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Proposals for Agenda

Communication from the Government of Uruguay

Addendum

Reproduced below are the Resolutions to which reference is made by the Government of Uruguay in the final paragraph of its communication quoted in document C/W/23.

RESOLUTIONS ADOPTED BY THE UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL (August 1961)

Resolution 831 (XXXII) - International Commodity Problems

The Economic and Social Council

Considering that the economic development of primary producing countries, particularly the less-developed countries, has been adversely affected by instability in their receipts of foreign exchange, resulting from sharp fluctuations in the value and volume of their exports of primary commodities,

Bearing in mind the importance of expanding the export earnings of primary producing countries and to this end of exploring measures to improve the import purchasing power of such earnings,

Recognizing the urgency of the problems faced by such countries, particularly the less-developed countries, in pursuing their efforts to increase the rate of growth of real national income per capita, under conditions of internal as well as external equilibrium,

Recalling paragraph 4(a) of General Assembly resolution 1515(XV) of 15 December 1960 which inter alia recommends that Member States and international organs, including the Commission on International Commodity Trade, urgently seek ways and means of eliminating restrictive practices which have unfavourable repercussions on the trade in basic products of the less-developed countries and those dependent on the export of a small range of primary products, and to expand trade in these products,

1. Takes note with satisfaction of the report of the Commission on International Commodity Trade on its ninth session¹, endorses the programme of work proposed therein, and approves the agenda of the joint session of the Commission and the Food and Agriculture Organization Committee on Commodity Problems;
2. Takes note also, with satisfaction, of the 1961 report of the Interim Co-ordinating Committee for International Commodity Arrangements²;
3. Expresses its appreciation to the group of experts appointed by the Secretary-General pursuant to General Assembly resolution 1423(XIV) of 5 December 1959, whose report "International Compensation for Fluctuations in Commodity Trade"³ forms a useful basis for consideration of the issues of compensatory financing;
4. Requests the Secretary-General to make available to governments well in advance of the session the results of the studies requested from him on the matters mentioned in Section III of the Commission's report;
5. Expresses the hope that States Members of the Commission will be in a position to declare their views, at its tenth session, on the suggestions proposed in the report "International Compensation for Fluctuations in Commodity Trade", as well as on the forthcoming studies by the Secretary-General, thus enabling the Commission thoroughly to consider the subject of compensatory financing at that session in order to formulate recommendations for presentation to the Council at its thirty-fourth session;
6. Reiterates the invitation in its resolution 783(XXX) of 3 August 1960 regarding attendance of observers at meetings of the Commission and in particular invites States Members of the United Nations or members of the specialized agencies not represented on the Commission to designate observers to participate in the work of the tenth session especially in the debate on compensatory financing.

¹Official Records of the Economic and Social Council, thirty-second session, Supplement No. 6 (E/3497)

²E/3508

³E/3447

Resolution 846 (XXXII) - growth of world commercial trade in agricultural products

The Economic and Social Council

Convinced that trade between nations is a paramount means of fostering international co-operation and is indispensable to efforts by governments throughout the world to raise the living standards of their peoples,

Recalling resolution 1515 (XV) of 15 December 1960 of the General Assembly,

Noting that many countries exporting primary commodities, especially those which are under-developed or highly dependent on a narrow range of agricultural exports, have been finding it increasingly difficult to finance from their exports the imports which are essential to their economic and social development and have had to rely to an undue extent on foreign financing, the servicing of which may place a growing strain on their future export income,

Recognizing therefore the crucial importance of an expanding export trade for the diversification and development of their economies, and noting in this regard that food and raw materials account for the greater part of their exports,¹

Observing that the rate of growth in world trade, particularly commercial trade in agricultural products, depends not only on market forces but also on official policy decisions of governments, and that policies of excessive agricultural protection or the maintenance of unduly high revenue and fiscal charges on agricultural commodities by highly-industrialized countries have contributed to retarded growth of the export trade of, and therefore adversely affected the economic development of, many countries relying on their commercial export of such commodities,

Recalling in this connexion the view recorded by the Secretary-General in his report² that quite modest changes in commercial or protective policies of the industrialized countries could result in substantial increases in the volume of international trade in the affected commodities,

1. Reaffirms the views expressed in resolution 1515 (XV) of the General Assembly which inter alia stressed the importance of enabling "less-developed countries and those dependent on the export of a small range of primary commodities to sell more of their products at stable and remunerative prices in expanding markets and so increasingly to finance their own economic development from their earnings of foreign exchange".

¹E/3520, Table 1; and E/3462

²E/3520 Paras. 26 and 44.

2. Calls on governments of States Members of the United Nations and the specialized agencies particularly of highly-industrialized countries to pursue national and regional agricultural policies which (a) encourage and make allowances for an expanding world commercial trade in agricultural products especially by avoiding excessive agricultural protection, and (b) avoid prejudicing the trade prospects of efficient producers from outside their countries and regions,

3. Further invites the governments to consider the possibility of liberalizing such revenue or fiscal charges or other barriers to trade as may at present unduly limit consumption of agricultural commodities from underdeveloped or other developing countries.

RESOLUTIONS ADOPTED BY THE INTER-AMERICAN
ECONOMIC AND SOCIAL COUNCIL
(September 1961)

Resolution on Basic Export Products

PART IV

BASIC EXPORT PRODUCTS

The American republics recognize that trade expansion is necessary for the economic development of Latin America, together with a corresponding increase in export earnings in foreign exchange, a reduction in cyclical or seasonal fluctuations in the earnings of those countries which are to a considerable extent dependent on the export of primary products, and the remedying of the decline in their terms of trade which has been in progress for the past hundred years.

Accordingly they are in agreement that the measures referred to in Part IV should be taken.

CHAPTER I

NATIONAL MEASURES

Measures on the national level relating to trade in primary products should be directed to and applied for the following purposes:

1. to avoid any unlawful obstacles to the expansion of trade in such products;
2. to prevent market instability;
3. to achieve more effective international plans and mechanisms for stabilization;
4. to expand existing markets and extend their trading area at a rate compatible with rapid development.

Consequently:

A. Importing member countries should reduce and, if possible, remove as rapidly as possible all restrictions and discriminatory measures applying to the consumption and importation of primary products, including those which so far as possible are processed in the country of origin, except in such cases where such measures are applied temporarily in order to diversify the economic structure to speed up the economic evolution of the less-developed nations, or to build up national stocks. The importing countries should also be prepared to support, through appropriate regulations, programmes with a view to the stabilization of primary products which may be drawn up for execution jointly with producing countries.

be drawn up for execution jointly with producing countries.

B. The industrialized countries should pay special attention to the need to accelerate the economic development of the less-developed countries. Accordingly they should do their utmost to establish conditions consistent with their international obligations in order to be able to grant concessions to the less-developed countries which would permit a rapid expansion of the latter's markets. Having regard to the urgent need for such accelerated development, the industrialized countries should also study ways and means of modifying wherever possible international obligations which might hinder this objective.

C. In drawing up production and export plans, producing member countries should take account of the effect on world markets and of the need to support and improve the effectiveness of international stabilization programmes and machinery. In the same way they should avoid any increase in the anti-economic production of products which can be acquired more cheaply in the less-developed countries of the continent, where they represent an important source of employment.

D. Member countries should take all necessary measures for directing technological research towards the discovery of new uses for, and by-products derived from, the primary commodities which are of essential importance to their economy.

E. Member countries should endeavour to achieve a reduction and, if possible, the removal within a reasonable period of export subsidies and other measures which are a cause of instability on commodity markets and provoke excessive fluctuations in prices and export earnings.

CHAPTER II

MEASURES OF INTERNATIONAL CO-OPERATION

1. Member countries should make co-ordinated and, if possible, joint efforts for the following purposes:

A. To remove as rapidly as possible any undue protection for production of primary commodities.

B. To remove taxes and reduce excessive domestic prices which discourage consumption of imported primary products.

C. To take the necessary action in order to put an end to preferential agreements and other measures which limit world consumption of Latin American primary products and hinder their access to international markets and more particularly to those countries in Western Europe which are in the process of economic integration and countries with a centrally-planned economy.

- D. To establish appropriate machinery for consultation in order to ensure that their trade policy will not impair the stability of commodity markets.
2. The industrialized countries should co-operate to the full with the less-developed countries so that primary commodities can be exported after having been processed to the fullest economic extent.
 3. Through their delegations to international financing organizations, member countries should suggest that such organizations, when considering the matter of making funds available for developing export production, should take into account the possible effects on products of countries with surpluses on the world market.
 4. Member countries should support the efforts made by international commodity study groups and the Commission on International Commodity Trade (CICT) of the United Nations. In this regard, it should be considered as a joint responsibility of producing and consuming countries to take measures at the national and international level in order to reduce market stability.
 5. In order to compensate in an adequate and effective manner fluctuations in the volume and prices of commodity exports, the Secretary-General of the Organization of American States shall convene a group of experts appointed by their respective governments, to meet not later than 30 November 1961 and submit its report not later than 31 March 1962.
- The experts should:
- A. Consider questions relating to compensatory financing which have arisen in the course of the present meeting;
 - B. study proposals for the establishment of an international fund for the stabilization of export earnings, as contained in the report of the group of experts to the special meeting of the Inter-American Economic and Social Council, together with any alternative proposals; and
 - C. prepare a first draft providing for the establishment of compensatory financing machinery. This draft should be circulated to member governments so that they may present their views in good time before the next meeting of the Commission on International Commodity Trade (CICT).
6. Member countries should support efforts to improve and strengthen international commodity agreements and be prepared to co-operate in establishing certain market conditions. Similarly, they should ensure that appropriate solutions are applied to long- and short-term problems of those markets so that the economic interests of both producers and consumers may be equally protected.

7. Member countries will invite other producing and consuming countries to co-operate in stabilization programmes, having regard to the fact that primary commodities of the western hemisphere are also produced and consumed in other parts of the world.

8. The member countries recognize that the disposal of surpluses and stocks may be a source of funds for achieving the aims set forth in the first section of this Part, since as local resources are developed, consumption of essential products increases in the beneficiary countries. Any such disposal of surpluses and stocks should be carried out in an orderly manner in order:

- A. to avoid any disruption of the existing markets of member countries; and
- B. to encourage expanded sales of their products to other countries.

It is nevertheless recognized:

- A. that surplus disposal for these purposes should not take the place of sales of the same products which are traditionally effected by other countries; and
- B. that any such disposal cannot replace large-scale financial and technical assistance programmes.

RESOLUTION C.1

Draft Declaration of Principles Recommended to
the Study Group on Coffee for Inclusion in the
International Coffee Agreement

The special meeting at ministerial level of the Inter-American Economic and Social Council

Decides to support a meeting of the study group on coffee to be held at Washington in September 1961, in order to ensure the drafting, as soon as possible, of a long-term international agreement on coffee. It therefore supports the following principles and recommends the study group on coffee to include them in the said agreement

- (a) participation of the greatest possible number of coffee-producing and coffee-consuming countries;
- (b) establishment of export quotas consistent with world demand, and appropriate distribution of such quotas over the whole year so as to ensure equitable prices for coffee and avoid any fresh decline in the world market for this product;
- (c) strengthening of the export quota system whenever necessary through control of customs documents by importing countries and the establishment of import quotas for countries not parties to the agreement; and, subject to appropriate conditions, establishment of import quotas for signatory countries which fail to carry out their obligations;
- (d) establishment of an international system for certification of the origin and quality of coffee;
- (e) the limitation of coffee planting and production with international financial assistance to supplement efforts on the national level, in order to help to diversify the economy of coffee-producing areas. Measures will be taken to ensure that adequate technical assistance is made available rapidly in order to carry out the above-mentioned proposals;
- (f) encouragement of coffee consumption in both importing and producing countries with the assistance of an adequate fund for promotion purposes;

- (g) adoption by producing countries of all appropriate measures to ensure orderly production and marketing of coffee throughout the whole year so that they can guarantee strict compliance with their international obligations;
- (h) preparation of a study to determine possible measures for the establishment of an international fund to supplement the efforts made at national level, as referred to in paragraph (g) above; and
- (i) continuous review of the world coffee situation with a view to increasing coffee export earnings.

RESOLUTION C.2

Domestic Measures in Producing Countries
to Stabilize the Coffee Market

The special meeting at ministerial level of the Inter-American Economic and Social Council

RECOMMENDS that a study should be made and steps taken with regard to supplementary financing systems and other measures of international co-operation for the proper administration of annual quotas. In order to facilitate such studies and measures, the coffee-producing countries which are members of the Organization of American States should improve or establish as rapidly as possible domestic systems and measures for stabilizing the market and for ensuring that agreements are carried out. Plans for implementing this recommendation should be drawn up not later than 10 September 1961.

RESOLUTION C.3

Committee to Supervise the Removal of Restrictions
Imposed on Coffee Consumption

The special meeting at ministerial level of the Inter-American Economic and Social Council,

CONSIDERING:

that the high duties and other levies applied by various countries, in particular those comprising the European Common Market, affect imports of coffee from Latin-America;

that such charges raise the cost of the product to an excessive level, thus severely restricting consumption thereof; and

that this fiscal system is prejudicial to the interests of certain Latin American countries since it reduces their exports and limits their ability to trade in that product,

RECOMMENDS:

1. That a committee should be established, composed of five members appointed by governments. Two members should be selected from the countries represented in FEDECAME, one from Brazil, one from Colombia and one from Mexico. The task of the committee shall be to make representations to those countries which impose artificial restrictions on coffee consumption in order to achieve the gradual elimination of such restrictions.

2. The committee will represent all members of the Organization of American States which have approved the present resolution.

3. As a first step, the committee will make representations to the consuming countries in the study group on coffee at Washington, and will be authorized to maintain direct relations with European regional groups and authorities when it deems necessary.

RESOLUTION C. 4

Facilities for Exports of Meat
and other Primary Products

Draft recommendation submitted by Committee III

The special meeting at ministerial level of the Inter-American Economic and Social Council,

CONSIDERING:

That in order to achieve the aims of the Alliance for Progress the economics of the American countries must be strengthened;

That since these countries are suppliers of primary products it is essential to endeavour to increase their exports;

That meat and other primary products constitute a major source of export earnings for some American countries and

CONSIDERING ALSO:

That all appropriate measures should be taken to facilitate an increase in the volume of exports of meat and other primary products, both inside and outside the American continent, by adopting appropriate measures for the removal of existing barriers to trade

RECOMMENDS:

1. That in view of the restrictions existing in the consumer markets of member countries which hinder access thereto for meat and other primary products, steps should be taken with a view to the removal of unnecessary restrictions which impede the entry of the above-mentioned products,

2. That in the appropriate manner, moreover, the attention of member countries of the European Common Market should be drawn to the great concern felt by the members of the American community over the inclusion of meat and other primary products in the said common market since this implies grave impairment of the interests of the countries which export these commodities.

RESOLUTION C.5

Acceptance of Latin-American Wool by European Terminal Markets

Draft recommendation submitted by Committee III

The special meeting at ministerial level of the Inter-American Economic and Social Council,

CONSIDERING:

That it is desirable for a high level of international trade that Latin-American products should be available on the terminal markets of the central commodity exchanges;

That the Inter-American Economic and Social Council favours the establishment of a common front among its members in order, inter alia, to search for and win new markets for their products and

That Latin-American wool is sold in all the international markets

RECOMMENDS:

That the terminal markets of the central commodity exchanges should accept quotations for Latin-American wool.

RESOLUTION C.6Restrictive Practices Affecting Imports of Wool in Various Forms

The special meeting at ministerial level of the Inter-American Economic and Social Council,

CONSIDERING:

That various restrictions which exist in countries members of the area and those which are not members thereof constitute obstacles to the marketing of wool in various forms, resulting in some cases in consumption of synthetic fibres instead of natural fibres, thus hindering the development and healthy expansion of the economies of wool-producing member countries, such development and expansion being a basic objective of the Alliance for Progress;

That in its recommendations for expanding the market possibilities for primary commodities the Latin-American Economic and Social Council suggests that countries members of the organization should liberalize and remove restrictions and limitations affecting the consumption and importation of primary products;

That other similar recommendations call on member countries to make individual or collective efforts to overcome obstacles to imports in other markets outside the area, and

That it is a widely accepted assumption that the economic development of America calls for an expansion of commodity markets and a steady increase in trade,

RECOMMENDS:

1. That the governments of Member States should be urged to review domestic policies in regard to customs, taxes, etc., which might hinder imports of wool in various forms, so as to restore competitive conditions in their respective markets and thus facilitate the consumer choice without going against natural trends,

2. Similarly, to advocate a revision of restrictive policies applied to imports of wool in various forms from countries of the community to the European Common Market and other consumer centres, using the organization's influence either individually or collectively in order to attain similar objectives regarding the liberalization of consumption of natural fibres.