REVIEW OF THE GENERAL AGREEMENT

Recommendation of the International Federation of Agricultural Producers

The Executive Secretary has received the following letter, dated 4 November 1954, from the Secretary General of the International Federation of Agricultural Producers.

One copy is being circulated to each delegation.

"As the CONTRACTING PARTIES to the General Agreement are about to review the clauses of the Agreement I should like to call to their attention some recommendations made by our Federation which are relevant to some of the problems appearing on the agenda of their session.

"At its Fourth Annual General Meeting, held in Saltsjobaden, Sweden, in June 1950, IFAP's Council adopted the following recommendation:

'The IFAP supports the objectives of the Charter of the International Trade Organization and believes that the Charter can be of real value in the encouragement and expansion of trade to the mutual advantage of all countries. The Conference recommends each member organization to examine very carefully the implications of the Charter on its agricultural policy so that the opportunity can if necessary be taken to amend the Charter after ratification under the procedure provided for in the appropriate article. The IFAP especially desires that Chapter VI, which deals with primary products, and the clauses on dumping of the ITO Charter be implemented at the earliest possible opportunity.'

"Convened in Mexico City in June 1951 for its Fifth Annual General Meeting, the Council of the International Federation of Agricultural Producers included the following in its report:

'The organized agricultural producers of the world... recommend to the governments and the international organizations concerned that the following provisions of the Havana Charter be incorporated at the earliest possible date in the General Agreement on Tariffs and Trade:

(a) Articles 26, 27, and 28 relating to additional provisions on export subsidies, special treatment for primary commodities and the undertaking regarding the stimulation of exports of primary commodities; these articles are complementary to the provisions on anti-dumping and countervailing duties which are already incorporated in the Agreement;
(b) Article 15 dealing with preferential agreements for economic development and reconstruction; and

(c) the full text of Chapter VI which deals with intergovernmental commodity agreements for primary products.

"Two years later, in Rome, the Sixth Ordinary General Meeting of the IFAP adopted a report by its Policy Committee which included the following paragraph:

'The Policy Committee can but deplore the lack of success up to this time in equipping an international authority - either under the aegis of the Food and Agriculture Organization or of the United Nations - with the prestige required to initiate and stimulate serious international consultation on a commodity basis. Certainly such an authority does not exist at present either in the Interim Coordinating Committee for International Commodity Arrangements of the United Nations, or in the Committee on Commodity Problems of the Food and Agriculture Organization. The Committee recommends that the function of such an international commodity authority should be to initiate and stimulate international consultation on a commodity basis and to attempt to ensure, in connection with such consultation, that certain general principles applicable to all international commodity arrangements be kept in mind. It is important in this connection that advantage be taken of the views and experience of international commodity organizations.'

"The report of our Seventh Ordinary General Meeting, held in Nairobi last June, again recommended effective intergovernmental cooperation on commodity problems, as follows:

'The Committee realizes that the road between the present period of surpluses and the achievement of a reasonable balance between the capacity to produce agricultural products and the capacity to consume them may be long and that it will not be easy. It realizes also that national governments, during this transition, will continue to protect the interests of their own producers, through price support measures and otherwise. It is convinced that uncoordinated national measures have contributed and are likely to continue to contribute to the accumulation of excessive stocks and to instability in world market prices. It feels, therefore, that effective intergovernmental cooperation during this transition period is urgently required, and accordingly recommends:"
(i) that, in the long run, the basic solution to the present unbalanced situation in world agricultural economy must be found in a progressive reduction in the barriers to world trade, including the full convertibility of national currencies.

(ii) that the International Federation of Agricultural Producers reaffirms its faith in intergovernmental commodity agreements as a means of bringing about greater stability in the prices of major commodities moving in world commerce and assist in creating a better public understanding of the underlying philosophy of such agreements as an important means of stabilising trade.

(iii) that in this connection the possibilities of bringing about a more satisfactory operation of the International Wheat Agreement be actively explored by the governments concerned and by international agencies.

(iv) that, in respect of problems of largely regional interest, governments consider the feasibility of regional agreements or arrangements with regard to agricultural production, distribution and prices.

"We understand that trade in agricultural products will be amongst the questions to which the CONTRACTING PARTIES will devote a great deal of attention and we hope that agreement can be reached between governments to provide a more secure basis for its expansion."