AGRICULTURAL SUPPORT POLICIES

Resolutions of the Food and Agriculture Organization Conference and views expressed in the FAO Council

On the basis of the Report by a Panel of Experts, entitled Trends in International Trade and of discussions at the beginning of the Thirteenth Session, the CONTRACTING PARTIES are engaged in drawing up a programme of action directed towards a further expansion of international trade. In connexion with one of the topics of this programme, i.e. problems arising out of the use of non-tariff measures and price support systems in the protection of agriculture, attention is drawn to the following resolutions on agricultural support policies adopted by the FAO Conference in November 1957.

Extracts from Resolution No. 8/57:

"The Conference

"Endorses the need for agreed principles to serve as guidelines for use by Member Governments in establishing or reviewing their agricultural price and income support policies in order to ensure that such policies will be effective in achieving their objectives but will have minimum adverse repercussions on the pattern of production and trade of other countries; and

"Requests the Director-General to pursue the study of agricultural support measures, in consultation with governments, and at an appropriate time to invite all governments interested to nominate representatives, who should be specialists in agricultural support matters, to participate in a special panel, in order to prepare a report to be referred for consideration to the Committee on Commodity Problems, and through the FAO Council, to member governments. The panel should be directed in the light of the above studies and the statements of delegates at the Ninth Session of the Conference:

1. To analyze the effects of the various agricultural support systems, including different levels of price support, with a view to obtaining a better basis for evaluating the relative advantages and disadvantages of such systems. The study should cover the effects of the various support measures on increasing agricultural production and investment, especially in less-developed countries and regions, and the integration of price supports with other steps taken to increase production and agricultural incomes;"
2. To recommend guiding principles designed to minimize the adverse effects of agricultural support policies on international trade, and to be taken into account by member governments in establishing or reviewing their agricultural policies. In developing such principles the panel shall have full regard to the special circumstances and problems of countries."

Resolution No. 9/57:

"The Conference

"Considering that voluntary consultations are desirable between member governments on the effects of agricultural support policies on international trade in agricultural products and that the good offices and facilities of FAO should be made available for such consultations;

"Requests the Director-General to provide suitable facilities for holding voluntary consultations, in cases where member governments indicate their desire to hold such consultations."

The subject was also dealt with by a recent meeting of the FAO Council. The following is an extract from an FAO Press Release of 31 October 1958:

"Some Council members suggested the need for further work in the forum of the General Agreement on Tariffs and Trade (GATT), in collaboration with FAO, on problems of agricultural support policies and excessive protectionism. The object of this work would be the drawing-up of a 'code of good conduct' to be followed by member nations.

"The Council was reminded that FAO was working under instructions from its last Conference Session on the question of developing a basic code of principles for agricultural support policies. FAO had already held one regional meeting in the Far East, and its report had been warmly received at the recent FAO Regional Conference at Tokyo. A similar meeting was to be held in Latin America early next year; on the basis of the regional consultations a meeting on a world basis would be held in Rome next April with the task of formulating a code of principles for submission to the FAO Conference next November.

"The Council decided that this FAO program must be maintained. It considered, however, that FAO should also co-operate fully in any study made by GATT on that matter, and that GATT observers, regularly invited to FAO meetings, should be encouraged to participate actively."