In this statement, the Uruguayan delegation wishes to give practical effect to the strict principle formulated by Boileau that one should "feel profoundly, think loftily and speak clearly," and it hopes to succeed in doing so.

When it submitted its proposal to the Council of Representatives two months ago, the Uruguayan delegation listed six points which, in its opinion, deserved the prompt attention of the Contracting Parties, and some of them the attention of the ministerial meeting. For there is a general feeling in my country, that we cannot afford to wait any longer before deciding whether or not the General Agreement equitably meets the needs of countries which export foodstuffs and primary commodities.

The first of those six points, which are set forth in paragraph (iii) of document MIN/1, page 2 and were based on the statement circulated in document L/1572, is an appeal for compliance with the clauses of the intergovernmental treaty known as the General Agreement. It is my painful duty to state that, although Uruguay executes the clauses of the General Agreement, they are not always properly complied with in regard to my country. The result is a long series of harmful effects caused by restrictive and discriminatory measures. We believe that it is for the ministerial meeting to deal with a matter of such fundamental importance, whose existence cannot be questioned.

For the past two years Uruguay has admitted imports of any product, of any value, in any quantity and of any origin without any discrimination. We wonder whether this fact does not place us in a privileged position among the nations which are most loyal in discharging their GATT obligations.

This liberal attitude has not met with the response which we might legitimately have expected. As can be seen from the new version, which we shall shortly distribute, of the table showing the treatment applied to thirty products which represent Uruguay's basic exports in twenty markets covered by the General Agreement and which account for more than 85 per cent of our export trade, those products are subject to almost 600 individual restrictive and discriminatory measures.

Furthermore, if our exports in the four-year period 1953/56 are compared with those for 1957/50, it will be found that the latter show a radical decline of 54 per cent as compared with the former. One can, therefore, only be surprised at the moderation displayed by the Uruguayan Government. Similarly, it is hardly surprising that, after having exhausted all other means of redress, we should have decided at the Nineteenth Session to have recourse to Article XXIII (Nullification and impairment), which enables the Contracting Parties to tell us what we should do to correct a situation so much out of
balance that it would be superfluous for me to dwell on its harmful effects, since everyone present here is familiar with them. May I emphasize that any action by us under Article XXIII has been taken in accordance with the principle of strict impartiality, for we are particularly anxious to avoid any differentiation. Once the question has been referred to the Contracting Parties and the facts presented simply as we have been able to establish them with the helpful co-operation of the other governments concerned, the Contracting Parties will take whatever decisions they deem appropriate under Article XXIII and in the light of the problems of agricultural protectionism which are the basic reason for our action and which cannot be ignored on the practical plane.

We are firmly opposed to agricultural waivers, which really distort the General Agreement and have a harmful effect on the basic exports of many countries which are actively striving to raise their standard of living.

We consider that the ministerial meeting should take the necessary steps to have a study made of those waivers with a view to their abolition. This would stimulate economic production in those sectors best able to compete effectively in free markets – an objective and an aim that have repeatedly been proclaimed by the Contracting Parties, as well as by many individual governments of the Contracting Parties to GATT.

The latest report of Committee II shows that agricultural protectionism has reached unsuspected proportions. It is a dual burden, gravely affecting not only those countries which by virtue of their geography and their traditions, are best qualified to supply agricultural products, but also consumers in the natural markets of those countries, who pay high retail prices and have to contribute to subsidies which result in uneconomic production the social value of which does not offset the damage done, which is also social in its nature, to the injured countries.

In the Council and also at the first part of the nineteenth session we emphasized that for many contracting parties, including Uruguay, the protective systems applied on world markets to their principal export products – and often applied in flagrant violation of the General Agreement – have created a trade imbalance which, apart from being fundamentally unjust and a direct and effective threat to their economic development plans, completely contradicts the repeated declarations made on the urgent need to raise the standard of living of vast regions of the world, and consequently void those declarations of all significance. In the past four years, this imbalance has been reflected in a balance-of-payments deficit for the developing countries of $11,000 million; this is irrefutable proof of the truth of our assertion.
If the restrictions are removed, there will be a rise in commodity prices which have been at a low level for years, not always because of the existence of surpluses - for there are some very serious cases of surpluses, often resulting from subsidization which harms both those practising it and those suffering from it - but also because market regulation clearly has the effect of forcing prices downwards.

Reference has been made to the varying difficulties experienced by importing countries in eliminating the barriers which prevent countries exporting agricultural products from augmenting their sales on those markets.

In this respect we have been asked to show an understanding attitude, and have been assured that the situation will develop so favourably that, once the economic integration of some of these countries has been completed - including the agricultural sector, of course - their consumption capacity will increase to such an extent that their own production, even though it is encouraged and protected, will not suffice to cover their requirements; the logical inference is that the exporting countries will stand to benefit from this shortfall in supplies.

Uruguay has always shown, and continues to show, the fullest understanding of the factors which led to the introduction of the restrictive measures applied to its products; but there seems no reason why my country should do more than demonstrate mutual understanding in regard to the harmful effects of this attitude and the practical measures which it has had to take in order to avoid or offset them.

The Uruguayan delegation is, therefore, in full agreement with document MIN/2, which contains a reasonable plan of action embodying, in one form or another, the items inserted in our agenda at my Government's request, and designed to correct a situation which, if allowed to continue, would inevitably result in greater poverty where it already exists, and would seriously jeopardize economic development programmes.

This plan of action recognizes the existence of problems in the purchasing countries and takes due account of them; at the same time it enjoins compliance with the system which we have all supported and ratified in the General Agreement. It would be difficult to ask less, just as we believe that it would be difficult to ask us to accept less.

We find merits in document MIN/3 which contains the United States proposal for a declaration on promotion of the trade of less-developed countries; to the extent that this proposal leads to practical solutions, we shall support it wholeheartedly. We view it as an effort to translate into international terms the resolutions of the recent Punta del Este conference at which the United States gave full support to the resolutions adopted on certain matters directly related to our present discussions.

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We have listened with particular attention to the proposal by the French Minister of Finance that a study should be made in the near future of a system which would ensure access to markets for primary commodities. Although this proposal has only been broadly outlined and we must accordingly reserve final judgement on it until we know its precise scope more in detail, we should like now to give it our support in principle, provided that conclusions are rapidly arrived at which, in turn, would lead to practical results. All this must, clearly, be done on a basis of equal treatment as between products and countries, so as not to affect the principle of reciprocity which is an integral part of the procedures underlying the General Agreement.

The ministers attending this meeting hold political offices and this enables them to take a broader view of affairs. They will certainly have no difficulty in realizing the frustration of producers and exporters of products which come up against such high barriers, the progressive indebtedness vis-à-vis third countries, the real and immediate harm caused to economic development, the resulting financial, industrial and agricultural instability with its highly prejudicial effects on the social order, and lastly, in the long term, the inevitable contraction of markets which ought to be stimulated in every way, since they are the centres that absorb the ever-growing industrial production capacity of the world. We appeal to the statesmen met here that, fully conscious of their mutual interests, inspired with the courage to subordinate the present to the future, and imbued with the spirit of equity which is indispensable at a time when relations between nations must be given the highest degree of substance and cordiality, they should respond to the vibrant, I would even say irresistible, appeal made to them and restore the balance which the General Agreement has lost, taking unto themselves the noble motto carved over the entrance to the Chateau d'Annecy, where we held our 1949 Tariff Conference: "les faits non les paroles font la loyauté".

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