

small fraction of their total foreign trade. Moreover, discussions and studies have been conducted for some years concerning the establishment of a Gran-columbian Free Trade Area that would include Venezuela, Ecuador and Colombia. Strong protectionist tendencies and widely differing cost structures in Venezuela and Colombia have, however, so far delayed agreement on workable free-trade arrangements.

Of the 15 Latin American countries involved in sub-regional free trade arrangements, Brazil, Chile, Nicaragua and Uruguay are members of the General Agreement on Tariffs and Trade. The seven members of the Montevideo Treaty have indicated their willingness to submit to a GATT examination of the proposed trading arrangements. This agreement, like other regional arrangements, must conform with Article 24 of the GATT, concerning the formation of regional common markets and free trade areas.

