

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Trade and Development

INTERNATIONAL COMMODITY PROBLEMS

Draft Recommendation Proposed by a Group of Less-Developed Countries

In connexion with the discussion on item 5 of the Committee's agenda¹ "Commodity Problems", the following draft recommendation has been submitted by a group of less-developed countries including Nigeria, Upper Volta, Cameroon, Senegal, Madagascar and Gabon:

Having regard to the terms of reference of the Committee on Trade and Development,

Considering that, in the present economic situation, in view of the quantities produced, and of the very limited margin for increase in consumption of primary products in industrialized countries, elimination of all obstacles to trade alone could not substantially further an expansion in the export earnings of less-developed countries,

Considering therefore that such expansion of the export earnings, which remains the basic objective of the less-developed countries, can only be secured if improved, stable, equitable and remunerative prices are attained for primary products, compared with prices for imported manufactures, and if market organization is achieved,

Considering that the deterioration of the terms of trade of the primary-producing less-developed countries has steadily increased, and that such an unfavourable situation urgently calls for appropriate action,

Considering that the provisions of Part IV (new) of the General Agreement, and more specifically the provisions of Article XXVIII, provide for the conclusion of international arrangements designed to provide improved conditions of access to world markets for primary products of particular interest to the less-developed countries,

¹COM.TD/W.8.

Recommend that the Committee on Trade and Development should convene forthwith a working group entrusted with the following terms of reference:

1. To set forth in precise terms the positive measures to be taken
 - (a) with a view to attaining stable, equitable and remunerative prices for exports of the primary products of the less-developed countries in the sense of the General Agreement, in conformity with paragraph 2(a) of Article XXXVIII (new) of the General Agreement, and
 - (b) with a view to allowing reasonable outlet for primary products of interest to less-developed countries commensurate with their present trade and expected growth, having regard to their financial and development needs.
2. To study the conditions in which the systems experimented regionally, bilaterally, or at national levels in various countries can serve as a guide for the action that it would be desirable to carry out at world level towards the stabilization of prices for primary products.
3. To prepare, where necessary in relation with any institutions which may be set up on the basis of recommendations by the United Nations Conference on Trade and Development, draft international arrangements for the stabilization of prices of primary products to be submitted to the next session of the CONTRACTING PARTIES.

