

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
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STABILIZATION OF PRICES OF PRIMARY PRODUCTS

Communication received from the Inter-Parliamentary Union

The Inter-Parliamentary Union has transmitted for the information of the CONTRACTING PARTIES the following resolution which was adopted unanimously at its XLVth Conference held in London on 12-19 September 1957:

"The Stabilization of Prices of Primary Products

Considering that excessive fluctuation in the prices of primary products makes it difficult to frame and apply acceptable programmes for economic development and leads to situations which are difficult both for producers, who, in view of this uncertainty, are never assured of equitable remuneration for their efforts, and for importers, who need a regular supply of products at reasonable prices,

Considering that these disadvantages are particularly felt in underdeveloped countries, which find the main source of their revenue in the production of raw materials and are more affected by fluctuations in prices than industrialized countries, which are normally better organized for the protection of their economic interests,

Considering that fluctuations in commodity prices in international markets upset the balance of payments' position of the underdeveloped countries and therefore their prospects of economic development,

Recognizing that measures taken in the field of price support by nations responsible for the economy of underdeveloped territories have achieved only limited success and need to be supplemented by, and coordinated with, action on the international level to put an end at least to short-term fluctuations of prices arising mainly from temporary causes,

Recognizing the disadvantages of harmful operation by organizations acting under monopoly conditions and constantly paying to producers prices which are unduly at variance with those prevailing in international markets,

Appreciating that it is desirable to strive for terms which, while being fair to consumers, should not be to the detriment of producers, and to that end that organizations of producers, consumers and traders should be associated in the discussions,

The XLVith Inter-Parliamentary Conference recommends

that the formulation of international commodity agreements between the appropriate producer and consumer countries on the lines of those already in operation should be encouraged;

that the Havana Charter Rules which are at present administered by ICCICA (Interim Coordinating Committee for International Commodity Arrangements) should be reviewed and put on a permanent basis;

and that an international conference should be convened in order to carry this recommendation into effect."