

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES  
Seventeenth Session

Working Party on Latin American Free Trade Area

## DRAFT CONCLUSIONS FOR THE WORKING PARTY'S REPORT ON THE MONTEVIDEO TREATY

Submitted by the Chairman of the Working Party

After careful examination of the documentation placed at its disposal, the Working Party recommends that the CONTRACTING PARTIES approve the following conclusions:

- (a) The CONTRACTING PARTIES have examined, in accordance with paragraph 7 of Article XXIV of the General Agreement, the provisions of the Montevideo Treaty, signed by the Governments of Argentina, Brazil, Chile, Mexico, Peru, Paraguay and Uruguay, of which the purpose is the establishment of a free-trade area between countries of Latin America, and they have taken cognizance of the information submitted by the signatory countries in this connexion.
- (b) The CONTRACTING PARTIES have taken note of the provisions of the Montevideo Treaty as well as of the statements made by the representatives of the parties to that Treaty to the effect that their governments are firmly determined to establish, within the time-limit provided for in the Treaty, a free-trade area in the sense of Article XXIV.
- (c) At this stage of their examination the CONTRACTING PARTIES felt that there remain some questions of a legal and practical nature which it would be difficult to settle solely on the basis of the text of the Treaty, and that the matter could be more fruitfully discussed in the light of the application of the Montevideo Treaty. For these reasons the CONTRACTING PARTIES did not at this juncture find it appropriate to make recommendations to the parties to the Treaty pursuant to paragraph 7(b) of Article XXIV.
- (d) The above conclusion would clearly not prejudice the rights conferred on the CONTRACTING PARTIES under Article XXIV and does not in any way prevent the parties to the Montevideo Treaty from proceeding with the application of that Treaty as soon as it has been ratified.

- (e) The CONTRACTING PARTIES welcomed the willingness of members of the Latin American Free Trade Association which are contracting parties to GATT to furnish in article XXII consultations information as to the measures arising out of the application of the Treaty.

The CONTRACTING PARTIES similarly welcomed the readiness of the members of the Latin American Free Trade Association to furnish further information pursuant to paragraph 7(a) of article XXIV, as the evolution of the Association proceeded.

- (f) The CONTRACTING PARTIES noted that the contracting parties could also have recourse to the other normal procedures under the General Agreement for the purpose of considering the justification of any measure adopted within the framework of the application of the provisions of the Treaty of Montevideo having the effect of cancelling or jeopardizing directly or indirectly any advantage deriving for them from the General Agreement, or jeopardizing any objective of the said Agreement, it being open of course to the members of the Association to invoke the benefit of article XXIV insofar as it considered that this Article provided justification for any action which might otherwise be inconsistent with a provision or provisions of the General Agreement.