

RESTRICTED

SR.23/5/Corr.2

21 June 1966

Limited Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES
Twenty-Third Session

SUMMARY RECORD OF THE FIFTH MEETING

Corrigendum

Page 58

Delete the present text and substitute the following for the statement of Mr. HUMBERT (Niger):

Mr. HUMBERT (Niger) associated his delegation with the statements of the representatives of Chad and Turkey. He pointed out that, within the framework of its policy of diversification of cash crop exports, Niger had, for a number of years, been promoting the cultivation of cotton. Up to the 1964/65 crop year the price received for Niger's cotton fibre had been relatively satisfactory, but this had not been the case for the 1965/66 crop year. The decline in price was consequent upon a decision of an important cotton exporter to lower its export price for the 1966 crop. This decision had occurred at a time when consuming industries were involved in running down their stocks and had curtailed their purchases following the announcement of the new price. As a result, the price received for Niger's cotton fell to CFA Fr.125,000 per ton as compared with an expected price of CFA Fr.138,000. In these circumstances, the Government of Niger had been forced to consider a reduction of producer prices as the financial position of the "Marketing Board" did not permit it to compensate entirely the reduction in the selling price. The delegation of Niger could not support the view of the United States Government (L/2604) that its stocks of cotton were being sold in a manner that did not result in disruptions of foreign markets.

In these circumstances, the delegation of Niger considered it necessary to draw the attention of the CONTRACTING PARTIES to Article XXXVI:4 of the General Agreement, i.e. that "there is need ... to devise measures designed to stabilize and improve conditions of world markets" in products originating in developing countries whose resources depended upon the exportation of a limited range of primary products. The present world economic situation of cotton posed grave problems, but, as had been emphasized in the report of the first session of the Committee on Commodities of the UNCTAD, the most serious repercussions would be felt above all by developing countries which depended on cotton for part of their foreign exchange earnings. The delegation of Niger therefore requested the urgent implementation of a general study on the organization of the cotton market in which would participate all cotton producers, whatever the size of their production. In the context of the GATT, the work of the Working Group on International Commodity Problems could be intensified on the basis of the report on "Cotton" which had been the subject of a preliminary examination in the Group in November 1965.

./.