

GENERAL AGREEMENT ON TARIFFS AND TRADE

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IMPACT OF COMMODITY PROBLEMS UPON INTERNATIONAL TRADE

Report of Mr. S.A. Hasnie, Nominee of the CONTRACTING PARTIES as
Chairman of the Interim Co-ordinating Committee for International
Commodity Arrangements (ICCICA)

1. Since my last statement as the nominee of the CONTRACTING PARTIES as Chairman of the Interim Co-ordinating Committee for International Commodity Arrangements (ICCICA), the United Nations Conference on Trade and Development has made a number of important recommendations in the commodity trade field. These recommendations recognize the outstanding importance of commodity trade for the economic development of developing countries and the special difficulties affecting trade in primary commodities. The Conference underlined the importance and urgency of actions that need to be taken by governments, individually and jointly, over a wide front and on dynamic and comprehensive lines, so as to conduct a concerted attack on international commodity problems.

The General Assembly (under Resolution 1995 (XIX)) has now established the Conference on Trade and Development. As a permanent organ of this Trade Conference, the Trade and Development Board has also been set up as part of the United Nations machinery in the economic field. The Board in turn will establish a Committee on Commodities which will inter alia carry out the functions now performed by ICCICA.

Under the terms of this General Assembly Resolution, ICCICA has been maintained as an advisory body of the Board. The future terms of reference and membership of ICCICA will be considered at the first session of the Trade and Development Board, which will meet in New York in April. The present statement is therefore somewhat in the nature of an interim report.

The last report of the Committee entitled "1964 Review of International Commodity Problems" has been circulated to the contracting parties (document E/3856). To some extent the last report was of a special nature in that an attempt was made to draw conclusions from intergovernmental activities in the commodity field during the whole of the post-war period. At this time I would particularly like to draw attention to Chapter 1 of the report which emphasized the need for continuity in commodity negotiations and to Chapter 2 which gives a detailed account of the many practical problems connected with the negotiations and operation of a commodity agreement. The report also contains a review of current intergovernmental consultations and action: this has been supplemented by various issues of the quarterly ICCICA publication "Recent Commodity Developments".

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I may comment briefly on a few of the other activities of the Committee.

On receipt of a request from the International Tin Council that the United Nations convene a Tin Conference to negotiate a new tin agreement, ICCICA recommended, in November 1964, that the Secretary-General comply with this request. This Conference will convene in New York on 22 March 1965.

In December of last year, the Committee held its twenty-third session in New York. It gave further consideration to the request of the Inter-American Economic and Social Council for further intergovernmental consultations on copper and decided to take steps to arrange for such consultations. In cocoa, the Committee considered that the United Nations Cocoa Conference should not be resumed until consultations had taken place with the principally interested governments. In the light of market developments it hopes to arrange shortly for informal discussions with the representative of such governments.

At its twenty-third session the Committee also considered the question of the development of certain rules in connexion with the disposal of non-commercial stocks. The report, document TD/B/4, of the session sets out in an annex previous action in this field and recommends consideration of various principles which the Committee believes should be applied in future when governments contemplate disposal of their non-commercial stocks. In making these recommendations, the Committee had in mind that the Trade Conference itself, in paragraph 13(b) of Part II of recommendation A.II.1, had recommended that "the sale of surplus inventories, including strategic stockpiles of minerals, metals and raw materials, accumulated in developed countries should also be effected in accordance with internationally determined criteria, designed to ensure that such sales do not depress the prices of the commodities concerned or distort world trade to the detriment of exports from developing countries". Copies of this report are being circulated to the contracting parties.

I should like to take this opportunity to thank the officers of the various commodity groups and councils for their co-operation with ICCICA during the past years. You may be interested to know that steps have been taken by ICCICA to establish closer working arrangements with the Executive Officers of these groups and to assist them in connexion with certain aspects of their statistical work.

May I take also this opportunity to thank the CONTRACTING PARTIES for re-nominating me as Chairman of the Committee. It has been a pleasure to undertake this work which is so important to the interests of developing countries.