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10-1-1974

Latin American Economic Integration

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Recommended Citation

F. Orrego-Vicuña and A. O.C. Tolosa, *Latin American Economic Integration*, 6 U. Miami Inter-Am. L. Rev. 802 (1974)

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LATIN AMERICAN ECONOMIC INTEGRATION

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LATIN AMERICAN FREE TRADE ASSOCIATION (LAFTA)

Collective Bargaining. At the request of the Andean Group countries, the Sixteenth Special Conference of LAFTA convened in Montevideo April 18, 1974. The purpose of the Conference was to finalize the calendar of collective negotiations planned for 1974, which was set up as follows: Preliminary meeting, Montevideo, June 20-28; first meeting, Buenos Aires, July 1-6; second meeting, Quito, August 26-30; third meeting, Montevideo, November 4-10. It is to be hoped that as a result of such negotiations LAFTA member countries will enter into a new phase of economic integration.

Water Transport Agreement. On May 28, 1974 LAFTA's Water Transport Agreement subscribed in 1966 by Colombia, Chile, Ecuador, Mexico and Paraguay, came into force. The agreement "insures to the national ships of the LAFTA countries, under equal terms and treatment, preference in the transport of a substantial share of the cargoes of intraregional trade. The reservation of cargoes shall be done multilaterally and its introduction shall be gradual, in time as well as in volume." Ninety-nine per cent of the intraregional trade is transported by water.

Complementation Agreements. One of the most important instruments of economic integration within LAFTA, is the industrial complementation agreement. So far twenty such agreements have been subscribed to in different sectors. Following is a list showing the agreement, sector, participating countries, date of subscription or renegotiation, number of products covered and number of concessions involved.

SECTOR	Countries	Date of Subscription	Products	Concessions	
<u>Agreement No. 1</u>					
Statistical and Similar Machines for Perforated Bristol Board	Argentina	7/20/1962	5	Ar.	5
	Brazil			Br.	5
	Chile			Ch.	5
	Uruguay			Ur.	5
				<u>Total</u>	<u>20</u>
<u>Agreement No. 2</u>					
Electronic Valves	Argentina	2/18/1964	17	Arg.	17
	Brazil			Br.	17
	Chile ¹			Ch.	17
	Mexico			Me.	17
	Uruguay ²			Ur.	17
	<u>Total</u>	<u>85</u>			
<u>Agreement No. 3</u>					
Products of the Electrical, Mechanical, and Thermal Appliances for Home Use Industry	Brazil	6/2/1966	13	Br.	13
	Uruguay			Ur.	7
				<u>Total</u>	<u>20</u>
<u>Agreement No. 4</u>					
Products of the Electronic And Electrical Com- munications Industry	Brazil Uruguay	Lapsed on 7/30/1970 when its renewal was not formalized.			

¹Chile denounced this agreement on 8/28/1971, ceasing all its rights and obligations on 8/28/1973.

²Uruguay officially announced its intention to denounce the agreement in January, 1974.

SECTOR	Countries	Date of Subscription	Products	Concessions
<u>Agreement No. 5</u>				
Chemical Industry	Argentina	12/19/1967	223	Arg. 89
	Brazil	Enlarged on		Br. 127
	Chile	12/12/1969		Ch. 54
	Colombia			Co. 26
	Mexico			Me. 114
	Peru			Pe. 39
	Uruguay			Ur. 14
	Venezuela			Ve. 25
			<u>Total</u> 448	
<u>Agreement No. 6</u>				
Petrochemical Industry	Bolivia	7/25/1968	39	Bo. 36
	Chile			Ch. 32
	Colombia			Co. 37
	Peru			Pe. 37
				<u>Total</u> 142
<u>Agreement No. 7</u>				
Home Appliances Industry	Argentina	8/29/1968	31	Ar. 22
	Uruguay			Ur. 17
				<u>Total</u> 39
<u>Agreement No. 8</u>				
Glass Industry	Argentina	3/7/1969	58	Ar. 11
	Mexico			Me. 36
				<u>Total</u> 47
<u>Agreement No. 9</u>				
Products of the Sector of Equipment for the Generation, Transmis- sion, and Distribution of Electricity	Brazil	10/6/1969	28	Br. 28
	Mexico	Enlarged on		Me. 28
		11/30/1970		
				<u>Total</u> 56
<u>Agreement No. 10</u>				
Office Machines	Argentina	6/18/1970	32	Ar. 17
	Brazil			Br. 17
	Mexico			Me. 17
				<u>Total</u> 51

SECTOR	Countries	Date of Subscription	Products	Concessions	
Agreement No. 11					
Office Machines	Argentina	6/18/1970	4	Ar.	3
	Brazil			Br.	3
	Mexico			Me.	3
				Total	9
Agreement No. 12					
Electronic and Electrical Communications Industry	Brazil	11/30/1970	66	Br.	66
	Mexico	Enlarged on 6/23/1972		Me.	67
				Total	133
Agreement No. 13					
Products of the Photographic Industry	Argentina	12/4/1970	5	Ar.	5
	Brazil			Br.	5
	Mexico			Me.	5
	Uruguay			Ur.	5
	Venezuela			Ve.	7
			Total	27	
Agreement No. 14					
Refrigeration, Air Conditioning, and Electrical, Mechanical, and Thermal Appliances for Home Use	Brazil	12/4/1970	5	Br.	22
	Mexico	Enlarged on 12/10/1971		Me.	22
			Total	44	
Agreement No. 15					
Products of the Chemical and Pharmaceutical Industry	Argentina	12/4/1970	345	Ar.	179
	Brazil	Enlarged on		Br.	171
	Mexico	12/10/1971 and on 12/5/1972		Me.	181
			Total	531	

SECTOR	Countries	Date of Subscription	Products	Concessions
Agreement No. 16				
Products of Chemical Industries Derived from Petroleum	Argentina	12/4/1970	388	Ar. 51
	Brazil	Enlarged and		Br. 52
	Chile ¹	Revised on		Ch. 8
	Mexico	12/10/1971		Me. 27
	Venezuela	12/ 6/1972 12/28/1973		Ve. 20
				Total 158
¹ Adhered on 12/7/1972.				
Agreement No. 17				
Refrigeration, Air Conditioning, and Electrical, Mechanical and Thermal Appliances for Home Use	Argentina	12/20/1971	75	Ar. 75
	Brazil			Br. 75
				Total 150
Agreement No. 18				
Products of the Photographic Industry	Argentina	4/20/1971	48	Ar. 60
	Brazil	Enlarged on		Br. 38
	Mexico	12/8/1972		Me. 43
	Uruguay			Ur. 19
				Total 160
Agreement No. 19				
Products of the Electronic and Electrical Communications Industry	Argentina	7/7/1972	63	Ar. 60
	Brazil			Br. 55
	Mexico			Me. 61
	Uruguay			Ur. 17
				Total 193
Agreement No. 20				
Products of the Coloring Matters and Pigments Industry	Argentina	12/28/1972	22	Ar. 120
	Brazil	Revised on		Br. 191
	Chile	12/27/1973		Ch. 8
	Mexico			Me. 129
				Total 448

Source: Revista de la Cámara Argentina de Comercio (Journal of the Argentine Chamber of Commerce), No. 395, Last quarter of 1973.

Other LAFTA meetings. LAFTA executive officers and representatives from the Italian-Latin American Institute of Rome met on March 7, 1974 for the purpose of establishing institutional contacts and studying the possibility of undertaking mutual programs. A seminar on the generalized system of preferences of the European Economic Community in which eleven experts of the Community participated, also met on March 9.

The Advisory Commission on Monetary Matters met in Arequipa, Peru, May 26-30 with a view to analyzing, among other matters, the placement of LAFTA bank acceptances in New York's financial market. On the other hand, the Advisory Commission on Entrepreneurial Matters met in La Paz, Bolivia, May 30 and 31 in order to study the position of the entrepreneurial sector vis-à-vis LAFTA's collective negotiations. The second meeting of experts on international double taxation was held at LAFTA's headquarters in Montevideo, May 13 to 17.

ANDEAN GROUP

Meetings of the Commission. The fourteenth regular meeting of the Commission of the Cartagena Agreement was held in Lima April 29 to May 2, 1974. At that meeting various Decisions were approved among them, Decision 76 which creates the Council on Agriculture and Animal Husbandry. The thirteenth special meeting of the Commission, held May 27 to June 5, approved other important Decisions, i.e.: Decision 84, which establishes the bases for a subregional technological policy; Decision 85, Regulations for the application of industrial property standards; and, Decision 86, Project of Technological Development in the field of copper metallurgy.

Of particular relevance are Decisions 84 and 85 which regulate an important aspect closely related to Decision 24, relating to dispositions on foreign investments in the Andean Group.

Meetings of other organisms and institutions. The first meeting of the Ministers of Agriculture of the Andean Group was held in Lima, January 30 to February 1, 1974 for the purpose of analyzing subregional agriculture and preparing mutual program and feasibility studies among the member countries.

The directors for the Promotion of Exports of the Member Countries, met February 11 to 13 in Quito, at which time it was agreed to mutual participation in international fairs and expositions and to the establishment of a system of reciprocal information.

Among other meetings, the following should be mentioned: the fourth of the Council on Tourism (Lima, March 4-6); the fifth of the Ministers of Education (La Paz, March 27-29), and the meeting of Ministries of Communications and similar organizations (May 20-11.)

Other activities. On March 25, 1974, the United Nations Development Programme signed an agreement with the Andean Development Corporation, through which it obligated the sum of \$367,500 destined to technical assistance in the industrial sector of the Andean Group countries. Moreover, the first industrial plant established in accordance with the metal-mechanical development sectorial program of the Andean Group was inaugurated on May 10, 1974. The plant will manufacture perforation equipment and is funded with Ecuadorean and Peruvian capital. It should also be noted that the Venezuelan government has offered a contribution of \$60 million for the establishment of a trust fund within the Andean Development Corporation.

CENTRAL AMERICAN COMMON MARKET

Generalized System of Preferences (GSP). A Seminar on the Generalized System of Preferences—organized by SIECA, under the auspices of UNCTAD—took place in Guatemala City, March 18 to 29. After active negotiations, the Generalized System of Preferences (GSP) was approved by UNCTAD. The GSP establishes a basis for trade relations among developed and developing countries and its objectives are to increase the income from exports received by the developing countries, to promote the industrialization of those countries and to accelerate their economic growth. The GSP envisages further the awarding of non-reciprocal and non-discriminatory preferential tariff treatment to mainly manufactured or semi-manufactured goods from developing countries, in the markets of developed nations which have adopted their respective schemes.

The event was attended by experts from nineteen Latin American and Caribbean countries and UNCTAD. Polish and Japanese officials attended as observers.

The Seminar sought to:

- a) Determine the advantages and implications of the various preferential schemes;
- b) Recommend administrative and other measures to be adopted by each country in order to profit fully from the system; and

- c) Pick_out sectors in which steps might be taken at the local level with a view to promoting industrialization and export development within the framework of the GSP.

Also discussed at the Seminar were the situation of U.S. and Canadian preferential offers and the changes which have occurred in the Austrian, Finnish, Norwegian, Swedish, and Swiss schemes.

High-Level Committee. The Fourth Session of the High-Level Committee for the Improvement and Restructuring of the Central American Common Market was held in San Salvador, El Salvador, March 20 to 23, with representatives from each of the CACM countries attending, as well as alternate delegates, advisors, and officials from international and regional agencies.

The High-Level Committee was established by the CACM governments to serve as a technical mechanism which would study SIECA proposals relating to the improvement and restructuring of the Common Market, as well as suggestions made by the governments. The Committee adheres closely to that objective, while adopting "Consensus"—Resolutions of the High-Level Committee for the improvement and Restructuring of the Central American Common Market—and recommendations which are, subsequently, submitted to the decision-making authority: The Meeting on the Improvement and Restructuring of the Common Market, composed of the Ministers of Economics or Finance and Central American Monetary Council members from the five countries of the region.

In addition to exchanging views on the global economic integration process, the High-Level Committee considered the following topics at its Fourth Session: a) Industrial Policy (aims, programming, investment and financing); b) Tariff Policy; c) Tax Harmonization; and d) other key aspects relevant to technical assistance and the Committee's future activities.

Among the "Consensus" approved during the session, the following should be noted:

1. Consensus on Essential Objectives of the CACM Restructuring Process. Stresses the fact that integration is imperative in the Central American countries and that it must be analyzed in the light of the economic and social realities existing in those countries.

The Committee ratified that a new juridical commitment of greater scope—a Central American Economic and Social Community—is mandatory for future stages of the restructuring process.

2. Consensus on Specific Matters. The Committee agreed on promoting the establishment of Central American multinational enterprises, on identifying and examining specific basic industrial and regional projects, on encouraging the creation and development of a regional capital market, and on applying the criterion used in planning on a regional level.

3. Consensus on Aims and Purposes of the Central American Integrated Industrial Development Policy. General Aims: a) To foster the rational application of the region's natural resources; b) to improve employment conditions and to advocate the maximum possible manpower absorption; c) to support the strengthening and defense of the regional balance of payments; d) to increase integration and interdependence among the nations; e) to provide a better utilization of economic and technological potentialities; and f) to serve Central American consumers by offering high-quality industrial products at favorable prices.

4. Industrial Programming. The basic guidelines for industrial programming were established. Its specific field of application shall consist of: a) basic industries; and b) agreements relating to significant regional industrial activities.

5. Tariff Policy. SIECA studies on a new Central American duty and tariff policy were considered by the Committee, with special attention being given to the objectives of such a policy.

Meeting of CACM's Planning Directors. For the first time in nine years, the Directors of National Planning Agencies of the Central American countries, with the exception of Honduras and Panama met in San José, Costa Rica, March 27-29. SIECA officials were also present at the meeting.

The debate dealt mainly with the documents submitted by SIECA, especially, the one entitled *El Panorama Económico Mundial, Problemas de Abastecimiento y sus Efectos Sobre las Economías Centroamericanas* (World Economic Outlook, Supply Problems, and their Effects on Central American Economies.)

The following recommendations were approved at the meeting:

- a) Adoption of a subregional policy on energy;
- b) Establishment of a Regional Energy Commission;
- c) Promotion of electric interconnections;
- d) Fostering of research in the hydraulic and geothermic field;
- e) Harmonization of oil resources policies;

- f) Adoption of joint actions in the field of foreign economic policy with a view to obtaining better prices and markets for Central American exports. Moreover, creation of a Foreign Trade Informative Center;
- g) Entrepreneurial and other sectors' participation through specialized national bodies in the field of production and supply of strategic raw materials;
- h) Joint purchase of strategic raw materials and top priority to the nations' domestic requirements;
- i) Consideration of the feasibility of building up a merchant fleet, leasing ships, and utilizing the harbour facilities and industrial opportunities which Panama is developing in the free area of Colon and the port of Bahia de Minas;
- j) Institutionalization of the meeting of Ministers of Planning.

Hydroelectric Development of San Juan River. An agreement was signed on May 14, 1974 between Costa Rica and Nicaragua, establishing the Binational Governing Committee in charge of executing the hydroelectric and navigation project in the San Juan River. The signing ceremony took place at the headquarters of the Permanent Secretariat of the General Treaty for Central American Economic Integration (SIECA) in Guatemala City with delegates from the United Nations Development Programme (UNDP), the Inter-American Development Bank (IDB), the Central American Bank for Economic Integration (CABEI), and the Central American Institute for Research and Technology (ICAITI) attending, in addition to governmental representatives of the two countries.

The San Juan River project contemplates a series of activities aimed at: a) utilizing and improving control over the water system in an area ninety-three miles long; b) improving river navigation through 373 miles; and c) producing 1.7 GWH annually as a minimum. These individual undertakings affect Costa Rica and Nicaragua directly since the waterway serves as borderline between their territories. However, Central American regional development shall also benefit greatly. UNDP has already been approached with a request for technical assistance for carrying out the necessary feasibility study. On the basis of a report prepared by SIECA, the document was drawn up by a Binational Committee, with IDB and UNDP assistance.

The need for the project—arising out of the present energy crisis and rise in oil prices—is based on the fact that its implementation will signify

a drastic reduction in fuel imports for electric power production, a decrease which, in turn, will ameliorate somewhat the balance of payment problems faced by the majority of the Central American countries as net oil importers.

Central American and Venezuelan Joint Oil Refinery. Plans are under way for the establishment of an oil refinery in Costa Rican territory, which will be owned equally by Central American countries—Costa Rica, El Salvador, Guatemala, Honduras—and Venezuela.

With this in view, a Venezuelan Mission visited San José on May 14 and 15, 1974 to confer with government officials regarding the site of the plant and other pertinent details. During its visit to Costa Rica, the Venezuelan delegation gathered the necessary data for the preparation of a feasibility study, expected to be concluded in six months.

The plant's production is envisaged at 200,000 to 400,000 barrels a day, which will undoubtedly meet and perhaps exceed the demand of the CACM countries.

Monetary Stabilization Fund. The Central American Monetary Council met in April, May and June 1974, to discuss, in particular, the reform of the Central American Stabilization Fund. The Fund is composed of US\$100 million which is used to prevent extreme deficiencies in the regional economy. SIECA was charged at the April meeting with the preparation of a draft inter-banking agreement aimed at introducing the modifications in question, a document which would replace the existing "Central American Monetary Agreement," and reform certain aspects of the Central American Clearing House as well as the Monetary Stabilization Fund. The draft document was discussed extensively at the May and June meetings.

CARIFTA-CARICOM

The salient meetings held between March-July 1974 affecting Carifta, the Caribbean Community, and the Caribbean Common Market are set forth below.

REGIONAL SHIPPING COUNCIL

At a Meeting of the Regional Shipping Council which was held at the Headquarters of the Caribbean Community Secretariat on March 4-5,

1974, important decisions were taken on a range of outstanding issues relating to the future development of transportation in the Region in general and to the role of the Government-owned West Indies Shipping Corporation (WISCO) in this development.

The Ministers discussed in detail the formation of a Regional Transportation Council which will, among other things, assume the functions of the existing Regional Shipping Council, and agreed to refer the matter to the next meeting of the Conference of Heads of Government of the expanded Caribbean Community.

Among the items on which positive decisions were taken were the purchase of a new vessel for the West Indies Shipping Corporation, the level of freight rates charged by the Regional Shipping Service, the future scope of the Service and the financing of both capital and recurrent expenditure. The Council mandated the Secretariat to draw up a program for the acquisition of additional vessels, for its early consideration.

The Council agreed on measures to transform and expand WISCO into a more effective organisation with a greater degree of autonomy. These decisions are all geared towards providing an efficient service capable of coping with the requirements of economic integration of the Region.

MINISTERS OF AGRICULTURE

The Third Meeting of the Standing Committee of CARIFTA/CARICOM Ministers of Agriculture concluded on Saturday, March 2, 1974. The special significance of this meeting was the fact that consideration was given to concrete proposals for establishing specific targets for a wide range of crops and livestock activities aimed at accelerating national production and achieving the maximum level of regional agricultural complementarity and self-sufficiency.

While the meeting of Ministers of Agriculture was concerned with immediate agricultural activities aimed at production expansion of food crops and livestock, there was the strong view that the Region should pursue these programmes with the aim of introducing some fundamental changes into agriculture and to achieve increasingly greater levels of import replacements and displacements. Some of the proposals discussed by the Ministers include national and regional programmes for the large-scale production of selected commodities and more intensive production of basic food crops and vegetables. Consideration was also given to the

possibilities of integrated agricultural and industrial activities based on some of these activities at a regional or sub-regional level.

To assist the various Member Governments, and in particular those of the Less Developed Countries, the Ministers also discussed the measures necessary to attain the proposed targets within the specified time schedule. These measures include credit, extension, training, marketing and marketing services, shipping, drainage and irrigation, and the supply of personnel. The Ministers agreed that the proposals for the re-organisation of the Regional Research Centre aimed at making the institution more effective and more closely identified with the development programmes should be implemented within the shortest practical time.

The Meeting ended on the note of an exhortation to the Regional Secretariat and Member Governments to take every measure to ensure that the machinery be set in motion within the shortest possible time in order to initiate the accepted programmes and to achieve the maximum levels of regional co-operation.

AGRICULTURAL DEVELOPMENT

In June 1974, a Caribbean Community Agricultural Development and Advisory Service (CADAS) was inaugurated to promote and co-ordinate agricultural production throughout the Region and with special emphasis on the Less Developed Countries of the Caribbean Community. The team will establish its headquarters in Grenada shortly. CADAS is jointly financed by the Caribbean Community Secretariat and the Canadian Government through the Canadian International Development Agency (CIDA) and will be in operation for a period of three years. The service has been established to assist Member Countries of the Community, and especially the LDCs, to improve their agricultural production and marketing. Special attention will be given to increasing production in the Less Developed Countries under the Agricultural Marketing Protocol and the Guaranteed Market Scheme. A United Nations Development Programme Rural Development Team for the Less Developed Countries has also been organised through the initiative of the CARICOM Secretariat and the work of both Teams will be closely associated and co-ordinated. The activities of both Teams will be complementary and they will cooperate in the formulation of an Agricultural Rationalisation Program for the Member Countries of the Caribbean Community.

TREATY OF CHAGUARAMAS

At a historic ceremony held in the Chambers of the St. Lucia House of Assembly, Castries, on April 17, 1974 six Less Developed Countries of the CARIFTA grouping — Independent Grenada, the Associated States of Dominica, St. Lucia and St. Vincent, and the Colonies of Belize and Montserrat — signed the Treaty of Chaguaramas establishing the Caribbean Community to become members of the Community on 1st May, 1974. The Premier of the Associated State of St. Kitts-Nevis-Anguilla, also a less developed member country of CARIFTA, did not sign the Caribbean Community Treaty and read into the records of the Special Heads of Government Conference a statement as to his reasons for not being able to sign the Treaty.

The four founding members of the Caribbean Community who joined on August 1, 1973 — Barbados, Guyana, Jamaica and Trinidad and Tobago — were represented at the signing by Government Ministers. During the event, the representatives of Haiti and Surinam declared their respective Governments' intention of applying immediately for membership in CARICOM.

The Hon. Robert Bradshaw, Premier of St. Kitts-Nevis-Anguilla, read a Statement on behalf of his State and withdrew from the Conference with the rest of his delegation. The Statement by Mr. Bradshaw and the Statement of the Conference follows:

Mr. Chairman: I crave your leave to say as follows:—

On Friday, 5th April, 1974, the House of Assembly of the State of St. Christopher (St. Kitts) Nevis-Anguilla unanimously resolved—

WHEREAS this Honourable House did on the 28th day of June, 1973, by resolution record its support for the Government with regard to its signing of the Georgetown Accord which was reached on the 12th day of April, 1973, with the express commitment to enter into a Caribbean Community and Common Market on the 1st day of May, 1974, in order to expedite the forward march of the Caribbean Economic Integration.

BE IT RESOLVED that this Honourable House approves the entry by this State into the Caribbean Community and Common Market and authorises the Government to sign the Treaty es-

establishing the Caribbean Community which was concluded at Chaguaramas on the 4th day of July, 1973.

Accordingly, I addressed a letter to the British Government Representative at St. Lucia on 8th instant in these terms —

On behalf of the Government of this State of St. Christopher, Nevis and Anguilla I have formally to seek from Her Majesty's Government at Westminster authority to sign the Caribbean Community Treaty at St. Lucia on or about 17th instant.

In seeking such authority, my Government undertakes that it will exercise its powers under the Agreement in such a way as to ensure that —

- (a) the Community does not enter into any treaty or other international engagement affecting the external affairs of this State unless Her Majesty's Government have been notified of the terms of the Treaty or engagement and have signified to the Government of the State that they have objection to it;
- (b) no recommendation or decision of the Community or any Committee thereof to pursue any particular foreign policy will be applicable to this State unless Her Majesty's Government have been apprised of the terms of the recommendation or decision and have signified to the Government of the State that they have no objection to it.

On the morning of 13th instant, the Deputy British Government Representative at Antigua telephoned me to say that his superior officer in St. Lucia had the reply to my letter of 8th instant which he would hold for my arrival here in St. Lucia today because he feared that the Easter week-end holiday would occasion a delay in its receipt if the letter were sent through the post. I agreed to the letter being held in St. Lucia.

Much to my surprise, however, the letter was sent to St. Kitts by safe-hand of an aeroplane pilot that same day, i.e., 13th instant, and delivered to me after 6:00 p.m. This is the text of the letter —

I have the honour to acknowledge the receipt of your letter of 8 April in which you convey your Government's assurance that if authorised to sign the Treaty establishing the Caribbean Community

they will exercise their voting powers in the conference and in any committee or other organ of the Community in such a way as to ensure that:

- (i) The Community does not enter into any treaty or other international engagement affecting St. Christopher-Nevis-Anguilla unless Her Majesty's Government in the United Kingdom have been apprised of the terms of the treaty or engagement and have signified to the Premier of St. Christopher-Nevis-Anguilla that they have no objection to it; and
- (ii) No recommendation or decision of the Community or any committee or organ thereof to pursue any particular foreign policy is made in relation to St. Christopher-Nevis-Anguilla unless Her Majesty's Government in the United Kingdom have been apprised of the terms of the recommendation or decision and have signified to the Premier of St. Christopher-Nevis-Anguilla that they have no objection to it.

In view of the assurance given by your Government, and without prejudice to the general responsibility of Her Majesty's Government in the United Kingdom for the external affairs of St. Christopher-Nevis-Anguilla, I am directed to inform you that Her Majesty's Government authorises your Government to sign the Treaty establishing the Caribbean Community and to participate in the conference and other organs and committees of that Community subject to the reservation that the Treaty shall not extend to Anguilla for the time being.

You will observe from this letter, Mr. Chairman, that Her Majesty's Government at Westminster has withheld full approval for the State of St. Christopher-Nevis-Anguilla to fulfil the solemn undertaking which its only lawful Government gave in the Georgetown Accord on 12th April, 1973, to join the Caribbean Common Market today.

The British Government has given only qualified approval for the State of St. Christopher-Nevis-Anguilla to take part in the Caribbean Common Market; but the Treaty of the Market comprehends no qualification soever and would therefore be outraged by even a suggestion of any qualification at all.

What is more, scarcely veiled beneath the gossamer cloak of "the general responsibility of Her Majesty's Government in the United Kingdom

for the external affairs of St. Christopher-Nevis-Anguilla" is the poisonous and disruptive dagger of interference in the internal affairs of this State which, on this occasion, has been cruelly and painfully twisted to expose a gaping deficiency and hollowness of Associated Statehood.

Mr. Chairman, I end by regretting to yourself, to my other Commonwealth Caribbean colleagues, to our Central and Latin American friends, and to others of this august international company, at having been the involuntary bearer of these tidings that are shattering to yet another effort at Commonwealth Caribbean integration and unity. But you must see that the tidings flow from the British letter in question.

Sir, the Associated State of St. Christopher, Nevis and Anguilla is a political entity which is provided for by The Saint Christopher, Nevis and Anguilla Constitution Order, 1967, No. 228.

That law is still in force; but Her Majesty's Government has, by the device of its letter under reference, maliciously obtruded itself to block the full operation of the law, thereby rendering it impossible for me to sign the CARICOM Treaty today. However, in view of the legislative machinery which was constructed to accommodate the CARIFTA requirements in my State, should the members of the CARICOM find it possible, in the meantime, to extend to St. Christopher-Nevis-Anguilla the benefits of the Organisation, my Government would undertake to assume the resultant obligations to the day when it could properly adhere to the Treaty.

My delegation has no option now but to withdraw from this ceremony, and to wish this laudable effort at Caribbean unity the great success which it should be.

Following Mr. Bradshaw's statement a Conference Statement was issued by the Conference in the following terms:

The Conference regrets the inability of the Government of the State of St. Kitts-Nevis-Anguilla to sign the Treaty establishing the Caribbean Community and Deplores the action of the Government of the United Kingdom which has led to this inability.

The Conference is all the more concerned in that the Government of the State of St. Kitts-Nevis-Anguilla under the leadership of its distinguished Premier has always been in the forefront of the move towards West Indian Unity and Caribbean Integration.

The Conference nevertheless expresses the firm desire of the participating Governments to continue to seek to achieve meaningful

economic integration in the shortest time possible throughout the entire Caribbean.

The Conference places on record its determination that the Caribbean Community will as a matter of urgency work out ways and means of maintaining the closest possible economic relations between the State of St. Kitts-Nevis-Anguilla and the other Member Countries of the Caribbean Community from 1st May, 1974, until such time as the State of St. Kitts-Nevis-Anguilla can become a member of the Caribbean Community.

The next significant development in this area was the Seventeenth Meeting of the CARIFTA Council of Ministers and the Third Meeting of the CARICOM Council on April 25-26, 1974. At this meeting, a development of significance to the Region relating to the State of Antigua was reported. The Hon. Sydney Prince, Minister of Finance, Industry and Tourism, addressed a letter to the Chairman of the CARIFTA/CARICOM Councils which stated that the Government of Antigua was in the process of studying the report of the Committee which it had set up to look into the question of membership in the Caribbean Community and which had recommended that the Government of Antigua should become a member of the Community. The Government accordingly requested the CARIFTA/CARICOM Councils to extend the CARIFTA relationship to its country for a period of three months commencing 1st May, 1974. This request was considered by Council which passed the following resolution:—

RESOLUTION ON ANTIGUA

THE COMMON MARKET COUNCIL OF THE CARIBBEAN COMMUNITY,

TAKING NOTE OF the letter of 26th April 1974 from the Minister of Finance, Industry and Tourism of Antigua;

COGNISANT of the fact that, in accordance with the notice of withdrawal from CARIFTA given by Barbados, Guyana, Jamaica and Trinidad and Tobago, in accordance with Article 33 of the CARIFTA Agreement; these Governments are due to withdraw from CARIFTA on 30th April, 1974;

EXPRESSING APPRECIATION of the Antigua Government's commitment to Caribbean economic integration;

RE-AFFIRMING its desire to have Antigua participate in the Caribbean economic integration movement;

EXPRESSING the hope that Antigua will decide to sign and ratify the Treaty establishing the Caribbean Community;

AGREE to recommend to Member States that arrangements be instituted to permit the continuation of the CARIFTA relationship between Antigua and the Member States for a period of three months commencing on May 1st, 1974.

The Common Market Council also considered arrangements for extending to the State of St. Kitts-Nevis-Anguilla, whose Government had been unable to sign the Treaty establishing the Caribbean Community at the ceremony in St. Lucia on April 17, 1974, the economic relationship provided for in the Treaty.

The two meetings reviewed the progress being made in coordinating agricultural development in the Region. They also, in considering the Report of the Working Party of Industrial Planners (which met on Monday the 22nd), took decisions bearing on the coordination of industrial development in the Region. One of these decisions was the establishment of a Standing Committee of Ministers of Industry to be advised and serviced by a Standing Committee of Officials concerned with planning and industrial development. The Meeting also took decisions on the protection of industries located in the Less Developed Countries.

Among other items discussed at the Meetings were the Reports of the Working Parties of Experts on Establishment of Regional Commissions on Standards and Prices and on a System for Centralized Bulk Purchasing; developments in the international energy crisis; long term development of the sugar industry in the region; and the progress of negotiations between the Caribbean Community and the EEC in Brussels.

Council also examined the entries for the Caribbean Community Emblem competition and selected a short list of five entries for final adjudication at the next Heads of Governments Conference.

The next development took place on July 4, 1974 when the Associated State of Antigua became a Member of the Caribbean Community (including the Common Market).

The Hon. George Walter, Premier of Antigua, signed the Treaty of Chaguaramas establishing the Caribbean Community at St. John's, An-

tigua on Thursday, July 4, 1974 — exactly one year after the signature of the Treaty at Chaguaramas, Trinidad, by the Prime Ministers of the four More Developed Countries of Barbados, Guyana, Jamaica and Trinidad and Tobago.

The Premier, immediately after signing the Treaty, signed the Instrument of Ratification which was taken back and deposited at the Secretariat in Guyana on the evening of the same day. Thus Antigua became a Member State of the Community once the Instrument of Ratification had been deposited in the Secretariat. On Tuesday, July 2nd, both Houses of Parliament in Antigua had unanimously approved a Resolution asking Parliament to agree to the Government of Antigua signing and ratifying the Treaty.

Antigua's membership meant that all the twelve Members of CARIFTA —except St. Kitts-Nevis-Anguilla—were then Members of the Caribbean Community (including the Common Market).

Lastly, on July 26, 1974, the Hon. Robert L. Bradshaw, Premier of St. Kitts-Nevis-Anguilla, signed the Treaty of Chaguaramas establishing the Caribbean Community at a formal ceremony in Kingston, Jamaica.

Immediately after signing the Treaty on behalf of the State of St. Kitts-Nevis-Anguilla, the Premier of St. Kitts-Nevis-Anguilla signed the Instrument of Ratification and deposited it with the Secretary-General of the Caribbean Community Secretariat, thus making the membership of St. Kitts-Nevis-Anguilla in the Caribbean Community (including the Common Market) effective July 26, 1974.

The Premier of St. Kitts-Nevis-Anguilla made a short statement immediately after signing and ratifying the Treaty on behalf of St. Kitts-Nevis-Anguilla. The statement appears below. At the end of the Ceremony the Chairman expressed the hope that, now that all the twelve signatories to the CARIFTA Agreement were members of the Caribbean Community (including the Common Market), the Bahamas would shortly join the Caribbean Community on the understanding, already contained in the Treaty of Chaguaramas, that this Country was expected to be a member of the Caribbean Community, but not of the Common Market.

Mr. Bradshaw's statement:

Mr. Chairman and colleagues, eight days ago at Castries in St. Lucia, the Conference of the Heads of Government of the CARICOM unanimously resolved its affirmation as follows:—

- (a) That the State of St. Kitts-Nevis-Anguilla, comprising the Islands of St. Christopher, Nevis and Anguilla, Sombrero and quays adjacent to Anguilla, is an integral member of the family of Commonwealth Caribbean countries, and that the Caribbean Community is incomplete without its participation as a full and equal member;
- (b) That it was rejecting as inoperative and unacceptable any reservations purporting to qualify or delimit the authority of the Government of St. Kitts-Nevis-Anguilla to adhere to the Treaty of Chaguaramas on behalf of the entire State; and
- (c) That it was recognising therefore, the competence of the Government of St. Kitts-Nevis-Anguilla to adhere to the Treaty of Chaguaramas on behalf of the State in a manner consistent with its constitutional status and full territorial integrity.

In addition, the Heads of Government —

- (i) undertook to contribute actively to the search for and implementation of measures and mechanisms intended to contribute to the constructive resolution of constitutional and developmental problems within the State;
- (ii) to request the Government of the United Kingdom to cooperate with the Community in all such regional efforts towards a positive solution of prevailing difficulties and to refrain from any course of action inconsistent with the evolution of such efforts and the progressive development of the Caribbean Integration Movement; and
- (iii) to declare that the continuing decision of the Government of St. Kitts-Nevis-Anguilla to accede to the Treaty of Chaguaramas on behalf of the State of St. Kitts-Nevis-Anguilla is still further evidence of the long-standing commitment of that Government to the objectives of Caribbean unity and a source of deep satisfaction to the other members of the Caribbean Community.

By taking the positive step to adopt this comprehensive Resolution, the CARICOM Heads of Government embrace as their own

for solution the dicephalous issue created by the purported British reservation with respect to the accession of St. Kitts-Nevis-Anguilla to the Treaty of Chaguaramas and the entire Anguilla problem. This is a source of great satisfaction to my Government and should hold out firm elements of hope and relief to the British Government itself as well. Allied to this Resolution by the Heads of Government has been the advice which was tendered by eminent Counsel in the the CARICOM as to the legality of the purported British reservation, advice which my Government feels able to accept and adopt against the background and in the general context of the Resolution.

The Resolution and the legal advice support and buttress each other, and together form a collective and protective ring within which the Government of the unitary State, St. Kitts-Nevis-Anguilla could now operate with respect to the CARICOM.

Accordingly, on behalf of my Government, I must now join the CARICOM Heads to regard the purported British reservation hereinbefore mentioned as inoperative and unacceptable and upon this ground, I as Premier, sign the Treaty of Chaguaramas for and on behalf of the entire State of St. Kitts-Nevis-Anguilla.

MINISTERS OF FINANCE

On May 5, 1974, a Special Meeting of Ministers of Finance of the Caribbean Community was held in Port of Spain, Trinidad, for the purpose of holding consultations on intra-regional financial and monetary cooperation to help the region to meet the present international economic crisis. The following countries were represented: Antigua, Barbados, Belize, Grenada, Jamaica, Montserrat, St. Lucia, St. Vincent, and Trinidad and Tobago.

The Meeting discussed a number of urgent issues. One of them was the proposal made by Minister of Finance of Trinidad and Tobago at the 1974 Annual Meeting of the Board of Governors of the Caribbean Development Bank held in Grenada on May 2-3, 1974, to create a Special Development Fund of the Caribbean Development Bank for the provision of loans to meet counterpart funds required for approved bank loans, as well as to meet general program assistance for the Less Developed Countries.

Another issue discussed was the granting by the Central Bank of Trinidad and Tobago of balance of payments support to other Central

Banks of the More Developed Countries of the CARICOM Region to facilitate them in meeting some of their urgent problems created by the international economic crisis.

The Meeting requested to have placed on record its appreciation of the initiative of the Government of Trinidad and Tobago in standing ready to assist the other countries of the Region in the present international economic crisis.

MINISTERS OF LABOUR

The Third Regional Conference of Ministers of Labour concluded in Castries, St. Lucia on Friday, May 17, 1974. The Ministers considered a wide range of subjects and took decisions on the following matters:

Manpower development and training programmes — the Work Permit Situation;

The future training of Labour Officers;

Co-operative Development;

Up-dating of Labour Legislation and Development of Model Labour Codes;

Support of the principle of Worker participation in Industry; and

The Role and functioning of the newly-created Industrial Relations Division in the Caribbean Community Secretariat.

Opportunity was also taken to note progress that has been made in the matter of reciprocal arrangements for social security benefits between the Caribbean Territories, and work that is on-going in the development of a School of Navigation as well as regional Regulations and Rules for Maritime Certificates of Competence. The Meeting also re-affirmed the need for continuing regional co-ordination and co-operation at the 59th Session of the International Labour Conference in Geneva.

Arising from their deliberations, the Ministers took firm decisions to seek the assistance of International Agencies in the promotion and holding of seminars on the following topics:

- (a) Worker participation in industry;
- (b) Co-operative Development;

- (c) Extending the Services of the World Employment Programme to the Territories of the Region.

MEETING OF CARICOM HEADS OF GOVERNMENT

The Inaugural Meeting of the Conference of Heads of Government of the Caribbean Community concluded on July 18, 1974, after four days of intensive discussions on a wide range of topics affecting the Community, both in respect to its internal operations and its relations with the outside world.

The Conference adopted the Reports of the three Committees appointed to consider the items on the Agenda. It passed Resolutions on the territorial integrity of Belize and St. Kitts-Nevis-Anguilla, which are appended.

Facilitation of Travel Within the Region

The Conference decided that nationals of Member States should be permitted to travel within the Region on a Common Travel Document which was agreed on at a meeting of Ministers responsible for Immigration held in Barbados in November, 1973. The Governments of Barbados and Guyana indicated that their countries would also accept Identification/Registration Cards issued by the Government of any Member State to its nationals as a valid travel document. The Conference also agreed on the adoption of a common immigration card for use by CARICOM Nationals travelling within the Region.

Dual Nationality

The Conference decided that Member States should adopt and implement the principles of dual nationality between Member States of CARICOM. The Delegation of Trinidad and Tobago, however, abstained in view of the fact that its Constitution is currently under review.

Regional Collaboration Regarding Commonwealth Prime Ministers' Conference to be held in Jamaica in April/May 1975

The Conference noted, with particular pleasure, that the next meeting of the Commonwealth Heads of State and Government will be held in the Caribbean at Kingston, Jamaica. The Conference agreed that the other Independent countries in CARICOM should assist the Government

of Jamaica in arrangements for hosting the Commonwealth Prime Ministers' Conference and agreed that senior officials from these countries should meet at an early date to initiate detailed preparation for the Conference.

Reiterating its confidence in the value of the Commonwealth as a force for good at the international level, the Heads of Government expressed their satisfaction that the Regional movement which had been built on Commonwealth links was now supporting for the office of Secretary-General of the Commonwealth Secretariat one of its distinguished sons who had himself played a central role in the building of the Caribbean Community.

Appointment of New Secretary-General of the Caribbean Community Secretariat

The Conference was pleased to announce the appointment of Mr. Alister McIntyre as new Secretary General of the Caribbean Community Secretariat. Mr. McIntyre, a Grenadian, who is currently Director of the Institute of Social and Economic Research at Mona, Jamaica, has had a distinguished career as Economist in the Region. He assumes duty on 1st September, 1974 as successor to Mr. William Demas who will soon be taking up residence in Barbados in his new capacity as President of the Caribbean Development Bank. The Conference expressed its deep appreciation of the dedication which Mr. Demas had exhibited during his term of office as Secretary General and the tremendous contribution he has made to economic integration in the Region.

Participation in the Caribbean Community

The Conference gave consideration to the participation of the States of the Bahamas and St. Kitts-Nevis-Anguilla in the Caribbean Community. Opportunity was taken to clarify the position of The Bahamas involving its possible adherence to the Community Treaty without participating in the Common Market.

Foreign Investment and Technology in CARICOM

The Conference considered Art. 44 of the Common Market Annex of the Treaty Establishing the Caribbean Community on the questions of national participation in the economies of the Member States and the formulation of a Common Policy on Foreign Investment and agreed to refer the matter to a Working Party for further study.

Regional Agricultural Projects

The Conference agreed in principle to the development of regional agricultural projects as an instrument for achieving greater rationalisation of agriculture within the Region and also agreed to the reorganisation of the Regional Research Centre to enable it to perform a more meaningful role in regional and national programmes of agricultural development.

Regional Commission on Prices and Standards

The Conference agreed that there should be further study on the proposed Regional Commissions on Prices and Standards.

The Caribbean Development Bank and the Less Developed Countries

The Conference considered how the Caribbean Development Bank could more fully realise its purpose of contributing to the harmonious economic growth of Member Territories and agreed on proposals which will be submitted by Member States to the Board of Governors of the Bank for consideration.

Relations with EEC

The Conference reviewed the progress of the negotiations between the African, Caribbean and Pacific (ACP) countries and reaffirmed its commitment to a joint Caribbean approach within the ACP Group. It also noted the offer of the EEC on free access for manufactured and semi-manufactured goods and expressed concern that the offer would be of little practical value unless the rules of origin which determined whether the goods would qualify for preferential access were considerably relaxed.

The position with respect to sugar and bananas was discussed and approaches were agreed upon with a view to maintaining, through the negotiating framework, continued access for those commodities on the most favourable terms, to the markets of the enlarged Community.

The Conference also discussed arrangements for the forthcoming Kingston Ministerial Meeting between the ACP countries and the Community and considered ways in which the Caribbean could contribute most effectively to the success of the Meeting and, in particular, to the achievement of the objectives of the Caribbean countries within the framework of the ACP Group.

Widening of the Caribbean Community and Common Market

The Conference noted the application of the Government of Haiti for membership of CARICOM and referred the application to the Secretariat for study.

Caribbean Community Secretariat and Other Secretariats

The Conference endorsed the principle of cooperation between the Caribbean Community and two Latin American Economic groupings: The Central American Common Market and the Andean Common Market. It accordingly agreed that the Caribbean Community Secretariat should seek to establish formal relations with the Secretariats of the Central American Common Market (Guatemala, El Salvador, Honduras, Costa Rica, and Nicaragua) and the Andean Common Market (Venezuela, Colombia, Ecuador, Peru, Bolivia and Chile).

Meeting of Presidents and Prime Ministers of Latin America

The Conference endorsed proposals for a Meeting of Presidents and Prime Ministers of Latin America to discuss issues of mutual interest. In this regard, the Conference considered that a meeting of Independent Member States of the Caribbean basin was desirable.

U.N. Conference on Law of the Sea and International Seabed Authority

The Conference strongly endorsed the offer by the Government of Jamaica to have the proposed International Seabed Authority sited in that country.

Standing Committee of Ministers Responsible for Industry

The Conference agreed on the establishment of a Standing Committee of Ministers Responsible for Industry as an Institution under the Treaty establishing the Caribbean Community. This institution will have as its prime responsibility the development and implementation of programs for the industrial development of the Region.

Standing Committee of Ministers Responsible for Transport

The Conference decided to create a Standing Committee of Ministers responsible for transport as a new Institution under the Caribbean Community Treaty to coordinate at the policy level all aspects of Sea and Air Transport in the Region, subject to the Working Party of Officials formu-

lating detailed terms of reference for this Ministerial Committee. It also decided that the Working Party should draft a new Agreement governing WISCO to provide for:

- (a) the operation of WISCO along commercial lines;
- (b) more powers of day-to-day decision-making being delegated to the Board of Directors.

The Conference welcomed the decision of Guyana to become a full participant of WISCO with effect from 1st January, 1975.

Rationalisation of Air Transportation

On the question of air transportation in the Region, the Conference agreed that the Working Party established to examine the matter should proceed expeditiously with its work.

Co-operation in Mass Communications

The Conference noted the extensive preparatory work done over the past two years by the UNESCO Communications Advisers in collaboration with the Region's media administrators towards the establishment of a Caribbean News Agency. Further, the Conference took the view that the early establishment of the Agency is of vital importance to the social, economic and cultural development of the Community and especially of the territories where there was now no effective flow of news and information, and, therefore, called for the early establishment of the Agency and expressed its readiness to assist in appropriate ways.

Regional Library Development and Cooperation

The Conference agreed on a programme of regional library development through the establishment and designation of national libraries and exchange of publications and literature within the Region. It also agreed that there should be participation at professional level by all Member Governments in the Regional Editorial Board which is to be established in the near future to produce a Regional Bibliography.

Caribbean School of Navigation

The Conference agreed, in principle, to the establishment of a Caribbean School of Navigation to be located in one of the Less Developed

Countries and decided that a working party, including experts from the International Labor Organization (ILO), Officials from Member States and representatives of the Caribbean Community Secretariat, should work out details and cost.

The Caribbean Community and Commodity Agreements

The Conference considered the question of arrangements fair to both producers and consumers in the Region for commodities entering into regional trade and decided that the matter should be referred to the Caribbean Community Secretariat for further study.

Observance of Caribbean Community Day

The Conference agreed that Caribbean Community Day should be observed on 4th July with effect from 1975, and agreed to set up a committee to consider and make recommendations for conferring annual Awards to mark this Day. The Conference, however, noted that some Governments had already declared the first Monday in August as Caribbean Community Day.

Caribbean Community Emblem

The Special Committee appointed to select a Caribbean Community Emblem was unable to find any entry which satisfied all the criteria which had been set for the competition. The Conference therefore agreed that no award should be made and that the Secretariat should seek professional assistance in the designing of a suitable emblem.

Caribbean Assembly of Youth

The Conference agreed to accord the Caribbean Assembly of Youth consultative status with the Caribbean Community.

Statement by Premier of St. Lucia

At the final plenary session, The Hon. John Compton, Premier of St. Lucia, made the following statement:

I wish to bring to the attention of Conference a report which appeared in the TRINIDAD EXPRESS of July 16, 1974, crediting me with having made certain statements which by themselves would appear to be calculated to militate against the success of this Conference.

From time to time all of us have been made painfully aware of the mischief irresponsible reporting in some organs of the Press can create among the Governments and peoples of the Region. We are all also aware that there are forces working assiduously against the integration movement in the Caribbean and that these forces have redoubled their efforts in recent times as the success of our efforts becomes more apparent.

It is in this context that I ask the Conference to view that article in its references of the leadership in the Region, and more specifically to my brother from Guyana.

First of all, let me say categorically that I regret any pain which this report may have caused my colleagues in general and my good friend Prime Minister Burnham in particular. I wish it to be recorded that we in St. Lucia fully appreciate the admirable efforts which Guyana has made in furtherance of the integration movement in the Caribbean and the many personal contributions which Mr. Burnham has made to its successes.

The report which is given the appearance of a recent statement is in fact the result of an interview given some time ago and long since forgotten. This is not the time or place to go into the details concerning the remarks attributed to me; but let it be noted that the juxtaposition of questions and answers can be so presented to give a picture entirely different from that intended.

All of us who have had the privilege of hosting the Heads of Government Conferences are aware of our duties as hosts and St. Lucia would never be guilty of deliberate discourtesy to any of her guests, especially when they are here as representatives of our sister States.

I trust that these remarks of mine will lay to rest any misunderstanding which may have arisen among my colleagues.

For the record, I may inform the Conference that I have had a discussion with the Prime Minister of Guyana this morning on this matter and he fully understands the explanation I have given.

Resolution on Arresting Fragmentation

The Heads of Government Conference of the Caribbean Community at its Meeting in St. Lucia:

ACKNOWLEDGING that the State of St. Kitts-Nevis-Anguilla (comprising the islands of St. Christopher, Nevis, Anguilla, Sombrero, and quays adjacent to Anguilla) is an integral Member of the family of Commonwealth Caribbean Countries and that the Caribbean Community is incomplete without its participation as a full and equal Member;

REJECTING as inoperative and unacceptable any reservations purporting to qualify or delimit the authority of the Government of St. Kitts-Nevis-Anguilla to adhere to the Treaty of Chaguaramas on behalf of the entire State;

RECOGNISING therefore, the competence of the Government of St. Kitts-Nevis-Anguilla to adhere to the Treaty of Chaguaramas on behalf of the State in a manner consistent with its constitutional status and full territorial integrity —

AGREES THAT:

- (1) The Caribbean Community, acting in consultation with the Government of St. Kitts-Nevis-Anguilla, will contribute actively to the search for and implementation of measures and mechanisms intended to contribute to the constructive resolution of constitutional and developmental problems within the State.
- (2) The Government of the United Kingdom be requested to co-operate with the Community in all such regional efforts towards a positive solution of prevailing difficulties and to refrain from any course of action inconsistent with the evolution of such efforts and the progressive development of the Caribbean integration movement.
- (3) The continuing decision of the Government of St. Kitts-Nevis-Anguilla to accede to the Treaty of Chaguaramas on behalf of the State of St. Kitts-Nevis-Anguilla is still further evidence of the long-standing commitment of that Government to the objectives of Caribbean unity and a source of deep satisfaction to the other Members of the Caribbean Community.

Resolution on the Sovereignty of Belize

On the occasion of the Conference of the Heads of Government of the Caribbean Community in St. Lucia, the Governments of Barbados, The Bahamas, Grenada, Guyana, Jamaica and Trinidad and Tobago:

RECALLING the Declaration of the Prime Ministers of Barbados, Guyana, Jamaica and Trinidad and Tobago on the discriminatory exclusion of certain Caribbean Countries from the Inter-American System made at the Seventh Conference of Commonwealth Caribbean Heads of Government at Chaguaramas in Trinidad and Tobago;

MINDFUL of the Resolution of Mutual Assistance Against External Aggression adopted by the Governments of Barbados, Guyana, Jamaica and Trinidad and Tobago at the Eighth Conference of Commonwealth Caribbean Heads of Government at Georgetown in Guyana;

RECOGNISING the continuing aspirations of the Belizean people for freedom from colonialism and for the fulfilment of their right to self-determination;

CONSCIOUS that the continuing restraint against the assumption of independence by Belize is the threat of aggression against its territorial integrity and national sovereignty as recently reiterated in terms of the "reincorporation" of Belize as a part of Guatemala "by any means";

NOTING with regret the inability of Belize to secure a negotiated settlement by the disputants;

LEARNING with disappointment of the action taken by Guatemala in relation to the entry of Belize into the Caribbean Community and Common Market —

- (1) *Condemn* all acts inconsistent with and in denial of the right of the Belizean people to self-determination;
- (2) *Oppose* all policies calculated to impede fulfilment of the wish of the people and Government of Belize to terminate (her) colonial status; and

- (3) *Declare* their joint determination to take all steps necessary to support and assist the Belizean people to achieve independence and to secure and preserve the sovereignty of Belize.

COUNCIL OF MINISTERS

The Fourth Meeting of the Common Market Council of Ministers concluded on July 13, 1974. One of the most important matters to be discussed during the meeting was that relating to negotiations with the E.E.C. The Council reviewed the progress of the negotiations to date and considered its position on the various issues to be discussed at the forthcoming Ministerial meeting between the E.E.C. and the African, Caribbean and Pacific Group in Kingston, Jamaica on July 25, 1974.

The Council reaffirmed its solidarity with the Caribbean and Pacific countries in continuing unified negotiations with the E.E.C. and arrived at certain conclusions on arrangements in respect of commodities of special interest to the Region — especially bananas and sugar. The decisions and recommendations of the Council will be forwarded to the upcoming Conference of Heads of Government of the Caribbean Community, for consideration.

The Council also considered the Report of the Tenth Meeting on the Agricultural Marketing Protocol and approved a new grading system for commodities traded under the Protocol as well as allocations and prices for these commodities for the period July-December 1974. The question of prices for trade in copra and raw oil has been deferred for further consideration at a special Ministerial meeting to be convened on Tuesday, 16th July.

CARIBBEAN COMMUNITY-MEXICO JOINT COMMISSION

The Caribbean Community and the Government of Mexico concluded an Agreement establishing the Caribbean Community-Mexico Joint Commission, on July 30, 1974, in Kingston, Jamaica. The Agreement provides for the establishment of a Joint Commission between the Caribbean Community and the Government of Mexico with the objective of working out concrete programmes and projects for closer co-operation between the Caribbean Community and the Government of Mexico in economic, tech-

nological and cultural fields. The Commission will comprise representatives of the Caribbean Community and the Government of Mexico.

At the Signing Ceremony, the Foreign Minister of Mexico and the Secretary General of the Caribbean Community Secretariat both made Statements. The Statement of the Secretary-General, Caribbean Community Secretariat follows:

The Agreement establishing a Joint Commission between Mexico and the Caribbean Community represents the first International Agreement to be entered into by the Caribbean Community. The signing of the Agreement today is of special significance for nine reasons.

First, it is being signed in Jamaica, a Member State of the Caribbean Community which has long had close relations with Mexico.

Second, it takes place very shortly after all the twelve Member Territories of the now defunct Caribbean Free Trade Association (CARIFTA) are now full Member States of the new Caribbean Community and Common Market (CARICOM).

Third, the signing of this Agreement represents an important example in action of one of the fundamental bases of the Caribbean Community — the need for collective action as far as possible in the Community's relations with other states and international organizations.

Fourth, there is special significance in the fact that the signing of the Agreement with Mexico here follows immediately on an unprecedented display of solidarity during last week also here in Kingston, Jamaica, between a group of Third World countries (the African, Caribbean and Pacific countries) in their negotiations with a group of developed countries (the member states of the European Economic Community) for what is essentially a new model of Economic Cooperation between Developed and Developing countries.

Fifth, it is significant that the first International Agreement of the Caribbean Community is with Mexico — a highly progressive country and undoubtedly one of the leading countries of the Third World. The Member States of the Caribbean Community are very conscious of the fact that Mexico has always conducted its foreign relations in an exemplary manner — on the basis of respect for the

sovereignty of all States and non-interference in their internal affairs. They are also conscious of the fact that Mexico under the leadership of its dynamic President and its energetic Minister of External Affairs has over the last few years been playing a leading role in international forums such as UNCTAD, at the 1972 Session of which it introduced the bold and far-reaching conception of a Charter of Economic Rights and Duties applicable to all states of the international community. The proposal for such a Charter was strongly supported by the Member States of the Caribbean Community represented at the UNCTAD Conference and the Community now hopes that the Charter will be adopted in a satisfactory form at the forthcoming United Nations General Assembly. The Caribbean Community also shares with Mexico a common determination to improve the terms of trade of the developing countries in their trade with the developed countries and to secure improved conditions of access for exports from developing to developed countries.

Sixth, the signing of this Agreement is also significant in that it represents a reaching out of the Caribbean Community to other countries of the Caribbean Basin and the rest of Latin America. The Member States of the Caribbean Community are very conscious of the need to develop closer economic ties with all the other States of the Caribbean Basin — an area which undoubtedly has considerable economic potential. The signature by the Caribbean Community of this Agreement is also part of our desire to forge closer links with other Latin American economic groupings. Only two weeks ago, the Conference of Heads of Government of the Caribbean Community mandated the Caribbean Community Secretariat to explore the possibility of establishing formal relations with the Secretariat of the Central American Common Market and with the Junta of the Andean Common Market.

Seventh, it is significant that the Agreement lays special stress on the need for an equitable sharing of benefits between Member States within economic integration groupings — a principle given concrete form in the Treaty of Chaguaramas establishing the Caribbean Community, which provides for a Special Regime for the Less Developed countries of the Community and Common Market.

Eighth, it is a source of great satisfaction to the Caribbean Community that the Agreement with Mexico provides for closer cooperation between Mexico and the Caribbean Community in the area of

technology. I need not emphasize how much both the Caribbean Community and Mexico have to gain by cooperation in the development of indigenous, appropriate technologies and in defending the interests of their peoples with regard to the so-called international "transfer of technology".

Finally, it is a source of even greater satisfaction to the Caribbean Community that cooperation with Mexico will go beyond the economic and technological fields. For the Agreement also seeks to bring the *people* of Mexico and the *people* of the Caribbean Community closer together through the mediation of cultural interchange. Here I need only say that the peoples of the Caribbean Community have much to offer in terms of cultural creativity and vitality, while the people of Mexico are well known throughout the entire world for the effectiveness and originality with which they have so brilliantly synthesised the two main streams in their cultural heritage — the Indo-American and the Hispanic — and thus made an unforgettable contribution to the goal of human brotherhood.

MINISTERIAL MEETING

At the invitation of the Government of Jamaica, a Ministerial Conference was held in Kingston on July 25 and 26, 1974 with the participation of the representatives of 44 African, Caribbean and Pacific States and the European Economic Community. The aim of this Conference was to take stock of progress made in the negotiations which have been going on for a year between the ACP States and the EEC and to give them a new momentum. As stated by Hon. Michael Manley, the Prime Minister of Jamaica, the Conference was thus an opportunity to open the way to a new world economic order. It was intended to define the principles of a new model for relations between the industrialized and the developing countries on the basis of international social justice. In their discussions, the Ministers therefore concentrated on the main topics to be dealt with in the negotiations and were able to arrive at joint guidelines on the following matters.

Stabilization of Export Earnings

One of the most salient features of this innovatory approach is the agreement by all parties on the setting up of a system *for stabilizing earnings from ACP exports* of primary products to the Community. This

system is designed to neutralize the adverse effects on the economies of the countries concerned of drops in the price or quantity of the main products exported. The practical arrangements for applying this system will now be negotiated between the ACP States and the Community, while the Commission will immediately begin talks with the relevant producer countries on the various products, in particular sugar which, it was acknowledged, has always been a problem of particular importance.

Industrial Cooperation

The other original element on which joint guidelines were established relates to *industrial cooperation* between the ACP States and the Community. The latter noted that the ACP States attach fundamental importance to their industrialization; the Community has therefore undertaken to support this aim by all means possible under the future Convention.

General Trade Arrangements

As regards *trade arrangements*, the participants recognised that the keynote should be stability and recognition of the fact that the developing countries are in an unequal position vis-à-vis their partners. The main feature of these arrangements will be free access for the ACP States to the Community market, no corresponding commitments being required of the ACP States. However, as a result of important comments made by the ACP countries and examined by the Conference, various factors which may hamper trade in some products will have to be examined again in the negotiations: these are — rules of origin, and non-tariff barriers, with particular reference to products covered by the common agricultural policy.

Financial Cooperation

The Conference noted with satisfaction the progress made on *financial cooperation* during the negotiations in Brussels. An initial discussion was held on the amount of aid to be granted by the Community to the ACP States; this discussion will be continued during the negotiations.

Institutions

It was agreed that the *institutions* providing the framework for the cooperation agreement as a whole would be examined at the end of the negotiations.

Having agreed on these new principles, the Ministers considered that negotiations should now be resumed at a faster pace at plenipotentiaries' level in order to arrive at a conclusion in good time. This means that the proceedings of the plenipotentiaries will be completed by the end of next November at the latest.