

RESTRICTED

IC/W/51

10 September 1956

Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Intersessional CommitteeCOMMODITY PROBLEMSPresent Situation regarding the Draft Agreement
on Commodity Arrangements

1. At the Tenth Session the CONTRACTING PARTIES considered the final report of the Working Party which had been appointed to examine, inter alia, "specific proposals for principles and objectives to govern international action ... in the field of international trade in primary commodities", together with a draft Agreement on Commodity Arrangements prepared by the Working Party (L/416). That draft, after incorporating certain amendments, was generally considered to represent substantial progress towards an acceptable Agreement and to form a reasonable basis for further consideration by governments and for the preparation of a final report, although certain differences remained to be resolved. The results of these deliberations were summarized in L/469.
2. At the close of the Session the CONTRACTING PARTIES recommended that governments continue with their efforts to reconcile their differences of view which remained outstanding; specifically it was recommended that discussions should continue between the delegations most concerned and that the Executive Secretary should help, if necessary, in organizing any informal meetings that might be required. Pursuant to this recommendation the Executive Secretary has kept in touch with the contracting parties principally concerned. The discussions have centred principally on the question of exclusion from the Agreement of intergovernmental agreements connected with programmes for regional integration. No solution, however, has been found to this and certain other fundamental problems which gave rise to the outstanding differences, and at no time has there appeared to be sufficient basis for convening an informal meeting of the kind referred to.
3. The CONTRACTING PARTIES also authorized the Intersessional Committee, if it should appear that positive results were likely to be achieved, to establish a drafting committee which would be charged with the preparation of a final draft for submission to the Eleventh Session. In the circumstances described above it has not appeared to the Executive Secretary that any useful purpose would be accomplished by the creation of such a drafting committee. In a Note circulated to the contracting parties in June 1956 (L/488) it was suggested that unless any contracting parties should indicate that positive results could be achieved it would be assumed that there was no need to convene the Intersessional Committee for the purpose of establishing a drafting committee and that the matter would

be referred to the statutory meeting of the Committee which would take place on 11 September 1956 in preparation for the Eleventh Session. No comments were received from contracting parties and consequently the subject has been included in the Agenda for the September meeting of the Committee.

4. There was general agreement at the Tenth Session that it was desirable that participation in the Agreement on Commodity Arrangements should be as wide as possible. The CONTRACTING PARTIES considered therefore that even if it had been possible to agree on a final draft at the Tenth Session further time should be allowed for receiving and taking into consideration any comments of governments which were not contracting parties to the General Agreement. Accordingly, the Executive Secretary was instructed to inform the Secretary-General of the United Nations of the results of the deliberations and to request that, in addition to the texts of the report of the Working Party and of the draft Agreement on Commodity Arrangements, copies of the summary note prepared by the secretariat (L/469) be forwarded to those members of the United Nations which were not parties to the General Agreement, with a renewed invitation to comment upon the proposals. In response to that request made through the Secretary-General, the Government of Ethiopia advised that while in general sympathy with the efforts to draw up the specific proposals it would prefer not to take a stand but to reserve its opinion until there was need or a request to express definite views on special aspects of the proposals; the Government of Ireland stated that it was not convinced of the necessity for the elaboration of a new code and suggested that the functions and responsibilities of the various bodies already active in this field should be reviewed before proposals to evolve a new code were pursued; the Government of Libya replied that it had no comment to make on the proposals.

5. The Executive Secretary also transmitted the summary note on the results of the deliberations (L/469) to the Director-General of the Food and Agriculture Organization, the Director-General of the International Labour Office, the Chairman of the Interim Co-ordinating Committee for International Commodity Arrangements, and the Secretary-General of the Organization for European Economic Cooperation.

6. In its resolution 557 F(XVIII) of 5 August 1954, requesting the Interim Co-ordinating Committee for International Commodity Arrangements (ICCICA) to continue certain of its functions and setting up the Commission on International Commodity Trade, the Economic and Social Council of the United Nations decided that the Council should consider the status and functions of ICCICA at its twentieth session and of the Commission in future, in the light of any important developments in the field, including the results of the discussions by the CONTRACTING PARTIES, which should be taken into account after these results were known. As the CONTRACTING PARTIES had not completed their discussions, the Council at its twentieth session, held in June 1955, postponed consideration of these matters. At its twenty-second session, the Council, by resolution XXII/13 of 9 August 1956, inter alia, requested ICCICA to continue to discharge for the time being the functions which have been given to it and confirmed for the present the terms of reference of the Commission on International Commodity Trade.

7. It might be noted that the composition of the Commission on International Commodity Trade will be modified as from 1 January 1957 as a result of the re-election of one-third of its members at the last session of the Economic and Social Council.¹ The new composition of the Commission will be: Argentina, Australia, Belgium, Brazil, Canada, Chile, China, Denmark, Egypt, France, Greece, India, Indonesia, Pakistan, Poland, Turkey, USSR and Uruguay.

¹ The Governments of the United Kingdom and the United States indicated that they were not seeking re-election. These two members and Venezuela were replaced by Greece, Indonesia and Uruguay, while the other three retiring members, namely Brazil, Canada and Poland were re-elected.