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SECRETARIAT NOTE RELATING TO INTERNATIONAL
TRADE IN COCOA, COTTON AND TROPICAL TIMBER

The brief notes on cocoa, cotton and tropical timber below are intended to assist the Group with some relevant information on price and trade trends, discussions in the GATT and in other international organizations, and commercial policy measures affecting these three commodities.

COCOA

1. Cocoa is of vital importance - accounting for one fifth to three fourths of export earnings - for five developing countries, and is of major significance in the export trade of at least sixteen other developing countries. While the volume of world exports of cocoa beans has recorded a substantial increase between the late 1950's and 1964, export receipts from cocoa beans in 1963 and 1964, at slightly less than \$500 million, were below their level for 1958/1960, as the effect of the higher volume exported was more than offset by the decline in prices. Production of cocoa during the post-war period has been characterized by a pronounced upward trend within a fluctuating pattern. After a slight decline in production in 1961/62, expansion in production was resumed in 1962/63, continuing into 1964/65, when production came to a new record level, exceeding 1,500 thousand tons, up from 1,165 thousand tons in 1960/61. Consumption has also moved upward, but, on the whole, the growth of supply has tended to outpace the increase in consumption, with consequent pressure on prices, noticeable since the late 1950's, resulting earlier this year in the virtual collapse of the market.

2. In following the movement of prices it may be recalled that, in the autumn of 1964, the Cocoa Producers' Alliance (Ghana, Nigeria, Brazil, the Ivory Coast, Cameroon and Togo) established export and sales quotas as well as an indicator price of 190/- per cwt. In mid-October 1964, when prices had failed to maintain that level, members withdrew from the market. In February 1965, the Alliance decided to allow members to resume selling, and prices began declining severely. In June 1965, the three month's future quotations at New York averaged 12.7 cents per pound, falling to less than 12 cents in early July, or a decline of about one half in six months.¹

3. Towards the end of July cocoa prices tended to recover until September, to weaken again during the second half of the month, showing only little change in October. The average for both September and October remained, however, at 40 per cent below that recorded in January 1965, before the collapse in prices took place.

¹Price quoted for "good fermented Ghana", nearest forward shipment c.i.f. European ports, gradually declined from 268/- per 50 kgs. in 1959 to 162/- per 50 kgs. in 1962. After having recovered in 1963 to an average of nearly 200/- per 50 kgs., for the whole of the year, they weakened again during 1964 and in January 1965 fell to 180/- per 50 kgs. Thereafter, under the impact of the heavy 1964/65 crop, and only slowly rising import demand, prices collapsed. The already mentioned quotations fell to 162/- per 50 kgs. in February, 126/- in April, reaching in July a low of only 91/-.

4. The situation in the international cocoa market has been kept under review in a number of international bodies notably by the FAO Cocoa Study Group (established in 1956) by the GATT, the United Nations and by UNCTAD.
5. In 1963, a United Nations Cocoa Conference was held with a view to negotiating an international cocoa agreement. The Conference, however, failed to reach agreement, largely - it would appear - because of a divergence of view on the question of prices.
6. Following the failure of the effort made by the Cocoa Producers' Alliance to maintain prices, developments in the international cocoa market were discussed at the height of the crisis in July/August 1965, by the UNCTAD Committee on Commodities, leading to proposals for the resumption of a negotiating conference on cocoa.
7. In accordance with decisions taken by the UNCTAD Committee on Commodities, and the Trade and Development Board of UNCTAD, a meeting of Working Party I (Prices and Quotas) of the United Nations Cocoa Conference was convened in Geneva from 18-22 October 1965, to consider short-term measures to be adopted to meet the emergency situation. A reference is indicated in this connexion to UNCTAD document TD/Cocoa.1/WP.1/R.18, the report of the Working Party, and to the Press Release TAD/63, issued by the Information Services of UNCTAD.
8. It may be noted that one of the points dealt with by the Working Party related to the question of duties and fiscal charges on cocoa.
9. The Working Party agreed to reconvene from 10-21 January 1966. A meeting of the United Nations Cocoa Conference is envisaged for April 1966.
10. As far as the GATT is concerned, it may be recalled that cocoa was one of the commodities included in the first group of products examined by Committee III. Cocoa was also studied in detail in the Special Group on Trade in Tropical Products. On the basis of its study, the Group drew up, and Ministers adopted, in May 1963, a set of conclusions aimed at assisting less-developed countries to deal with problems faced by them, both as regards access to markets and the question of prices. In drawing up their conclusions, Ministers envisaged that the problems experienced by the cocoa producers would be solved within the context of an international cocoa agreement.
11. The examination of possibilities for action which might be taken within the framework of GATT was resumed by the Special Group on Trade in Tropical Products in February 1964. It was then indicated that both the question of barriers to trade and the price aspect could be dealt with in the framework of the Kennedy Round. Subsequently, the Special Group on Trade in Tropical Products was integrated into the machinery for the conduct of the trade negotiations under the aegis of the Trade Negotiations Committee, and the Group has considered specific proposals for dealing with tropical products in the Kennedy Round negotiations.

¹Copies of the Press Release will be made available to the meeting.

12. According to the agreed procedure for the negotiations, offers in respect of agricultural products, including tropical products, were tabled in September 1965. The offers relating to the reduction or elimination of duties on cocoa and cocoa products can be expected to be the matter of negotiations between countries participating in the Kennedy Round.

13. A summary table showing duties, fiscal charges, etc. on cocoa and cocoa products applied in important import markets, is contained in Annex I to this document.

COTTONI. Recent trends in world production, consumption and trade

1. Statistical annexes showing raw cotton supply and distribution up to the period 1964 in relation to a base period of 1956-60 and world export prices from 1958 to August 1965 are attached.¹ It will be seen that:

- (i) total world production of cotton has increased from 9,657 thousand tons per annum for the period 1956-62 to 11,500 thousand tons in 1964. Production in the United States increased from 2,797 thousand tons over the base period average to 3,300 thousand tons in 1964. The corresponding figures for production in the developing countries are 3,616 thousand tons and 5,000 thousand tons respectively;
- (ii) at the same time total consumption has increased from the 1956-60 average of 9,864 thousand tons to 10,850 thousand tons. Consumption in the United States increased from 1,857 thousand tons to 2,000 thousand tons respectively, and in the developing countries from 2,321 thousand tons to 3,050 thousand tons. Over the same period there has been a marginal decline in production in the centrally planned countries and an equal marginal increase in consumption;
- (iii) world exports have risen from the 1956-60 average of 3,415 thousand tons to 3,600 thousand tons. Exports from the United States were 1,351 thousand tons on the 1956-60 average and 880 thousand tons in 1964. The corresponding figures for the developing countries were 1,640 thousand tons, and 2,260 thousand tons respectively. Over the same period, imports of raw cotton into Western Europe declined slightly. This was offset by small increases in other developed countries and in the centrally planned economies;
- (iv) as a result of these developments, world stocks of raw cotton rose from 4,843 thousand tons on the 1956-60 average to 5,650 thousand tons in 1964. The stocks of developing countries increased from 1,201 thousand tons to 1,560 thousand tons, and those of the United States from 2,215 thousand tons to 2,700 thousand tons. Over the same period, the ratio of consumption to production in the developing countries fell from 64 per cent to 60 per cent and in the United States from 66 to 60 per cent. The increase in consumption in the United States in 1964 has been associated with the introduction of regulations which, since April 1964, have permitted the United States textile industry to purchase raw cotton at the equivalent of the subsidized export price. While the decline in the ratio of consumption to production in the United States reflects a situation in which consumption has stagnated while production has increased moderately, the decline in the consumption to production ratio in the developing country reflects a situation in which consumption has increased appreciably but not to the same extent as production.

¹See Annex 2.

2. The stagnation in the consumption of cotton, particularly in the developed countries, is associated with the growing utilization of man-made fibres in the textile industry. The industrial production capacity of synthetic fibres increased by 30 per cent between 1963-65 to match an increase of 30 per cent in the market requirements for this type of yarn in the industrialized countries alone. At the same time, the displacement of raw cotton from the world markets has taken place without any corresponding shifts in cotton production. It might be noted, in this connexion, that the increase in United States production has taken place in spite of the programmes for acreage limitation in force since 1958 and in spite of the fact that the United States area under cotton has declined to half between 1950-65.

3. In spite of growing stocks and the structural imbalance between the supply and demand for raw cotton, international prices have shown a greater degree of stability than prices for commodities like coffee, sugar, cocoa, rubber and jute, etc. Between 1958-65 the variations in United States export prices did not exceed a range of 15 per cent, the maximum year-to-year fluctuations being 7.5 per cent (1959-60). The stability in United States export prices imparted by the policies of the Commodity Credit Corporation has been paralleled by a similar measure of stability in the export prices of other producers.¹ This price stability has been particularly marked in respect of long staple cotton which originates wholly in developing countries, though it has benefited from somewhat different supply and demand conditions. The relative stability in the world market price of raw cotton can be ascribed to the fact that through the price policy pursued in the world's leading supplying and exporting countries, fluctuations between demand and supply tended to be reflected less in prices than in changes of stocks. On the other hand the fact that the prices of cotton have maintained stable levels could have some implications for the price competitiveness of raw cotton vis-à-vis synthetic fibres.

4. On the basis of present trends and policies, the structural imbalance between production and consumption of raw cotton may be expected to continue into the foreseeable future. However, very recently the United States has introduced legislation which might have significant effects on United States production and stocks and on international trade. The new agricultural Act requires the Credit Commodity Corporation to make cotton available for domestic use at the same prices that it sells for export, but not less than 110 per cent of the loan rate (which for 1966 has been set at 21 cents per pound) and that it must sell each year for

¹Over the same period year-to-year average price fluctuations for coffee and cocoa have exceeded 21 per cent; over 30 per cent for sugar; 22 per cent for rubber; 30 per cent for jute; etc. Maximum spread for other commodities along the 1958/65 period was also considerably higher: 54 per cent for cocoa (1958-62); 28 per cent for coffee (1958-63); 43 per cent for jute (1959-61); 37 per cent for rubber (1960-64); etc.

unrestricted use at the market price to provide the difference between estimated production and use. Price-support loans will be not more than 90 per cent of the average world market price for cotton. To maintain farm income from cotton and encourage adjustments in acreages planted to cotton, price support and diversion payments will be made at varying payment rates to producers, depending on participation with acreage reduction provisions. The equalization payments made to handlers and others will be eliminated. United States cotton market prices will move with world prices. Farmers may plant cotton in excess of the acreage allotment and forego price-support loans and payments on farms receiving export market acreage. The sale and lease of upland cotton allotments is permitted. Farmers must underplant their allotments in order to qualify as co-operators; however, they receive diversion payments on the retired acreage and may receive increased payment if acreage is diverted above the minimum diversion requirement. Long-term contracts for the retirement of cropland from production will be available under the cropland adjustment programme.

II. International co-operation

5. The GATT examined on different occasions the state of international trade in this commodity and Committee III referred specifically to this subject in the Third Report, May 1960.¹ The Committee concentrated its discussions on the effects on trade of the price support programme operated on behalf of United States cotton growers and its accompanying features.

6. Committee III also recommended the removal of tariffs and import restrictions affecting this commodity though it was acknowledged that trade barriers by themselves constituted no significant obstacle to expansion of cotton exports. A statement showing the import treatment of raw cotton is annexed (Annex 3).

7. The main forum for international examination of cotton trade problems has been the International Cotton Advisory Committee (ICAC), a subsidiary body of the United Nations of which forty exporting and importing countries are members. At the twenty-fourth plenary meeting of ICAC in May 1965 nine cotton producing countries, who export more than two thirds of the cotton imported in Western Europe and Japan, tentatively agreed to set up an ad hoc scheme for sales promotion and technological research in those importing areas. The Committee recommended a cotton policy directed to the establishment of fair and profitable prices to the farmers while maintaining and improving the competitive position of cotton. It was also recommended that co-operative efforts should be undertaken to establish equilibrium between production and consumption.

¹BISD Ninth Supplement, pages 134/135.

8. At its first meeting the Committee on Commodities of the UNCTAD (July/August 1965) considered this commodity as being among those requiring "close attention"¹ though not giving cause for "immediate concern" (cocoa, sugar and coffee). It was noted that ICAC intended to implement the promotional scheme referred to previously and also to revise studies on an international agreement made by the Committee between 1952 and 1954. On this basis a prospectus would be drawn up by the ICAC as to how a study of an international cotton agreement could be undertaken. The Committee decided to maintain close co-operation with the ICAC on the treatment of problems of competition with synthetics. Many delegations voiced their interest in compensatory financing or financial assistance for expansion of storage facilities and for meeting carrying charges.

¹The other commodities requiring "close attention" of the Committee are copper, iron ore, lead and zinc, rice, rubber, tea, tobacco and vegetable oils.

TROPICAL TIMBER

General

1. Timber is an important - though largely untapped - resource for many developing countries and is of considerable importance in exports of a number of these countries. Exports of timber and timber products from less-developed countries amounted to approximately \$600 million in 1962.¹ While exports of tropical hardwoods from developing countries have shown remarkable gains over the post-war period, the share of these countries in world trade in timber and timber products is still relatively small, accounting for not more than 10 per cent of total world trade in these commodities. For a more detailed account of recent trends in the trade in tropical hardwoods see paragraphs 5-11 below.
2. The present or potential importance of timber to the economies of developing countries has been reflected in the work carried out by various international organizations. Among intergovernmental organizations, notably the Food and Agriculture Organization - in collaboration with the regional commissions of the United Nations - and the Organisation for Economic Co-operation and Development have been studying policies, as well as practical measures, for assisting less-developed countries to chart their forest resources and to develop and expand their wood processing industries and exports of timber or timber products. Possibilities for expanding such exports were also discussed by the United Nations Conference on Trade and Development, held in 1964.
3. As regards discussions in the GATT, it may be recalled that tropical timber was one of the items examined in detail by Committee III, and is covered by the GATT Action Programme. In the 1963 ministerial Conclusions it was unanimously agreed that export duties on tropical timber should be removed with the least possible delay and, if practicable, before the end of 1963. As a result of action taken by the CONTRACTING PARTIES to implement the ministerial Conclusions, and also taking into account earlier measures for import liberalization, it may be said that, at present, there remain virtually no barriers to imports of tropical timber into markets of developed GATT countries. The present suspension of the EEC tariff on tropical timber however, runs until the end of 1965. A short summary of the current import treatment for these products, together with an indication of recent progress in this regard, is contained in Annex 3 to this document. The Kennedy Round is expected to provide a framework for consolidation of duty-free treatment and progress in reducing tariffs in respect of timber and timber products.
4. The importance for less-developed countries of exports of semi-processed and processed forest products has also been stressed in discussions in the GATT elsewhere. In this connexion, it may be pointed out that, in addition to the

¹Including also pulp and paper.

efforts under way to reduce trade barriers on these products, work is also in progress in the GATT, for example under the programme of trade and aid studies, to assist the establishment of wood-processing industries in less-developed countries and the expansion of exports of these commodities, through the establishment of contacts between producing countries and industries in importing countries. Moreover, the GATT International Trade Centre, established in 1964, is presently engaged in a survey of the Western European market for plywood, veneer and laminated board. The survey will cover specific information relating to the market for these products, and it may be expected to be of value to present and potential exporters in developing countries.

Trade trends in tropical timber

5. Export earnings from timber of developing countries have shown a pronounced upward trend in recent years, mainly because of the expansion of exports to developed countries, which account for about 80 per cent of total timber exports of developing countries. The value of timber exports from developing to developed countries has grown from \$184 million in 1953-55 to an estimated \$650 million in 1964. These exports, consisting essentially of tropical hardwood species, are shipped as:

- (i) hardwood logs, which account for about three quarters of the total in value terms, essentially shipments from African countries to Western Europe and from Asian countries to Japan;
- (ii) sawn hardwood, accounting for about 15 per cent of the total and consisting mainly of deliveries from African and Asian countries to Western Europe and to a smaller extent to the United States;
- (iii) plywood and veneer sheets, representing about 10 per cent of the total, exported primarily by Asian countries to the United States and to a minor extent by African countries to Western Europe.

6. Total imports of hardwood logs, and sawn hardwood plywood and veneer sheets from developing countries into the EEC amounted in 1964 to \$310 million (c.i.f.), into Japan to \$220 million (c.i.f.), into the United States to \$120 million (f.o.b.) and into the United Kingdom to \$110 million (c.i.f.).

7. The expansion in the value of timber exports from developing to developed countries reflected primarily a steady growth in volume, induced by the steadily rising requirements for tropical timber in all the major industrial areas, with prices showing, on the whole, a firm tendency. The increase in demand for tropical timber occurred in spite of the heavy freight costs, which often make up a third or a half of the import price of tropical wood.

8. Imports of tropical hardwood logs into Japan which originate mainly in the Philippines and Malaysia and account for nearly all of this country's import requirements of hardwood logs more than doubled between 1959 and 1963 and have continued to grow at a more moderate rate since.
9. Imports of tropical hardwood logs into Western Europe also showed a sharp upward tendency in recent years and account for 85 per cent of the area's imports of hardwood logs from all origins. In spite of a decline in 1962, imports increased by 80 per cent between 1959 and 1964 to touch a record level of 5,250,000 cu.m. Following the large increase in imports and stocks recorded in 1963 and 1964, imports of hardwood logs into Western Europe during the first half of 1965 were below their level of the corresponding period of 1964. In 1965, prices of certain species of tropical hardwood logs in some European markets also showed a weakening tendency. The major markets in Western Europe are those of the EEC countries, which imported in 1964 about 4,400,000 cu.m. mainly from African countries, especially the Ivory Coast, Gabon, Congo (Brazzaville), Ghana, Nigeria and Cameroon, and to a minor extent from Asian countries. The United Kingdom imported in 1964 nearly 500,000 cu.m. of tropical hardwood logs, mainly from African countries, in particular Nigeria, Ghana, the Ivory Coast and Cameroon.
10. Imports of tropical sawn hardwood into Western Europe, the main market, have also shown a marked upward trend in recent years, but have grown less rapidly than those of tropical hardwood logs. Imports into this area as a whole, after an increase of 15 per cent in 1960, declined in the two following years but resumed their growth in 1963 and 1964 to reach nearly 1,000,000 m³ (solid volume), an increase of more than one half over 1959. During the first half of 1965 Western Europe's imports of tropical sawn hardwood continued to grow. The United Kingdom, which absorbs more than half of the European imports, imported in 1964 530,000 m³ of tropical sawn hardwood, mainly from Ghana, Nigeria, Malaysia, Burma and the Ivory Coast. Imports into the EEC amounted in 1964 to 390,000 m³, the main supplying countries being the Ivory Coast, Congo (Leopoldville), Cameroon, Ghana and Malaysia.
11. Imports into the United States of hardwood plywood and veneer sheets from developing countries experienced a steady expansion in recent years. Those of plywood, coming mainly from the Philippines, but to an increasing extent also from other Asian countries, such as Taiwan and the Republic of Korea, after a more than three-fold expansion between 1960 and 1963, rose further by one third in 1964, when they slightly exceeded 1,000,000 m³ (roundwood equivalent). Imports into the United States of veneer sheets from developing countries, mainly from the Philippines, after having almost doubled between 1960 and 1963, rose by about one half in 1964 and by another 15 per cent in the first seven months of 1965 over the same period of 1964. Imports of plywood into the United Kingdom and the EEC from developing countries also expanded in recent years, and amounted in 1964 to 200,000 m³ and 60,000 m³ (roundwood equivalent) respectively, coming mainly from African countries.

ANNEX 1
Commercial and Economic Policy Measures Applied by GATT Countries on Cocoa and Cocoa Products

	E E C								United Kingdom		United States		Canada		Japan		
	Belgium/Luxembourg	Netherlands	France	Germany F.R.	Italy	Austria	Denmark	Finland	Norway	Sweden	Switzerland	MFN.	Pref.	MFN.	Pref.	MFN.	Pref.
COCOA BEANS																	
Q.Rs. ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tariffs ²	-	5.4% [5%]	-	-	-	(6%)	0	(48%)	0 [4%]	(6%)	(0.4%) [1%]	(1.5%) [7%]	0 [7%]	0	(5%)	0	5%
Fiscal charges	-	(3%)	(74%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COCOA PASTE																	
Q.Rs. ¹	-	-	-	-	-	(23%)	(4%)	()	(2%) [19%]	(6%)	(50%)	(1%)	0	(3%) (9.6%)	(9.15%)	20%	-
Tariffs ²	-	25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fiscal charges	-	(9%)	n.a.	-	-	(34%) +37 1/2%	-	-	-	-	-	-	-	-	-	-	-
COCOA BUTTER																	
Q.Rs. ¹	-	-	-	-	-	16%	0	(6%)	(4%)	(6%)	(1%)	(0.5%) [3%]	0 [2%]	6.5%	(4%)	0	9% [10%]
Tariffs ²	-	20% [22%]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fiscal charges	-	(2%)	n.a.	-	-	(22%) +37 1/2%	-	-	-	-	-	-	-	-	-	-	-
COCOA POWDER																	
Q.Rs. ¹	-	-	-	-	-	14% [29%]	(7%)	(78%)	(28%)	(14%)	(29%)	(2%)	0	(6%)	22.5%	22.5%	30%
Tariffs ²	-	27%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fiscal charges	-	(5%)	n.a.	-	-	(55%) +37 1/2%	-	-	-	-	-	-	-	-	-	-	-

" -" in the column for Q.Rs. or fiscal charges denotes that imports are free from restriction or free from fiscal charges applying specifically to that product.
" r " denotes that part of the item is still subject to restriction. In the case of Japan import liberalization is, however, envisaged for the near future.

0" in the Tariffs column denotes duty-free entry. Duties in [] are the rates which have earlier been enforced. Progress in the reduction of duties since 1963 is indicated by "n".
ties shown are ad valorem rates. Ad valorem equivalence of specific duties or fiscal charges are shown in ().

STATISTICAL ANNEX 2

TABLE A Cotton: Supply and Distribution, 1956-60 average and 1961 to 1964¹

	1956-60 average	1961	1962	1963	1964
	(thousand tons)				
<u>Beginning stocks</u>					
United States	2,215	1,567	1,689	2,432	2,700
Other developed countries	688	795	680	659	700
Developing countries	1,201	1,309	1,293	1,358	1,560
Centrally-planned countries	639	629	564	542	650
Afloat	100	87	65	43	40
World total	4,843	4,386	4,300	5,034	5,650
<u>Production</u>					
United States	2,797	3,133	3,235	3,317	3,300
Other developed countries	130	220	218	211	200
Developing countries	3,616	4,008	4,530	4,581	5,000
Centrally-planned countries	3,114	2,450	2,450	2,775	3,000
World total	9,657	9,811	10,433	10,884	11,500
<u>Total supply</u>	14,500	14,197	14,733	15,918	17,150
<u>Consumption</u>					
United States	1,857	1,945	1,833	1,878	2,000
Other developed countries	2,351	2,471	2,337	2,450	2,400
Developing countries	2,321	2,646	2,715	2,819	3,050
Centrally-planned countries	3,335	2,884	2,884	3,166	3,400
World total	9,864	9,946	9,769	10,313	10,850
<u>Exports</u>					
United States	1,351	1,101	747	1,257	880
Other developed countries	35	69	68	71	35
Developing countries	1,640	1,864	2,312	2,218	2,260
Centrally-planned countries	389	349	326	369	425
World total	3,415	3,383	3,453	3,915	3,600
<u>Imports</u>					
Western Europe	1,579	1,462	1,446	1,556	1,460
Japan	639	619	669	690	755
Other developed countries	135	173	145	169	150
Far East (excluding Japan) and China (mainland)	328	417	463	473	470
Other developing countries	56	67	57	78	35
Centrally-planned countries	668	711	784	886	830
World total	3,405	3,449	3,564	3,852	3,700

¹ Season beginning 1 August of year shown.

Sources: For 1964, ICAC Cotton Monthly Review, Washington, September 1965.
Previous years, FAO Commodity Review 1965.

Table B

COTTON - WORLD EXPORT PRICES, 1958 TO AUGUST 1965

(in US dollars per 100 lbs.)

	United States	United Arab Republic		Pakistan	Mexico	United Kingdom
		Long	Long medium			
1958	27.9	54.9	47.6	23.4	27.8	28.2
1959	25.6	46.3	42.1	21.1	24.6	25.0
1960	23.7	47.5	43.6	22.7	25.8	25.2
1961	25.0	48.6	42.0	25.6	25.9	27.2
1962	24.6	42.5	36.2	23.2	25.0	27.6
1963	24.3	41.0	35.0	22.0	25.5	26.6
1964	23.8	44.3	37.2		25.3	26.3
1965						
First quarter	23.5		39.0	23.2	25.2	27.0
March	23.6			24.1	25.4	26.3
April	23.6	50.8	42.2	24.8	25.1	27.7
May	23.7	50.4	42.7	24.0	25.0	27.4
June	23.8				24.3	27.4
July	23.6				24.7	27.4
August	23.6				24.6	27.1

United States: Average Commodity Credit Corporation selling price for export of Middling 1 inch, at Houston.

United Arab Republic: Unit value of exports.

Pakistan: Unit value of exports.

Mexico: Matamoras 1 1/32 f.o.b. Brownsville, Texas.

United Kingdom: American Middling 1 inch beginning January 1965; previously 15/16.

Source: International Monetary Fund. International Financial Statistics, November 1965.

ANNEX B

Import Treatment of Cotton by Industrialized GATT Countries

	E R C					Denmark	Finland	Norway	Sweden	Switzerland	United Kingdom		United States		Canada		Japan
	Belux	Netherlands	France	Germany	Italy						Austria	MFN.	pref.	MFN.	pref.	MFN.	
COTTON: 55.01 not carded or combed ¹ Q.Rs.	[R]	-	-	-	[R]	[R]	-	-	-	-	-	-	R ³	-	-	-	-
Tariffs ²			0			0	0	0	0	(0.05%)	0, 10%	0	0, (4%, 8%)	0	0	0	0
55.04 carded or combed ¹ Q.Rs.	[R]	-	-	-	[R]	[R]	-	-	-	-	-	-	R ³	-	-	-	-
Tariffs ²			3%			6.5%	0	5%	0	10%	10%	0	5%, (22%)	10%	5%	5%	0

¹ Column for "Q.Rs."

- denotes that imports are free from restriction.

[R] denotes that the item had earlier been subject to quantitative restrictions.

² Column for "Tariffs"

O = Free. The duties shown are ad valorem rates. Ad valorem equivalents of specific duties are shown in (). Duties in [] are the rates which had earlier been in force. Progress in the reduction of duties since 1963 is indicated by "#".

³ The item is subject to quantitative restrictions imposed under Section 22 of the United States Agricultural Adjustment Act.

ANNEX 4

	EEC					Austria	Denmark	Finland	Norway	Sweden	Switzerland	United Kingdom		United States		Canada		Japan		
	Netherlands	France	Germany	Italy	MFN.							Prof.	MFN.	Prof.	MFN.	Prof.				
1) TROPICAL TIMBER:																				
ex 44.03 in the rough																				
Q.Rs.	- [E]	-	-	- [E]	-	-	-	-	- [E]	-	-	-	-	-	-	-	-	- [E]		
Tariffs	0* [0.5%				0 [0.7%	0	0	0	0	0	0*	0*	0	0	0	0	0	0*	[0.20%	
ex 44.04 : roughly squared																				
Q.Rs.	-	-	-	- [E]	-	-	-	-	- [E]	-	-	-	-	-	-	-	-	-	-* [E]	
Tariffs	0* [0.5%				0	0	0	0	0	0	0*	0*	0	0	0	0	0	0*	[0.20%	
ex 44.05 : sawn length- wise																				
Q.Rs.	-	-	-	- [E]	-	-	-	-	- [E]	-	-	-	-	-	-	-	-	-	-* [E]	
Tariffs	0* [0.10%				0	0	0	0	0	0	0*	0*	0	0	0	0	0	0	0.10%*	[0.20%

(B) WOOD ARTICLES¹

	E E C					Austria	Denmark	Finland	Norway	Sweden	Switzerland	United Kingdom		United States	Canada		Japan
	Netherlands	France	Germany	Italy	MFN.							Pref.	MFN.		Pref.		
44.13 Wood planed, tonged etc. Q.Rs.	-	-	-	-	-	15%, 18%	0, 5%	0, 10%	0, 6%	0, 6%	(17- 20%)	7.5%, 10%, 15%	0	2.5% etc.	0- 12.5%	10% 0- 12.5%	0, 5%, 10%
Tariffs	10%																
44.14 Veneer sheets and sheets for plywood Q.Rs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tariffs	8%					20%, 10%, 18%	0, 3%	3%	0, 6%, 15%	3%	(2- 4%)	10%	0	10%	0- 20%	0- 10%	0, 15%, 20%
44.15 Plywood, block- board, batten- board etc. Q.Rs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tariffs	14%, 15%					20%, (9%)	5%, 9%	3%, 6%, 9%	4.8 or 12 Kr. per 100 kg. 5%, 15%	6%, 9%	(10- 13%)	10%, 20%	0	20%, 15- 40%	17.5% 20%	20%, 10%	20%

(B) WOOD ARTICLES¹ (cont'd)

	E E C						United States		Canada		Japan						
	Belux	Netherlands	France	Germany	Italy	Austria	Denmark	Finland	Norway	Sweden		Switzerland	United Kingdom	MPN.	Pref.		
44.18 Reconstituted wood	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Q.Rs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Tariffs	-	-	13%	-	-	18%	9%	5%	4.8 or 12 Kr. per 100 kg.	5%	(18%, 35%)	10%, 20%	0	12%, 5%	17.5%	20%	15%, 20%

Explanatory Notes

"-" in the column for "Q.Rs." denotes that imports are free from restriction.
 "r" denotes that imports of part of the item concerned are subject to licensing.
 "R/" denotes that the item had earlier been subject to quantitative restrictions.
 "0" denotes free. The duties shown are ad valorem rates. Ad valorem equivalents of specific duties are shown in (). Duties in / are the rates which had earlier been in force. Progress in the reduction of duties since 1963 is indicated by an asterisk *.

¹ Progress in import liberalization and duty reductions for these items is not shown.