

made them a dramatic case for becoming partners in a Common Market, and (2) success toward common economic relations had greater possibility than in other areas for they had a long tradition of close relationship—they were a unit for 300 years under the Spanish Captaincy-General of Guatemala and were united as one nation from 1823 to 1842.

Early in 1951, when the Korean war was underway and the prices of Central American commodities continued high in foreign markets, Dr. Prebisch inquired of the five ministers if it were possible to create larger markets within Central America and accelerate industrialization and economic development. He invited them to the fourth ECLA meeting, taking place in Mexico City, to think aloud on what Central Americans could do themselves toward creating means toward stability. Most of the Ministers accepted the invitation. At the time, there was little if any thought of a "Common Market"—the present concept of merging the five economies. They thought more in terms of removing economic barriers among themselves for the products of new industries producing goods not then made in Central America and by offering prospective industrial investors a five-country market, an offer none of the five could make individually. As "unionistas," these leaders ideologically favored political and economic union among the five republics but as practical men they sought to avoid antagonisms from vested interests and therefore worked toward common ground for establishing new industries, like fertilizer factories.

ECONOMISTS SUCCEED FIRST

It is perhaps only coincidental, but nevertheless significant, that political and economic organizational efforts came about in close proximity, with the economists succeeding first.

June 16, 1951, is considered the beginning date of the Central American Common Market and economic integration movement. On that day at the ECLA meeting in Mexico City, the United Nations created the Economic Cooperation Committee of the Central American Isthmus (Comité de Cooperación Económica del Istmo Centroamericano) to collaborate with ECLA in exploring means of creating more economic stability within the five republics, and, in a second agreement, the Central Americans pledged to coordinate their governmental infrastructure projects insofar as feasible, so that roads, for instance, connected at predestined points for continuation in both countries.

Four months later, in San Salvador on October 15, 1951, the Charter of San Salvador was signed creating the Organization of Central American States (ODECA), a regional political organization within the framework of the United Nations, to enable member countries to expedite consultation among themselves. Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua became members, with Panama eligible to join.

As related by one of the Ministers who had attended the ECLA meeting, the Ministers returned from Mexico City only to be jeered generally as "dreamers." Few saw the two agreements as anything but empty formalities. In any case, not many took the agreements seriously enough to even examine their meaning.

Slowly work toward economic unity began. ECLA and the five Ministers agreed that Dr. Prebisch should tour the five countries to explore ways by which the June 16 resolution could be implemented. With two ECLA officials—Victor L. Urquida and Cristobal Lara, both of Mexico—Dr. Prebisch spent 10 days or more in each of the countries, talking with government officials, businessmen, agricultural producers, exporters. At the time, Central American countries were in an isolationist mood and actually regarded each other like completely foreign powers. Honduras and El Salvador had a free trade agreement dating to 1918 but the other countries did not see it as a model.

In a report on his findings, Dr. Prebisch pointed out possible fields for economic cooperation among the five and presented his proposals to the first meeting of the Economic Ministers, based on the June 16 resolution, held in Tegucigalpa in August 1952. The seeds for the Common Market were planted there. The Ministers decided to create the "Comité de Cooperación Económica del Istmo Centroamericano," comprising the five Economic Ministers, and to meet annually. ECLA was named to be the Comité's secretariat and perform the technical work of the Comité. Gustavo Martínez Cabañas, of Mexico, a high official of the U.N.'s Technical Assistance Program, noted that the United Nations could finance the costs of surveys to implement the Central American idea. No government opposed this program since none apparently felt it was affected by it.