

DRAFT CHARTER

EL SALVADOR: PROPOSED AMENDMENT

Insert the following in Article 16 as a new paragraph 4:

"4. The provisions of the first paragraph of this Article shall not apply to such bilateral or multilateral preferences as are now in force between the countries of Central America, including Panama, or may be granted in the future."

The grounds for this amendment are:

- (a) El Salvador and the other countries of Central America form a geographical, ethnic and economic unit which, as a result of historical accident, is at present dismembered.
- (b) The political unification of this unit is the supreme objective of the people of El Salvador and of the people of Central America generally. This is recognized by the Constitution of El Salvador and by the practice followed in the matter of tariffs and other preferential regulations of a legal and economic character. It is for this reason that there is, besides the General Customs Tariff, a Central American Tariff which grants a percentage reduction on the duties listed in the General Tariff in respect of specified articles originating in or despatched from the Central American countries. Since 1926 a Treaty with the Republic of Honduras has also been in force providing for the free entry on a reciprocal basis of products originating in or despatched from either of the two contracting countries. These privileges have never been extended to the other countries with which El Salvador has concluded agreements, including the most-favoured-nation clause, because such countries have tacitly recognized the validity and raison d'être of the clause granting exceptional treatment to Central America.
- (c) El Salvador's attitude is determined by two factors:
  - (1) The need to make concessions to the Central American countries, based primarily on the political ideal of once more achieving a Union. On many occasions economic sacrifices have been made to this end.

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- (2) The necessity of preventing the generalization of such concessions from resulting in a collapse of El Salvador's economy.
- (d) The omission of the Central American exceptional treatment clause from the Charter would be tantamount to condemning Central America to perpetual disunity, thus prejudicing its economic, social and political development.
- (e) It is worthwhile pointing out that the union of the Central American peoples in a single political entity is an essential prerequisite to the full development of Central America, and therefore any measure which coincides with the aims of the Conference promotes such union, like the Central American clause.

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