

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Eleventh Session
Working Party on Commodities

DECLARATION OF THE CONTRACTING PARTIES CONCERNING THE PARTICULAR DIFFICULTIES CONNECTED WITH THE TRADE IN PRIMARY COMMODITIES

(Revised text proposed by the French Delegation following informal
consultation with other delegations)

THE CONTRACTING PARTIES,

CONSIDERING that the basic objectives of the General Agreement are to conduct relations in the field of international trade with a view to raising standards of living, insuring a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world and expanding production and exchange of goods;

Alternative A

NOTING with concern that the attainment of these objectives may be jeopardized if as has been the tendency during the last few years, the relative shares of primary commodities producing countries in international trade continue to decline, thus diminishing their purchasing power and consequently reducing their possibilities of economic development.

Alternative B

NOTING that the attainment of the objectives of the General Agreement may be jeopardized if an expanding volume of world trade is not reflected in the general level and stability of returns from internationally traded primary commodities, upon which many countries depend as a source of income for current imports and as a source of capital funds for economic development.

RECOGNIZING that both producers and consumers of primary commodities have a common interest in adequate supplies of such commodities being available at reasonably stable and equitable prices;

CONSIDERING that the CONTRACTING PARTIES, in conformity with the functions conferred upon them under Article XXV:1 and as was recognized in the ruling of the Tenth Session, are competent to deal, upon the request of one or more contracting parties with special difficulties arising in connexion with international trade in primary commodities;

HAVING in mind the efforts made by the United Nations Organization and the other intergovernmental organizations concerned in the field of primary commodities;

DECLARE:

1. that they shall, at every session, review the trends and developments in international commodity trade on the basis of a report submitted by the Chairman of ICCICA in his capacity as nominee of the CONTRACTING PARTIES for that post¹, and on the basis of other relevant documents;
2. furthermore, they should take account, among other factors contributing to the disequilibrium of the balance of payments, of problems relating to international commodity trade when, in the course of consultations undertaken under Article XII (until the entry into force of the revised text of the General Agreement) or under Article XVIII, Section B (after the entry into force of the revised text of the General Agreement), they examine the nature of continuing balance-of-payments difficulties which compel certain contracting parties to maintain import restrictions;
3. that it would be appropriate for them to enter into consultations on such problems pursuant to the provisions of Article XXII:2 (revised), particularly such consultations as provided for in Article XVIII:5 (revised);
4. that when the CONTRACTING PARTIES, as a result of such consultations or of such discussion as provided for in paragraph 1 above, are of the opinion that an international joint action could usefully contribute to the solution of problems in the field of commodity trade, they could make arrangements, having full regard to the competence of the United Nations Organization and of the other intergovernmental organizations concerned², for an intergovernmental meeting, the composition of which should not be limited only to the countries which are CONTRACTING PARTIES to the General Agreement but should be determined according to the nature and importance of the interests concerned both of producers and consumers.
5. Alternative A
A - that during the meeting provided for under paragraph 4 above and in any arrangement which might result therefrom the contracting parties should be guided by the principles embodied in the Resolution of the Economic and Social Council of 28 March 1947 creating an Interim Coordination Commission for International Commodity Arrangements;

¹ The report of the Working Party should stress that, pursuant to the provisions of the Rules of Procedure relating to observers, representatives of third countries concerned should be invited to this discussion.

² The report of the Working Party should stress that this sentence means that the contracting parties could organize directly an international meeting only if there does not exist other qualified organization or if the qualified organization does not give any answer to the invitation which was sent to it in order to call for an international meeting.

Alternative B

B - that during a meeting provided for under paragraph 4 above and in any arrangement which might result therefrom, the contracting parties should endeavour to attain the following objectives:

(a) to correct a tendency towards widespread disequilibrium between production and consumption in order to avoid the creation of economic and social difficulties both nationally or internationally;

(b) to ensure the orderly marketing of primary commodities by endeavouring to secure price stability by the expansion of consumption and lowering of costs rather than by restricting production or trade;

(c) provide for equal voting power, in all substantive matters as between consuming countries taken together and producing countries taken together;

Alternative C: Omit paragraph 5 altogether

And ASK the Executive Secretary to send this declaration to the Secretary General of the United Nations.