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LATIN AMERICAN ECONOMIC INTEGRATION

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THE LATIN AMERICAN ECONOMIC SYSTEM

The Latin American Economic System (SELA—*Sistema Económico Latino Americano*) was established at a meeting of the Latin American and Caribbean states held in Panama in October, 1975. For constitutional reasons neither Barbados nor Grenada signed on October 16, but they subsequently adhered to the agreement leaving newly independent Surinam as the only Caribbean state outside the new system.

SELA is a permanent regional body for consultation, coordination, cooperation, and joint social and economic promotion with its own international juridical personality. It follows the guidelines of the Action Program for the Establishment of a New International Economic Order, adopted by the United Nations in May 1974, and those of the Charter of Economic Rights and Duties of States approved at the United Nations General Assembly in December 1974. The objectives of SELA are:

- 1) Promotion of economic programs and projects of interest between two or more regional countries.
- 2) Establishment of a common mechanism to defend prices and assure markets for Latin American enterprises and exports.
- 3) Encouragement of scientific and technological cooperation among member countries.
- 4) Coordination of policies regarding transnational corporations.
- 5) To act as a regional mechanism of consultation and coordination before other countries, economic associations and multinational organizations.

The text of the Convention establishing the Latin American Economic System follows:

*THE LATIN AMERICAN STATES REPRESENTED AT THE
MINISTERIAL MEETING CONVENED TO ESTABLISH
THE LATIN AMERICAN ECONOMIC SYSTEM*

WHEREAS:

There is a need to establish a permanent system of intraregional economic and social cooperation, of consultation and coordination of the positions of Latin America in international bodies as well as before third countries and groups of countries;

The present dynamics of international relations and socio-economic fields also make it necessary that all initiative and efforts for coordination among Latin American countries be converted into a permanent System which for the first time will include all States of the region and be responsible for all agreements and principles which up to now have been jointly adopted by all countries of Latin America and which will ensure their implementation through concerted actions;

This cooperation must be realized in the spirit of the Declaration and the Program of Action on the Establishment of a New International Economic Order and of the Charter of Economic Rights and Duties of States; and in a manner consistent with the commitments for integration which the majority of Latin American countries have assumed;

It is imperative to promote greater unity among Latin American countries in order to ensure concerted action in the field of intra-regional economic and social cooperation, to increase the bargaining power of the region and to ensure that Latin America occupies its rightful position in the international community;

The action of a permanent system of intraregional coordination, consultation and cooperation of Latin America should be carried out on the basis of the principles of equality, sovereignty, independence of States, solidarity, non-intervention in internal affairs, reciprocal benefits, non-discrimination, and full respect for the social and economic systems freely chosen by States;

There is a need to strengthen and complement the various Latin American integration processes through the joint promotion of specific development programs and projects;

Consequently, it is advisable and appropriate to establish a regional body to achieve these ends; and

In the Panama Meeting held from July 31 to August 2, 1975, a consensus was reached to establish the Latin American Economic System,

*AGREE TO
THE FOLLOWING CONVENTION*

CHAPTER I

ESTABLISHMENT AND PURPOSE

Article 1. The Latin American Economic System, hereinafter referred to as SELA, is established by the signatories, with the membership, powers, and functions specified in this Convention.

Article 2. SELA is a permanent regional body for consultation, coordination, cooperation and joint economic and social promotion, with its own international juridical personality. It is composed of sovereign Latin American States.

Article 3. The fundamental purposes of SELA are: a) to promote intra-regional cooperation in order to accelerate the economic and social development of its members; b) to provide a permanent system of consultation and coordination for the adoption of common positions and strategies on economic and social matters in international bodies and forums as well as before third countries and groups of countries.

Article 4. The activities of SELA shall be based on the principles of equality, sovereignty and independence of States; on solidarity, non-intervention in internal affairs, with due respect for the differences in political, economic and social systems, as well as for the characteristics peculiar to various sub-regional integration processes.

Likewise, the actions of SELA shall duly respect the characteristics inherent to the various regional and sub-regional integration processes as well as their basic mechanisms and juridical structure.

CHAPTER II

OBJECTIVES

Article 5. The objectives of SELA are:

1. To promote regional cooperation, with a view to attaining a self-sustained, independent and integral development, particularly through actions designed to:
 - a. Encourage the optimum use of natural, human, technical and financial resources of the region, by creating and fostering Latin American multinational enterprises. These enterprises could be established with statal, parastatal, private or mixed capital whose national character is guaranteed by the respective Member States and whose activities are subject to their jurisdiction and supervision.
 - b. Stimulate satisfactory levels of production and supply of agricultural products, energy, and other commodities, with emphasis on the specific supply of foodstuffs; and to encourage coordination of national policies for production and supply with a view to establishing a Latin American policy in this area;
 - c. Stimulate throughout the region the processing of raw materials of the Members States, industrial complementation, intra-regional trade and the export of manufactured goods;
 - d. Design and strengthen mechanisms and forms of association which will enable Member States to obtain adequate prices, ensure stable markets for the export of their commodities and manufactures and increase their bargaining power;

Without prejudice to the support necessary to the systems and mechanisms of coordination and protection of raw material prices to which the countries of the area may already belong.

- e. Improve the bargaining power for the acquisition and utilization of capital goods and technology;
- f. Encourage the channeling of financial resources toward projects and programs which stimulate the development of the countries of the region;

- g. Foster cooperation in Latin America for the creation, development, adaptation and exchange of technology and scientific information, as well as the optimum use and development of human, educational, scientific and cultural resources;
 - h. Study and propose measures which will ensure that the activities of transnational enterprises comply with the development objectives of the region and with the national interests of the Member States, and to exchange information on the activities of those enterprises;
 - i. Promote the development and coordination of transportation and communication, particularly within the region;
 - j. Promote cooperation among the member countries in the area of tourism;
 - k. Encourage cooperation for the protection, conservation and improvement of the environment;
 - l. Support all efforts to assist those countries which face emergency situations of an economic nature, as well as those resulting from natural disasters;
 - m. Support any other measures related to the foregoing, which may contribute to the achievement of the economic, social and cultural development of the region.
2. To support the integration processes of the region and encourage coordination among them, or with Member States of SELA, particularly with respect to those activities aimed at promoting greater harmonization, with due regard for the commitments made within the framework of such processes.
 3. To promote the formulation and implementation of economic and social programs and projects of interest to the Member States.
 4. To act as a mechanism for consultation and coordination within Latin America for the purpose of formulating common positions and strategies on economic and social matters before third countries, groups of countries and in international organizations and forums.
 5. To promote within the context of the objectives of SELA relating to intraregional cooperation means to ensure preferential treatment for the relatively less developed countries and special meas-

ures for countries with limited markets and for those whose landlocked condition affects their development, taking into account the economic situation of each of the Member States.

CHAPTER III

MEMBERSHIP

Article 6. Sovereign Latin American States which sign and ratify the present Convention shall be members of SELA.

Article 7. The present Convention is open to accession by all other sovereign Latin American States which did not originally sign it. To this end, they shall deposit the appropriate instrument of accession with the Government of Venezuela. The Convention shall enter into force for the acceding State, thirty days after the appropriate instrument is deposited.

CHAPTER IV

ORGANIZATIONAL STRUCTURE

Article 8. The organs of SELA are:

- a) The Latin American Council
- b) The Action Committees
- c) The Permanent Secretariat

A. THE LATIN AMERICAN COUNCIL

Article 9. The Latin American Council is the supreme organ of SELA and shall be composed of one representative from each Member State. It shall normally meet at the headquarters of the Permanent Secretariat.

Article 10. Each Member State has the right to one vote.

Article 11. The Latin American Council shall hold an annual regular session, at the ministerial level, and may hold special sessions at

ministerial or non-ministerial level whenever it is so decided by a regular session or requested by at least one third of the Member States.

The Council, by consensus, may change the proportion mentioned in the preceding paragraph.

Article 12. Regular sessions of the Latin American Council, at the ministerial level, shall be preceded by a preparatory meeting. In the event of special sessions, the notice convening the session shall state whether or not a preparatory meeting is to be held.

Article 13. The Council may meet when at least a majority of the Member States is present.

Article 14. The Latin American Council shall elect a Chairman, two Vice-Chairmen and one Rapporteur for each session.

Article 15. The Latin American Council has the following functions:

1. To establish the general policies of SELA.
2. To elect and remove the Permanent Secretary and the Deputy Permanent Secretary.
3. To adopt its Rules of Procedure as well as those of the other permanent bodies of SELA.
4. To consider and approve, as the case may be, the Annual Report submitted by the Permanent Secretariat.
5. To approve the budget and financial statements of SELA, and to fix the quotas of the Member States.
6. To consider and approve the work program of SELA.
7. To consider the reports of the Action Committees.
8. To decide on the interpretation of this Convention.
9. To approve amendments to this Convention proposed by Member States.
10. To study, direct, and approve the activities of the organs of SELA.
11. To approve the common positions and strategies of the Member States with respect to economic and social matters, in interna-

tional and regional organizations and forums, and before third countries or groups of countries.

12. To consider proposals and reports submitted by the Permanent Secretariat on matters within its competence.
13. To decide on the holding of special sessions.
14. To designate the site of its sessions whenever they are not held at the headquarters of the Permanent Secretariat.
15. To approve operational agreements entered into by the Permanent Secretary, pursuant to the provisions of Article 31, subparagraph 8.
16. To adopt measures necessary for the implementation of this Convention and to evaluate the results of such implementation.
17. To decide on all other matters of interest to it which are related to the objectives of SELA.

Article 16. The functions set forth in sub-paragraphs 11 to 17 of the preceding Article may be performed by a special meeting at the non-ministerial level whenever agreed to by the Member States.

Article 17. The Latin American Council shall adopt its decisions:

- a) By consensus, in the case of the functions set forth in sub-paragraphs 1, 8, 9 and 11 of Article 15 of this Convention and
- b) By majority of two-thirds of the Members present, or by an absolute majority of the Member States, whichever is greater, in the case of the functions set forth in the remaining sub-paragraphs of Article 15.

With respect to any issue arising for decision under Article 15, subparagraph 17, if a member state informs the Council that it considers the issue to be one of fundamental importance which has implications for its own national interest, the decision on that issue shall be consensus.

Article 18. The specific agreements and projects dealing with regional cooperation shall be binding only on those countries participating therein.

Article 19. The Latin American Council shall not take decisions adversely affecting national policies of the Member States.

B. THE ACTION COMMITTEES

Article 20. Action committees composed of representatives of the Member States concerned shall be established to carry out specific studies, programs and projects and to prepare and adopt joint negotiating positions of interest to more than two Member States.

Article 21. The Committees may be established by decision of the Council or by decision of the States concerned, which shall so notify the Secretariat and the latter shall inform the other—Member States. The Committees shall be of a temporary nature and shall cease to function upon completion of their specified tasks. They will be open to participation by all Member States.

Article 22. Financing of the Action Committees shall be the responsibility of the Member States participating therein.

Article 23. Each Action Committee shall establish its own Secretariat. The functions of the Secretariat shall be performed insofar as possible by an official of the Permanent Secretariat with a view to supporting the work and contributing to the coordination of the Action Committees.

These shall at all times keep the Permanent Secretariat informed of the progress and results of their work.

Article 24. Compliance with the objectives relating to regional cooperation through the Action Committees shall be compulsory only for those Member States participating therein.

Article 25. Activities of the Action Committees operating within the general objectives of SELA shall not discriminate against or create conflicts detrimental to other Member States of SELA.

Article 26. Action Committees shall submit annual reports of their activities for consideration by the Latin American Council. When required, the Member States may request that the Permanent Secretariat provide them with information on the activities of the Action Committees.

C. THE PERMANENT SECRETARIAT

Article 27. The Permanent Secretariat is the technical administrative organ of SELA, with Headquarters in Caracas, Venezuela.

Article 28. The Secretariat shall be under the direction of a Permanent Secretary. He shall be responsible for the technical and administrative personnel necessary for the performance of the functions of the Permanent Secretariat.

The Permanent Secretary shall be the legal representative of the Permanent Secretariat and in specific cases as determined by the Latin American Council, he shall act as legal representative of SELA.

The Permanent Secretary shall be elected for a four-year term. He may only be re-elected once, but not for consecutive terms. He may not be replaced by a person of the same nationality.

The foregoing also applies to the election of the Deputy Permanent Secretary, who can not be of the same nationality as the Permanent Secretary.

Article 29. The Permanent Secretary shall be a citizen of one of the Member States and will participate with voice but without vote in the sessions of the Latin American Council.

Article 30. The Permanent Secretary shall be responsible to the Latin American Council for the proper performance of the functions of the Permanent Secretariat. In the performance of their duties, the Permanent Secretary and the personnel of the Secretariat shall not seek or receive instructions from any government, or national or international body.

Article 31. The functions of the Permanent Secretariat shall be as follows:

1. To perform the functions assigned to it by the Latin American Council and, when appropriate, implement its decisions.
2. To encourage and carry out preliminary studies and take the measures necessary to identify and promote projects of interest to two or more Member States. Whenever such actions have budgetary implications, their implementation shall be subject to the availability of funds.
3. To facilitate the activities of the Action Committees and contribute to their coordination, including the provisions of assistance for carrying out the appropriate studies.
4. To propose to the Council programs and projects of common interest and to suggest ways in which they may be carried out,

including meetings of experts and other measures which may better contribute to the attainment of the objectives of SELA.

5. To prepare and submit for consideration by Member States the draft agenda for sessions of the Council and to prepare and distribute all related documents.
6. To prepare the draft budget and work programs to be submitted to the Council for its approval.
7. To submit the financial statements of SELA for consideration by the Council, at its regular session.
8. To promote and conclude, subject to the approval of the Council, arrangements with international organizations and agencies, national agencies of Member States and third countries, to carry out studies, programs and projects, especially those of a regional nature.
9. To formally convene the sessions and meetings of the organs of SELA.
10. To receive the contributions of the Member States, to administer the resources and to execute the budget of SELA.
11. To prepare the annual report on its activities for consideration by the Council at its regular session; and to coordinate the submission of the annual reports of the Action Committees, without prejudice to the reports they may submit directly to the Council.
12. To recruit and hire the technical and administrative personnel of the Secretariat.

CHAPTER V

RATIFICATION AND ENTRY INTO FORCE

Article 32. Each signatory State shall ratify the Convention in accordance with its laws. The instrument of ratification shall be deposited with the Government of Venezuela, which shall notify the Governments of signatory and acceding States of the date of deposit.

Article 33. This Convention shall enter into force for the ratifying States when an absolute majority of the signatory States have de-

posited their respective instruments of ratification; and for the other signatory States, from the date of deposit of their respective instruments of ratification in the order in which they were deposited.

Article 34. Amendments to this Convention proposed by any Member State shall be approved by the Latin American Council. The amendments shall enter into force for the ratifying States when two-thirds of the Member States have deposited their respective instruments of ratification.

Article 35. This Convention shall remain in force indefinitely. It may be denounced by any of the Member States by written notification addressed to the Government of Venezuela, which shall forward such notification without delay to the other Member States. After ninety (90) days have elapsed from the date on which the Government of the host country receives such notification, this Convention shall cease to be binding on the denouncing State. The denouncing Member State shall fulfill all obligations undertaken prior to its notification of withdrawal, notwithstanding the fact that such obligations may extend beyond the effective date of withdrawal.

CHAPTER VI

GENERAL PROVISIONS

Article 36. The Member States of SELA shall defray the cost of its operation. The Council, upon approving the annual budget, shall establish the quotas of the Members in accordance with the formula agreed upon.

Article 37. SELA, its organs, staff members of the Permanent Secretariat and governmental representatives shall enjoy, in the territory of each Member State, such legal status, privileges and immunities as are necessary for the exercise of their functions. To this end, appropriate agreements shall be entered into with the Government of Venezuela and other Member States.

Article 38. The official languages of SELA shall be: English, French, Portuguese and Spanish.

Article 39. This Convention shall remain open for signature for a period of thirty (30) days from October 17, 1975.

Article 40. This Convention shall be registered with the Secretariat of the United Nations by the Government of Venezuela.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries, having deposited their Full Powers, found to be in due and proper order, do hereby sign this Convention on behalf of their respective Governments.

Done at the City of Republic of Panama, on the 16th day of October, 1975, with original copies in the English, French, Portugese and Spanish languages, whose texts are equally authentic.

The Government of Venezuela shall be the depository of the present Convention and shall forward duly authenticated copies of the Convention to the Governments of the other signatory and acceding countries.

RESOLUTION

WHEREAS:

The Convention on SELA was adopted by the Ministerial Meeting of Latin American countries in Panama, October 16, 1975;

It is desirable that until the Convention on SELA enters into force through the ratification procedure set forth in the Convention, the operational mechanisms provided for thereunder begin to function without delay, thus setting in motion cooperation and consultation activities consistent with the spirit of the Convention and its guidelines,

**THE MINISTERS OF THE COUNTRIES OF LATIN AMERICA,
MEETING IN PANAMA CITY, OCTOBER 15-17, 1975**

RESOLVE:

1. To assume immediately the status of a Latin American Council for the purpose of adopting measures that will make it possible to accomplish, in the spirit of the Convention on SELA, the purposes proclaimed by this Meeting of Ministers.

2. To convoke and hold such meetings as are deemed necessary to achieve the aforementioned purposes.

3. To establish a Provisional Secretariat which will be responsible for carrying out the technical and administrative aspects of the decisions adopted by the Latin American Council, until such time as the Convention on SELA enters into force, and suggesting formulas to achieve the objectives proclaimed and adopted by the Panama Meeting in the aforesaid Convention.

4. To accept, and express appreciation for, the offer made by the Government of Venezuela to make a special contribution to the financing of the Provisional Secretariat, and to thank the other Latin American States for the voluntary contributions they may make to the same end.

5. To instruct the Latin American Council to elect a Secretary at its first meeting. The Secretary will receive the technical cooperation offered by the Latin American countries.

6. To stress the advisability that the Convention on SELA be ratified as soon as possible in accordance with the pertinent constitutional procedures.

RELATIONS WITH THE EEC

Upon the conclusion of VP Soames' (EEC Commission) visit to Latin America in October, 1975, the Community gave indications of renewed interest in the Latin America area. Relaxation regarding importation of beef and increased offers of technical assistance may signal a turning point in the relations between Latin America and the European Community. Further, the advent of SELA may give Latin America added leverage in its relations with the Community which, given the growing trade between the two regions, seems inclined not to ignore the Western Hemisphere in spite of some natural leanings towards the developing nations in Africa.

Earlier in the year (July 15) Mexico's Foreign Minister, the Chairman of the Council of Communities and the Chairman of the EEC Commission signed an agreement covering trade relations and economic cooperation between the EEC and Mexico. The understanding provided for an EEC—Mexico Commission to oversee the implementation of the agreement, which has a duration of five years but is subject to yearly extension on six months prior notification.

CENTRAL AMERICA COMMON MARKET

The Central American Common Market (CACM) continues to face serious economic difficulties. The rate of economic growth of the five member states was only 5.6% in 1974 and a lower rate is expected to be reported for 1975. Inflation is another major difficulty faced by the five nations. As an example, El Salvador is posting a rate in the neighborhood of 20%; significant upward trends also exist in the other countries. To these economic problems must be added the ever present political difficulties, specially the unresolved dispute between Honduras and El Salvador.

In spite of the above and the differences in approach among the Member States regarding the reorganization of CACM and future integration objectives, the drive for integration remains alive. For example, an important effort was the X Meeting of the Committee on Economic Cooperation held in Tegucigalpa in early Summer, 1975.

The principal document considered by the above Committee was CEPAL's study entitled Suggestions to Reactivate the Central American Economic Integration. The Committee, among others, considered the following matters: (1) Short term strategy for economic integration, (2) Foreign commerce; external financing and monetary policies, (3) Productive sectors; agriculture and industry, (4) Natural resources, energy, transportation, tourism and natural disasters, (5) The Central American Common Market, and (6) Technical Assistance.

The Committee, after two days of intensive deliberations, adopted resolutions on the following: (1) Foreign Commerce and External Financing, (2) Food Policy, (3) Joint Purchase of Fertilizers, (4) Central American Integration Project, (5) Industrial Policy, (6) Regional Development of Energy Resources, (7) Development of Hydraulic Resources, (8) Prevention of Natural Disasters, (9) Development of Transport, (10) Tourist Development, and (11) International Technical Cooperation. (Editor's Note: The text of the above resolutions may be found in *SIECA, CARTA INFORMATIVA* No. 164 of June, 1975).

A first for the Central American Monetary Council took place in mid-1975 when the Council agreed to lend Honduras and El Salvador \$25 million each, repayable in five and eight years respectively. Additionally, the Council approved a one year \$10 million loan to Nicaragua to ease balance of payment difficulties. It is reported that this is the first time that the Council's stabilization fund has been drawn upon since it was established fifteen years ago.

CARIBBEAN COMMUNITY

In the last half of 1975 a series of important meetings took place within the Caribbean Community. Among them:

(1) A Seminar on the GATT Multilateral Trade Negotiations organized jointly by the Commonwealth Secretariat and the Caribbean Community Secretariat, held at Georgetown, Guyana in June. Participants were drawn from the Bahamas, Barbados, Guyana, Jamaica, Trinidad and Tobago, the East Caribbean Common Market Countries and the East Caribbean Common Market and Caribbean Community Secretariats. The aim of the Seminar was to assist representatives of the Governments of Commonwealth Caribbean Countries in their preparations for the intensive phases of the GATT Multilateral Trade Negotiations due to begin later in 1975. The Seminar, *inter alia*, reviewed the work carried out in UNCTAD in the field of international trade, particularly in relation to commodities and the Generalized System of Preferences; the Lome Convention in the context of the Multilateral Trade Negotiations; the link between the problems of international trade and the current difficulties in the international monetary system; and the special problems of primary exports.

(2) The Sixth Meeting of the Common Market Council of Ministers met for two days in July in Montego Bay. Council gave considerable attention to the question of intra-regional trade and recognized that the existing intra-regional trade arrangements are in need of adjustment. Council therefore decided:

- (1) To speed up work on the Process List including appropriate deletions from the Basic Materials List with a view to ensuring the introduction of the Process List by all Member States not later than 1st May, 1976;
- (2) to direct the Working Group of Customs Officials which will be reviewing the Common External Tariff to consider any specific proposals for increasing the rates in the Common External Tariff on particular raw materials and for effecting removals from the Exemptions List;
- (3) to appoint a special Task Force of Officials to prepare not later than 31 March, 1976 a comprehensive regime for regional Quantitative Restrictions including the working out of an Action Plan and a time table for harmonizing national

regimes of Quantitative Restrictions on the importation of major raw materials. The Task Force shall give consideration to the formulation of special procedures for speeding up decision-making with respect to applications for regional Quantitative Restrictions;

- (4) to direct the Task Force to give special consideration to the present protective regime for textiles with a view to making proposals to Member States with respect to the introduction on a regional basis of a specific formula for relating import allocations to purchases of regionally produced fabrics;
- (5) to fix 31 December, 1975 as a firm deadline for reaching a decision on a regional scheme of standards. Accordingly Member States now contemplating unilateral action on the question of standards as it relates to intra-regional trade agree to defer such action until 31 December, 1975;
- (6) to appoint a special Working Group of Officials to prepare an appropriate programme of measures for ministerial consideration with respect to arrangements for intra-regional trade in agricultural products on the basis of studies which the Secretariat has been asked to undertake.

Council considered the report of the Twelfth Meeting of Officials on the Agricultural Marketing Protocol and endorsed the allocations and prices recommended under the Protocol. It noted, however, that there was need for a review of the entire operation of the Protocol. It was therefore decided that the Secretariat should set up a Working Party to undertake an urgent study of the Protocol with a view to submitting proposals for Ministerial consideration — in particular for a new price fixing formula. Council also agreed on certain proposals under Art. 56 of the Common Market Annex of the Caribbean Community Treaty to give protection to five new industries to be established in the LDCs. This is in keeping with the provisions of the Treaty for encouraging industrial development within those Member Countries as a means of distributing the benefits of integration as widely as possible. Further, Council noted the provisions of the Lome Convention relating to Trade, the promotion of industries and financial and technical cooperation and the action to be taken by CARICOM Countries to avail themselves of opportunities offered. It also reviewed a series of reports on developments connected with the external trade relations of Member Countries. Additionally, Council received a report from the Working Party on Sugar, a subsidiary body comprising representatives

from the sugar producing Member States. During its consideration of the Report, Council noted with deepest concern the reported circulation of a map purporting to represent Caribbean and Latin American sugar exporting countries which incorporated the territorial area of Belize into the Republic of Guatemala. Council viewed issuance and circulation of such a map as an affront to Belize and placed on record its categorical rejection of any attempt at suppressing the territorial integrity of a Member State of the Caribbean Community and to deny the right of self determination to the Belizean people. Council decided:

- (a) To press for the recognition of Belize as well as St. Kitts-Nevis-Anguilla as Hemispheric Sugar Producing Countries; and
- (b) to press for the withdrawal of the map which had been issued at the Second Meeting of Hemispheric Sugar Producing Countries.

(3) The Common Market Council of Ministers also met with the Caribbean Association of Industry and Commerce under the aegis of the Joint Consultative Group in July. The Joint Consultative Group comprises representatives of the Caribbean Association of Industry and Commerce, Caribbean Congress of Labour and the Caribbean Consumers Confederation and meets with Council at least once a year for an exchange of views on matters relating to the operation of the Community and Common Market. Discussions centred around a number of proposals made by the CAIC with respect to intra-regional trade. In a joint meeting with officials convened on the proposal of the Council, the organization elaborated further on their views and proposals.

(4) The Inaugural Meeting of Ministers responsible for Industry preceded the meeting of Common Market Council of Ministers in July. Since there is a growing awareness of the urgent need to curb the dramatic growth in the Region's food import bill and reduce the severe balance of payments deficit being experienced by several member countries, the Ministers accordingly examined closely the possibilities for further development of industries within the Region especially those with an agricultural base. In this connection, the meeting considered the reports of the meeting of Agro-Industrial Planners which was held in June and the meeting of Officials in Industry who met in July. The meeting examined the feasibility of expanding the textile industry and agreed on proposals aimed at ensuring a marked degree of regional self-sufficiency in textiles by 1980. It therefore agreed to set up a special Working Party to examine various aspects of the industry and present a definitive action program to Ministers by early 1976. The program would revolve around a scheme of

assistance to sea island cotton producers and the large scale cultivation of medium staple cotton in certain Member Countries. Consideration was also given to developing the regional capability in starch and flour both for human consumption and for use as an input into the animal feed industry. The Ministers responsible for Industry agreed that steps should be taken to give effective protection to the regional leather and leather goods industry and that steps should be taken to ensure greater utilization of regional hides, skins and leather in leather goods manufacture, and Rules of Procedure for conducting its future meetings were adopted.

(5) In September, at a two day meeting, in Saint John, Antigua, CARICOM officials finalized arrangements to ensure adequate supply of sugar by the CARICOM sugar-producing countries to other Member States of the Caribbean Community.

(6) In a meeting of the Ministerial Regional Shipping Council in early Fall, 1975 an agreement establishing a new West Indies Shipping Corporation was signed by the governments of Antigua, Barbados, Dominica, Guyana, Jamaica, St. Lucia and Trinidad and Tobago. The new Corporation will be the successor to the existing WISCO. The new agreement provides for the membership of Guyana, and for an issue of share of capital to member countries to finance the acquisition of four ships for the Regional Shipping Service.

(7) The Second Meeting of the Conference of Heads of Government of the Caribbean Community was scheduled for Basseterre, St. Kitts on December 8 to 10, 1975. This would be the Tenth Conference of Heads of Government since they first began meeting in 1963. The Conference was scheduled to undertake a wide review of developments in the Region. A major focus was to be on programs for regional development, especially in the field of Agriculture. The Conference was also to devote some attention to questions of External Relations and to the Institutional structure of the Caribbean Community and Common Market.