

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES  
Eleventh Session

Original: French

## Working Party on Commodities

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

(Draft declaration submitted by the French Delegation)

The CONTRACTING PARTIES

DECLARE

1. That they re-affirm their Decision of the Tenth Session under which they recognize that in conformity with the functions conferred upon them under Article XXV:1, they are competent to deal, upon the request of one or more contracting parties, with problems concerning commodity trade.
2. That in particular they should take account, inter alia, of such problems when, in the course of consultations undertaken under Article XII (in its present or revised form) or under Article XVIII Section B (Revised), they examine the nature of continuing balance-of-payments difficulties which compel certain contracting parties to maintain import restrictions.
3. That the CONTRACTING PARTIES should also enter into consultations on such problems in conformity with the provisions of Article XXII:2 (Revised) or, more specifically, in conformity with the provisions of Article XVIII:5 (Revised).
4. That when the CONTRACTING PARTIES as a result of such consultations are of the opinion that international joint action could usefully contribute to the solution of such difficulties they could take such action in order to initiate international discussions to that effect, taking account of the competence of the other intergovernmental organizations concerned and of the need to call into such discussions and to associate in any arrangements which might result therefrom all countries (including dependent overseas territories) which may have a substantial interest in the trade in the commodity concerned, but which are not contracting parties to GATT.
5. The CONTRACTING PARTIES further decide that for the purposes of Article XX:I(h) of the General Agreement, any intergovernmental commodity arrangements entered into should:

- be directed to the attainment of one or more of 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;
  - (b) - to facilitate the orderly marketing of primary commodities;
  - (c) - where production of any primary commodity seems likely to be in excess of long-term demand, to alleviate the economic and social hardship in producing countries during the period necessary for the orderly transfer of resources into new and productive occupations;
  - (d) - to expand consumption and production in the interest of all consumers and producers, bearing in mind the need to maintain and develop the natural resources of the world and protect them from unnecessary exhaustion;
  - (e) - to satisfy domestic consumption and world market requirements by using the most economic natural resources while bearing in mind the social and economic needs of the countries concerned;
- and, except in duly justified exceptional circumstances, provide for equal representation of countries interested in the importation or in the consumption of the commodity concerned on the one hand, and of countries interested in the production or exportation of such commodity on the other hand.

6. The CONTRACTING PARTIES shall at every session, review the trends in international commodity trade on the basis of a report submitted by the Chairman of ICCICA, who would be acting as the person of high standing chosen for that post.

7. The CONTRACTING PARTIES request the Executive Secretary to forward this Declaration to the Secretary-General of the United Nations.