In response to the kind invitation extended by the secretariat, the Republic of the Argentine has taken part in these meetings as an observer after the adoption, in November 1960, of a Declaration concerning its admission to the GATT. When this Declaration has been signed by a sufficient number of contracting parties we will become provisional members of the GATT. It is particularly interesting for us to participate in the work of the Committee for the Expansion of International Trade considering that if satisfactory conclusions are arrived at and if such conclusions are followed by the countries represented here, a decisive step will have been taken towards the improvement of the situation existing in export markets for agricultural products in which my country has an important place.

Even if one assumes that the technical discussions attain their widest scope in the special group which has been entrusted with the task of drafting the report of the Committee to the CONTRACTING PARTIES, we have sometimes heard, on questions which seem to be purely formal, such different opinions - one group of countries endeavouring to justify the application of a policy of agricultural protection while the other group was attempting to improve conditions of access to the international market for their exportable production - that we consider it our duty to state our position with the greatest possible frankness and clarity. As we have already stated to the working party which dealt with our request for accession to the General Agreement on Tariffs and Trade, the agricultural policy of Argentina is not a protectionist one. On the contrary, agricultural and livestock production have in the past borne and are still bearing, though to a lesser extent than previously, special charges in favour of other economic sectors.

Although agricultural production accounts for 90 per cent of our foreign sales and, therefore, constitutes a source of foreign exchange earnings, the commercial policy of Argentina has always avoided to promote sales by means of artificial incentives and in all international meetings where it has made statements Argentina has always expressed its opposition to a policy of direct or indirect subsidies as applied by certain countries for the purpose of promoting exports of agricultural products.

Our commercial policy is based on the principle of multilateral trade and non-discrimination, the mainstay of the GATT, which is directed towards the expansion and promotion of international trade. However, reciprocity at international level is indispensable if the policy followed by Argentina is
to yield the favourable results which were envisaged when it was established and first put into practice, at a time when the future of the country was at stake.

Furthermore, the reports submitted by the secretariat and the discussions within the Committee show that the highly developed countries are resorting to restrictive and State intervention measures of various kinds in respect of products of which Argentina has traditionally been one of the major world exporters. In many instances these measures are based on, or attempts are made to justify them by, quality or sanitary requirements, but most often they are based on principles applicable to the agricultural sector irrespective of the rules of free competition and the economy that they attempt to impose for the rest of international trade which, logically, corresponds to those sectors where these highly developed countries happen to operate in the most favourable competitive conditions.

Those international bodies which, like the International Monetary Fund, are closely watching the efforts made by Argentina in order to reach a sound and stable financial position, such as plans for economic expansion, encourage such a task by underlining as a significant factor for the sound growth of the domestic economy the need to expand agricultural exports through long-term plans for the development of agricultural and livestock production so as to create sufficient exportable surpluses to meet the heavy current exchange commitments of the country which will increase in the future as a result of the capital requirements arising out of the expansion of the basic sectors of our economic development.

It is therefore desirable to note that resort by the United States and highly industrialized Western countries to highly protectionist measures in the agricultural sector, in many cases through State regulations which not only seriously affect international markets for such products but are also in flagrant contradiction with the basic principles of the GATT and the objective of a more general liberalization of trade which they usually advocate. For that reason, to base our development on long-term plans increasingly financed by increased agricultural exports, particularly meat and cereals, is a cause of great concern and uncertainty to us.

In Europe the emergence of two major economic entities, the Common Market and the EFTA, seems to coincide with the establishment of agricultural support systems involving multiple subsidization schemes which, added to other restrictive and discriminatory devices introduced by these two entities, have very unfavourable effects on the export prospects of exporting countries, mainly non-European countries, in that they stultify (or at least strongly impair) the free play of competitive factors in their respective zones of influence.
Amongst the post-war phenomena which have resulted from agricultural protectionism based on the fixation of domestic prices in isolation from prices obtaining in world markets there is the problem of the formation of huge surpluses which for many years have been hampering the development of international markets and have had depressive effects on the sales prices of products from countries which, like Argentina, have done nothing which could lead to the accumulation of such surpluses. It can be estimated that over the last ten years the decline in prices of agricultural products has involved in the case of Argentina a deterioration of the order of 30 per cent, thus annihilating the efforts made in order to increase correspondingly the volume of exports during the same period.

There is another cause of concern of unsuspected importance so far as Argentina is concerned and that is the encouragement to the formation of agricultural surpluses in North America announced by the President of the United States in the form of a programme for assistance entitled "Food for Peace". Notwithstanding the assurances recently given to my Government by a special delegation from the United States on the occasion of consultations with traditional exporting countries prior to initiating operations provided for in the above-mentioned plan for assistance, the mere existence of this plan will arouse logical expectations among some usual customers, thereby affecting the legitimate trade interests of countries which like Argentina expect to sell such products at competitive terms through private trade channels and without State intervention.

We were surprised to hear this Committee say, while no doubt trying to justify the adoption of protectionist agricultural policies by European countries, that both FAO and the United States President agreed as to the need for a rapid increase in food production in order to meet increased demand resulting from increases in world population. It would really be contrary to common sense to accept that, in a world where huge amounts of food are being wasted, are perishing, and are perturbing the trade possibilities of countries with scanty economic resources, millions of human beings should be hungry, and the same lack of common sense had led governments and peoples to reflect by making them aware of their humanitarian task to bring some remedy to this situation. After all, one must not forget that the existence of surpluses when wide areas of population throughout the world are underfed is a problem of imbalance and distribution. The Argentine Government would not be so concerned if the highly industrialized countries helped those countries that suffer from hunger to produce the food they need and helped them out of the stagnation and poverty against which they are struggling at present but, on the other hand, the highly industrialized countries, which have considerable purchasing power to acquire the food they need and can only produce them uneconomically, are those that are attempting to increase production and they will not in any way so operate as to remedy the above-mentioned disequilibrium. On the contrary, this will tend to impoverish the developing exporting countries whose resources and potentialities depend mainly on fluctuation in their commercial exchanges.
To summarize, we wish to stress that the highly industrialized countries have the heavy responsibility of avoiding that the application of erroneous rules in as far as the international division of labour and their relations with primary or food producing countries are concerned might divide the world into two major camps with prosperity and plenty on the one side and poverty and hunger on the other.

Furthermore, we should not lose sight of the fact that increases in their exporting capacity constitute for developing countries the main source of earnings for the financing of their economic development which no other financial support could equal. In present circumstances such countries are prohibited from pursuing their development because the GATT rules are openly violated while no other kind of compensation is afforded.

Lastly, the Government of Argentina wishes to stress the urgent need that the highly developed countries should eliminate immediately and unilaterally their restrictions on imports of agricultural products in order that the conditions of competition stipulated by GATT and which seem to apply exclusively to exports of industrial products to developing countries should become fully effective. When such a decision has been made and international financial co-operation has been established so as to enable the less-developed countries to achieve their economic development, then the situation which is essential for international trade to be conducted in fair and equitable conditions will have been created.

If the present situation was to endure it would lead to a deterioration of the problems of the less-developed countries which cannot be solved by mere programmes of assistance and this would contribute to a multiplication and an intensification of serious political crises over vast areas of the globe with inherent dangers for our Western civilization.