

FIFTH COMMITTEE: INTER-GOVERNMENTAL COMMODITY AGREEMENTS

SUMMARY RECORD OF THE THIRD MEETING

Held at Havana, Monday, 1 December 1947 at 4.00 p.m.

Chairman: Mr. George HAKIM (Lebanon)

The CHAIRMAN opened the meeting for general discussion on Chapter VI of the Draft Charter for an ITO.

Mr. PETER (France) pointed out that Chapter VI as now drafted represented a synthesis of the views of seventeen countries animated by a desire to maintain stability and equilibrium in international trade and consequently to provide full employment. He outlined the provisions of the Chapter under which there could no longer be commodity agreements limited only to producers. Any Member country of the ITO which considers that it has a substantial interest in a commodity would be free to participate in arrangements concerning that commodity. Article 53 permits the extension of the provisions of the Chapter by the Organization to cover commodities which cannot be "precisely" defined as primary or related commodities. Provision for expansion of production, which was of especial importance to agriculture, was made in Article 57.

He drew attention to the fact that Article 58 as now drafted defines commodity control agreements precisely and makes specific provisions for unrestrictive agreements. Mr. Peter went on to discuss the co-ordination of commodity arrangements under the Draft Charter and he referred to the Interim Co-ordinating Committee for International Commodity Arrangements established by a resolution of the Economic and Social Council to co-ordinate and stimulate working groups on commodity problems. The Resolution establishing the Committee also requested governments to use the provisions of Chapter VI of the Draft Charter for an International Trade Organization as a guide in dealing with commodity problems. Mr. Peter drew attention to Articles 64 and 84 of the Draft Charter which specifically provide for co-operation and co-ordination amongst international agencies. In this connection he referred to the message sent to this Conference by the Food and Agriculture Organization (see document E/CONF.2/7) indicating its interest in Chapter VI. Mr. Peter also pointed out that implementation of  
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the provisions of Chapter VI had already commenced and again drew attention to the Report of the Interim Co-ordinating Committee for International Commodity Arrangements which had been published by the United Nations. He referred to the expansion in the membership of the Rubber Study Group in consideration of the membership provision of Chapter VI.

France had no reservations against the draft of Chapter VI and did not intend to submit any amendments. The Chapter represented a good equilibrium between the interests of producers and consumers, and this was important in view of the diverse interests of the French Union.

Mr. CAPLAN (United Kingdom) stated that although the Preparatory Committee had succeeded in presenting a text without any reservation, the United Kingdom had no amendments but would study with sympathetic interest the views and suggestions of the other countries. The United Kingdom felt that the basic principles and procedures of Chapter VI would receive support at the present conference. In the first place, the members of the Preparatory Committee represented every varied national interests in commodity questions, and they had also been in close touch with the development of ideas by many other nations co-operating in the practical work of commodity organizations. Moreover, the Preparatory Committee had received valuable help from the work of the FAO Preparatory Commission on World Food Proposals, which had made an extended investigation of commodity problems. The United Kingdom as a warm supporter of the aims and work of FAO felt assured that the aims of the ITO were wholly consistent with those of the FAO in the commodity field. Most of the nations represented at the Havana Conference had participated in recent international discussion on commodity arrangements and particularly in the International Wheat Conference. Governments already had such valuable experience as to the manner in which Chapter VI could be used.

The United Kingdom considered that there were five fundamental principles which must be embodied in any commodity agreement to which they were a party. They were:

- (a) all agreements must be fully representative of producers and consumers;
- (b) all agreements must ensure adequate supplies at "reasonable" prices;
- (c) all agreements must be based on measures to prevent extreme price fluctuations;
- (d) all agreements must promote increased production and consumption (except in special cases of chronic oversupply); and
- (e) all agreements must afford increasing opportunities for satisfying world requirements from the most effective producing areas.

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. All these principles had been incorporated in the Draft Chapter VI and had been amplified to point the way to their implementation in agreements.

The United Kingdom believed that the present Chapter VI represented a fair balance between the interests of producing and consuming countries. The Chapter provided a guide to intelligent international conduct in dealing with any serious commodity problems arising in the future.

The delegate for Argentina (Mr. T. USSHER) raised the question as to the possibility of interpretation of the speeches into Spanish. The CHAIRMAN regretted that it had not been possible to carry out the anticipated arrangements regarding simultaneous interpretation for this meeting, and referred to the Rules of Procedure on the subject of working languages. After some discussion it was decided in view of the circumstances to adjourn the meeting and to endeavour to arrange simultaneous interpretation for the next meeting of the Committee.

The meeting rose at 5.45 p.m.

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