

EFFECTS OF POLITICAL CHANGE

One of the more remarkable facts of the Central American Common Market history is that the movement has been kept relatively free of impediments by political changes and shifts in government among the five countries. The ministers have met informally and often on short notice. Although each country in the period 1951-65 had at least four or five economic ministers (El Salvador apparently had seven), and although diplomatic relations were sometimes suspended among them (Costa Rica and Honduras, for example, were without relations for about 2 years), the work of economic integration went ahead.

In the times of absence of diplomatic relations, a Central American observer, the economic ministers continue to meet as members of the Council of Ministers or as members of the governing boards of ICAITI and ESAPAC and sometimes to develop common views for international conferences and name representative speakers. There have been differences but these have been ironed out, despite heated discussion and strong clashes of interest.

PANAMA AND THE COMMON MARKET

With regard to Panama, a SIECA authority has pointed out that Panama has been represented in the meetings of the Central American Economic Cooperation Committee (Comité de Cooperación) as an observer, since 1952, and has "actively participated in the activities of the various economic integration organizations since 1959."

As a result of the meeting of the Presidents of the six countries of the Isthmus and President Kennedy in San José in March 18-20, 1963, governmental representatives of Central America and Panama agreed in Antigua, Guatemala, in September 1963, to "carry on a process of gradual and progressive association based on an initial free trade and preferential treatment schedule, which would be amplified later through successive negotiations." (SIECA publication, the Central American Common Market, volume 2, Guatemala, December 1964.)

Noteworthy also is the following excerpt from a report in the Chase Manhattan Bank's quarterly "Latin American Business Highlights" of the second quarter, 1963:

"Panama's reluctance to enter as a full member stems from the fact that the economy has close ties with the United States. In order to join, Panama would have to match its tariff rates with the other member countries and thus would mean large tariff increases on U.S. imports. However, as an associate member, Panama will likely negotiate other agreements similar to the Free Trade and Preferential Treaty signed earlier this year (1963) with Costa Rica and Nicaragua. The Treaty provides for free trade in 100 products between Panama and Costa Rica, and in 60 products between Panama and Nicaragua."

The Panama case may reach a climax in mid-1966 after SIECA presents a study on the points of view of Central America as a whole and Panama as a single country. This study is expected to be completed in May. However, it is considered Panama is unlikely to enter into a definitive agreement until after completion of negotiations with the United States regarding the Panama Canal.

"AN ECONOMIC WONDER"

What remains to be done to bring about complete economic integration and its attendant institutions bulks large on the horizon both in the eyes of economic experts and entrepreneurs. What has been already done, however, is little short of an economic wonder, even with the advantages of common language, traditions, and contiguous territory. As "The Report by the Committee on Foreign Law of the Association of the Bar of the City of New York" said in June 1962:

"The lusty young movement known for convenience as the 'Central American Common Market' (has accomplished) * * * practical economic cooperation which has astonished even many of its ardent advocates, and machinery for resolving disputes which contains the seed of a regional system of law and judiciary."

Central Americans are justly proud of their accomplishment.

"Although Central America is presently one of the less developed regions in Latin America," says the SIECA publication 'Economic Integration of Central America and the Role of the Alliance for Progress' of March 1963, "the efforts toward economic union is one of the most notable examples of self-help to be found in the entire area. The Central American Common Market is the work of the Central Americans and is viewed by us as our main hope in moving towards a