

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3109

12 November 1968

Limited Distribution

CONTRACTING PARTIES
Twenty-Fifth Session
12-29 November 1968

DISPOSAL OF COMMODITY SURPLUSES

Note by the Director-General

1. At their twenty-fourth session, the CONTRACTING PARTIES examined the notifications submitted by contracting parties in respect of the disposal of commodity surpluses, the liquidation of strategic stocks or disposals from stocks otherwise held by government agencies (L/2889 and Add.1). In this connexion they addressed themselves to the fundamental question of the observance of the Resolution of the CONTRACTING PARTIES of 4 March 1955, on the disposal of surpluses (BISD, Third Supplement).
2. In the discussion, certain representatives suggested that the question of strengthening and enlarging the notification and consultation procedures be formally taken up at the present twenty-fifth session (SR.24/11).
3. In particular suggestions were made to bring into the ambit of reporting procedures disposals of surpluses arising from domestic price support policies, and transactions involving a mixture of commercial and non-commercial terms. The CONTRACTING PARTIES agreed to ask the secretariat to seek such additional information for future sessions.
4. In response to a note circulated by the secretariat on 16 September (L/3063) four contracting parties notified actions they had taken in this field since the twenty-fourth session. These notifications have been circulated in document L/3105.
5. Judging by the number and content of the notifications received, it seems fairly obvious that contracting parties are encountering certain difficulties in collecting and notifying this type of information.
6. If future discussions by the CONTRACTING PARTIES on this item are to be of more than a purely descriptive and historical nature it would thus appear useful and desirable that the notification and consultation procedures in respect of surplus disposals, under the Resolution of 4 March 1955, be fundamentally reviewed.
7. In view of the fact that the Agriculture Committee is, inter alia, very particularly concerned with the question of non-commercial sales, I consider it advisable to request the CONTRACTING PARTIES to entrust this task specifically to the Agriculture Committee for the year ahead of us, bearing in mind, at the same time, the interest and activities of other bodies in this field.

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8. I am, therefore, making the following suggestion to the CONTRACTING PARTIES:

- (a) that the CONTRACTING PARTIES request the Agriculture Committee to establish, within the framework of the detailed work programme as adopted at its meeting in October 1968 (COM.AG/11) such procedures as it deems appropriate for the notification, consultation, and discharge of any other responsibilities, incumbent on contracting parties by virtue of the Resolution of 4 March 1955;
- (b) that the Committee on Agriculture report on this item to the CONTRACTING PARTIES at their twenty-sixth session.