principle to which I have referred. The same applies to those developing countries which participated in the early negotiations on GATT.

Those of us who advocated explicit extension by the Conference of the concessions with regard to the reduction of trade barriers at present being granted to developing countries as the sole means of avoiding a multiplication of discriminatory preferences between the developing countries to the detriment of general economic integration, also welcome the texts in which this extension has been confirmed.

It would not be true to say that the informal Latin American group is fully satisfied with the formulae adopted in regard to preferences as a means of promoting exports of manufactures from the developing countries. But the principle, which has been accepted by all of us and by a number of advanced countries, is gaining ground, and we are confident that practical and generally acceptable measures will be devised for its application. Since the pressing need to promote exports of manufactures has been accepted without reservations, the way will be open for whatever steps experience shows to be indispensable. This is a development which all the advanced countries regard as not only necessary, but eminently desirable; something which will facilitate a better international division of labour in industry. The very fact that levels of living and wages in the great nations are high and that scientific advances are daily opening up new prospects for industry is conducive to a flow of trade which it would be absurd to impede by customs barriers or restrictions or by the ruthless exploitation of competitive advantages not offset by adequate concessions.

Co-operation between the developing countries

This Conference will no doubt give considerable impetus to trade relations between the developing countries and to many forms of co-operation among them. We Latin American countries cannot do less than overhaul and improve our machinery of regional integration, which is at a rudimentary stage. That overhaul will, of course, like other aspects of future economic policy, take due account of the condition of those countries which are most backward. The need to proceed in this way has been recognized by our group, it corresponds to the demands of justice and is a factor of unification and solidarity.

The Conference’s recommendations intended to facilitate regional agreements among the developing countries also represent a great advance over previous ideas. In this connexion, too, I recall our efforts at the Havana Conference and regard the progress made as further proof that right ideas, those which correspond to legitimate aspirations, always prevail in the end.

The Latin American nations will be able to pursue a regional policy with better instruments, in accordance with international principles better adjusted to their special circumstances. They will now have to show their initiative, determination and ability to conceive a great enterprise of joint progress without short-sighted limitations and to accept the risks involved.

The relations between the Latin American and the African and Asian countries, will also have to change. I do not think that anyone in the Latin American delegations is leaving Geneva without the conviction that his country must seek a closer relationship with the nations of those two continents, a relationship covering politics, trade, technical co-operation and the exchange of experience and ideas which we can all contribute towards the creation of a world free from want and fear. I speak for Latin America in expressing my admiration for the nations of Africa and Asia, both those which are depositories of ancient civilizations and those which have recently achieved
political independence, and in thanking the representatives of those nations for the intelligence, technical competence and hard work which they have placed at the service of the developing countries as a whole.

The socialist countries

We have had an opportunity at this Conference of studying more amply than ever before the problem of trade relations between Latin America and the socialist countries. We had stated long before that in the process of world trade integration the intensification of trade between countries with different economic and social systems ought to play an important part. With few exceptions, our experience in this matter is, of course, small, and many practical difficulties exist for which adequate solutions will have to be found. The Conference has, however, a number of positive achievements to its credit.

Firstly, the socialist countries have clearly shown their sincere desire to intensify their trade with the developing States, and an opportunity has been provided for studying new and interesting forms of commercial, financial and technical co-operation, on some of which recommendations have been approved.

Secondly, it has been ascertained what the socialist countries think they can do, what agreements they can conclude and in what form, within their systems of State trade and their planned economies.

Thirdly, it has been decided to set specific targets in order to ensure, within fixed time-limits, a substantial increase in imports from the developing countries.

Lastly, the socialist countries have expressed their agreement with the general principles of international co-operation for development and have accepted the responsibilities devolving on them in the effort to overcome existing imbalances.

Institutional machinery

The formulae, worked out after laborious negotiations, for the machinery which is to be the main instrument of the new policy fall somewhat short of our original aspirations. We had been hoping for something more ambitious, more complete; we wished to lay a foundation for the speedy establishment of an international trade organization, set up as a specialized agency of the United Nations and endowed in its own sphere with powers similar, for example, to those of the IMF.

In other words, we had been hoping to set up a body like that which the Preparatory Commission of the United Nations considered necessary in 1946 and the great Powers proposed the following year in the draft of the Havana Charter; but the new body was to be imbued with a new spirit and serve a new policy.

The compromise arrived at by no means precludes the possibility of future action, although it falls short of what we had hoped for. Yet it would be foolish and unjust to underrate its importance. There is no doubt that an organization will be set up, arising out of the new trade policy for development and remaining at its service. I cannot at this stage go into details; the delegations of the group for which I am speaking have given it their express approval, and there will be an opportunity elsewhere to study at greater leisure all the legal and practical aspects of the machinery recommended. I believe personally that it will do fruitful work, and I congratulate all those who, in a spirit of compromise, have enabled a problem to be solved which at some stages appeared to be the main stumbling-block to a successful outcome of the Conference.

In any case, it should be remembered that the new machinery can and should do much in fields which the Conference has considered and on which I have not commented here, in order not to make my statement too long: the very interesting question of the landlocked countries, for example, or certain aspects of invisible trade items, or forms of co-operation with other international bodies or organs.

Inevitably a certain vagueness persists on many points; not all the features of the new trade policy for development have been clearly defined. But the last phrases which Raúl Prebisch so aptly presented his masterly report to the Conference, have become a reality: a new trade policy for development exists, and the Governments and peoples of the Latin American countries, in close collaboration with the other nations, will exert themselves to give that policy momentum, to impart to it each day greater vigour and clarity.

The message which we can transmit to our peoples from this great Conference is one of thoughtful optimism, of that optimism peculiar to those who appreciate the magnitude of the difficulties, who know how to weigh the value of what has been achieved and to keep alive the resolve to attain what we need.