

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

COMMITTEE IV

SUMMARY RECORD

INTER-GOVERNMENTAL COMMODITY ARRANGEMENTS

THIRD MEETING

Held on Tuesday, 22 October 1946 at 11.00 a.m.

Chairman: Mr. J.R.C. KILMORE

1. Letter from the World Federation of Trade Unions

Consideration was given to a letter received from the World Federation of Trade Unions regarding participation in the work of various committees. It was agreed to suggest to the Secretariat that this letter should be handled in the same way as that from the International Chamber of Commerce.

2. General Discussion of Commodity Arrangements Policy
(continued from second meeting)

Mr. GUERRA (Cuba) emphasized the importance of price stability. It was desirable to use commodity arrangements to prevent the development of disequilibrium between supply and demand of certain products. The relationship between the ITC and the authorities administering commodity arrangements should be such as to allow flexibility in the commodity agreements.

Mr. WORMSER (France) stated that a certain stability must be maintained in the production, trade and consumption of basic products. The detailed procedure for the making of agreements suggested in the Charter might be too slow. It was necessary to secure equitable treatment as between producer and consumer.

Mr. BALA (Czechoslovakia), emphasized the necessity to make arrangements for commodities in short supply. He hoped that provision would be made for all nations to have access to raw materials essential for economic expansion, and that surpluses would be met by higher consumption rather than by restriction of production. He recommended that there should be a permanent organization to deal not only with questions of allocating production and consumption, but, also with the provision of financial help to states which could not otherwise participate in the expansion of consumption.

Mr. MELANDER (Norway) thought that international commodity arrangements should be regarded as an exception to the proposed rules relating to general commercial policy. They should only be applied in very special circumstances. He suggested that instead of creating special Commodity Councils the ITO itself could administer inter-governmental commodity agreements; this would make for better co-ordination.

Mr. CHANG (China) supported wider measures than those proposed in the United States Draft Charter. He referred to the problem of synthetic products and considered that if possible the synthetic and natural product, for example, natural silk and rayon, should be studied as one category.

3. Statement by Representative of FAO

At this stage an invitation was extended to Mr. LOUWED, representative of FAO, to make a statement. He referred to the aims of FAO and to the long term proposals discussed at the Copenhagen Conference in September. The FAO had made certain suggestions regarding a World Food Board, and these would be examined shortly in Washington. Estimates had been prepared of the increases in production of particular commodities which would be needed by 1960 to achieve adequate standards of world consumption. It was an agreed principle of FAO that agricultural

prices should be at a level which was fair to both consumers and producers. the FAO might be regarded as a permanent "Study Group" for agricultural commodities. He thought the need for some form of commodity organization might arise soon and suggested that any temporary arrangement should anticipate collaboration between the FAO and ITO.

4. Information regarding existing Commodity Arrangements

It was agreed to invite the existing international organizations dealing with wheat, sugar, rubber, tin and tea to submit short memoranda covering their work and any suggestions that might help the Committee.

5. Appointment of Agenda Sub-Committee

It was agreed to set up a sub-committee to consider the draft agenda in the light of the general discussion. This sub-committee should consist of the Chairman and delegates of Australia, Cuba, France, Netherlands and United States. It was arranged that the sub-committee should meet at 3 p.m. the same afternoon.

6. Next Meeting

It was agreed that the next meeting of Committee IV should be held on Thursday 24 October 1946 at 3 p.m.
