

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1354

11 November 1960

Limited Distribution

Original: English/French

THE ACT OF BOGOTA

Communication from the Organization of American States

The Organization of American States has transmitted, for the information of the contracting parties, the text of the Act of Bogota, which was adopted in September 1960. The text of Sections III and IV of the Act, relating to financial and economic matters, is reproduced hereunder:

III. Measures for Economic Development

The Special Committee,

HAVING IN VIEW Resolution VII adopted at the Seventh Meeting of Consultation of Ministers of Foreign Affairs expressing the need for the maximum contribution of member countries in hemisphere co-operation in the struggle against underdevelopment, in pursuance of the objectives of Operation Pan America,

EXPRESSES ITS CONVICTION

1. That within the framework of Operation Pan America the economic development of Latin America requires prompt action of exceptional breadth in the field of international co-operation and domestic effort comprising:
 - a. additional public and private financial assistance on the part of capital exporting countries of America, Western Europe, and international lending agencies within the framework of their charters, with special attention to:
 - i. the need for loans on flexible terms and conditions, including, whenever advisable in the light of the balance-of-payments situation of individual countries, the possibility of repayment in local currency,

- ii. the desirability of the adequate preparation and implementation of development projects and plans, within the framework of the monetary, fiscal and exchange policies necessary for their effectiveness, utilizing as appropriate the technical assistance of inter-American and international agencies,
 - iii. the advisability, in special cases, of extending foreign financing for the coverage of local expenditures;
- b. mobilization of additional domestic capital, both public and private;
 - c. technical assistance by the appropriate international agencies in the preparation and implementation of national and regional Latin American development projects and plans;
 - d. the necessity for developing and strengthening credit facilities for small and medium private business, agriculture and industry.

RECOMMENDS:

1. That special attention be given to an expansion of long-term lending, particularly in view of the instability of exchange earnings of countries exporting primary products and of the unfavourable effect of the excessive accumulation of short- and medium-term debt on continuing and orderly economic development.

2. That urgent attention be given to the search for effective and practical ways, appropriate to each commodity, to deal with the problem of the instability of exchange earnings of countries heavily dependent upon the exportation of primary products.

IV. Multilateral Cooperation for Social and Economic Progress

The Special Committee,

CONSIDERING the need for providing instruments and mechanisms for the implementation of the program of inter-American economic and social cooperation which would periodically review the progress made and propose measures for further mobilization of resources,

RECOMMENDS:

1. That the inter-American Economic and Social Council undertake to organize annual consultative meetings to review the social and economic progress of member countries, to analyze and discuss the progress achieved and the problems encountered in each country, to exchange opinions on possible measures that might be adopted to intensify further social and economic progress, within the framework of Operation Pan America, and to prepare reports on the outlook for the future. Such annual meetings should begin with an examination by experts and terminate with a session at the ministerial level.

2. That the Council of the Organization of American States convene within 60 days of the date of this Act a special meeting of senior government representatives to find ways of strengthening and improving the ability of the Inter-American Economic and Social Council to render effective assistance to governments with a view to achieving the objectives enumerated below, taking into account the proposal submitted by the Delegation of the Republic of Argentina in Document CECE/III-13:

- a. To further the economic and social development of Latin American countries;
 - b. To promote trade between the countries of the Western Hemisphere as well as between them and extra-continental countries;
 - c. To facilitate the flow of capital and the extension of credits to the countries of Latin America both from the Western Hemisphere and from extra-continental sources.
3. The special meeting shall:
- a. Examine the existing structure of the Inter-American Economic and Social Council, and of the units of the Secretariat of the Organization of American States working in the economic and social fields, with a view to strengthening and improving the Inter-American Economic and Social Council;
 - b. Determine the means of strengthening inter-American economic and social cooperation by an administrative reform of the Secretariat, which should be given sufficient technical, administrative and financial flexibility for the adequate fulfillment of its tasks.
 - c. Formulate recommendations designed to assure effective coordination between the Inter-American Economic and Social Council, the Economic Commission for Latin America, the Inter-American Development Bank, the United Nations and its Specialized Agencies, and other agencies offering technical advice and services in the Western Hemisphere.
 - d. Propose procedures designed to establish effective liaison of the Inter-American Economic and Social Council and other regional American organizations with other international organizations for the purpose of study, discussion and consultation in the fields of international trade and financial and technical assistance.
 - e. And formulate appropriate recommendations to the Council of the Organization of American States.

In approving the Act of Bogota the Delegations to the Special Committee, convinced that the people of the Americas can achieve a better life only within the democratic system, renew their faith in the essential values which lie at the base of Western civilization, and re-affirm their determination to assure the fullest measure of well-being to the people of the Americas under conditions of freedom and respect for the supreme dignity of the individual.