

## 915 (XXXIV). International commodity problems

*The Economic and Social Council,*

Considering that it is of importance for the economic development of the less developed countries that more rapid progress should be made towards the solution of the problems concerning commodities, more specifically within the framework of the United Nations Development Decade,

Noting the progress achieved by the Commission on International Commodity Trade in its consideration of the international commodity market situation and of short-term measures to offset the harmful effects of fluctuations in the prices and volume of trade in primary products,

1. *Stresses* the importance of research leading to the consideration of suitable short- and long-term measures designed to stabilize at remunerative levels prices of primary commodities, thus contributing to a satisfactory level of export income and terms of trade of the primary producing countries;

2. *Takes note with appreciation* of the report of the Commission on International Commodity Trade on its tenth session,<sup>16</sup> the report on the Joint Session on the Commission and the Committee on Commodity Problems of the Food and Agriculture Organization of the United Nations,<sup>17</sup> and the report by the Interim Co-ordinating Committee for International Commodity Arrangements,<sup>18</sup> and endorses the Commission's programme of work;

3. *Approves* the course of action embodied in paragraphs 52 to 56 of the Commission's report which are annexed to this resolution, including, in particular, the setting up by the Commission of a technical working group with the membership and terms of reference provided for in those paragraphs;

4. *Draws attention* to the special importance of the work being carried out by the Commission on compensatory financial measures for fluctuations in commodity export earnings and to the urgent need for the Commission to complete that work and transmit its conclusions to the Council for consideration at its thirty-sixth session;

5. *Recommends* the Commission on International Commodity Trade to undertake at its eleventh session a more detailed examination of the projection reports<sup>19</sup> considered at the joint session, taking account of any observations made by the Secretary-General, the regional economic commissions, the Statistical Commission, and any other competent intergovernmental bodies;

6. *Calls upon* the Secretary-General of the United

<sup>16</sup> *Ibid.*, Supplement No. 6 (E/3644).

<sup>17</sup> *Ibid.*, annex B.

<sup>18</sup> *Ibid.*, Thirty-fourth Session, Annexes, agenda item 8, document E/3614.

<sup>19</sup> "Agricultural Commodities—Projections for 1970", *FAO Commodity Review 1962*, Special Supplement (E/CN.13/48—CCP 62/5), Food and Agriculture Organization of the United Nations, Rome (transmitted to the Council by document E/3628). Prospective demand for non-agricultural commodities: problems of definition and projection methodology (E/3629).

Nations and the Director-General of the Food and Agriculture Organization of the United Nations to continue their work on medium-term projections of the prospective production of, and demand for, primary commodities and to communicate the results thereof periodically to the appropriate agencies and bodies.

1236th plenary meeting,  
3 August 1962.

### ANNEX

#### Excerpt from the report of the Commission on International Commodity Trade to the Economic and Social Council on its tenth session

52. It accordingly decided, subject to the approval of the Economic and Social Council, to set up a technical working group composed of the representatives of the following Member States: Argentina, Australia, Brazil, Ceylon, France, Mali, Pakistan, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America. It further suggested that the member governments of the technical working group should be invited to appoint as their representatives experts with special knowledge of commodity problems and of compensatory financing arrangements.

53. The terms of reference of the technical working group would be as follows:

(a) To examine — in the light of the views expressed and the conclusions reached during the tenth session of the Commission, of the documentation available to that session and of the assistance that the International Monetary Fund can provide to primary exporting countries to overcome the problem of short-term fluctuations in their export earnings — the scheme for a Development Insurance Fund submitted by the United Nations group of experts and the scheme of compensatory financing for fluctuations in exports receipts drawn up by the Organization of American States and submit its considered views to the eleventh session of the Commission together with the text of a draft agreement, including any necessary variants, for the purpose of illustrating a specific mechanism for compensatory financing and for the purpose of facilitating decision by Governments on this subject;

(b) To inquire, in the light of the studies already carried out on this subject by the United Nations and by other international organizations, whether and to what extent a scheme for compensatory financing can be adapted for offsetting the long-term declines in export receipts of primary exporting countries and the deterioration in their terms of trade; and to consider what guidance could be given to the Commission for its work relating to the other necessary measures for remedying the long-term situation;

(c) To report in good time to enable the Commission at its eleventh session in 1963 to make recommendations to the Economic and Social Council on these questions. The report should be in the hands of the Secretary-General before 12 January 1963 so that it may be distributed to Member States by 23 February 1963.

54. The Commission expressed the wish that the representatives of the International Monetary Fund should be associated with the technical working group's deliberations. It also expressed the wish that observers from the International Bank for Reconstruction and Development, the Food and Agriculture Organization of the United Nations and the General Agreement on Tariffs and Trade should be present at these deliberations.

55. The Commission invited the International Monetary Fund, in the light of the discussion during the tenth session, and after consideration of the questions involved, to present, as soon as possible, a report as to whether and in what way the Fund might play an increased part in the compensatory financing of export

fluctuations of primary exporting countries, and to keep the technical working group currently informed of the progress of its deliberations on the subject.

56. The Commission expressed the hope that the technical working group will be able to hold its first session shortly after the thirty-fourth session of the Economic and Social Council.

## 916 (XXXIV). United Nations Development Decade

*The Economic and Social Council,*

Recalling General Assembly resolution 1710 (XVI) of 19 December 1961 designating the current decade as the "United Nations Development Decade", in which Member States and their peoples will intensify their efforts to mobilize and to sustain support for the measures required on the part of both developed and developing countries in order to accelerate progress towards self-sustaining growth of the economies of the individual nations and their social advancement so as to attain in each underdeveloped country a substantial increase in the rate of growth, with each country setting its own target, taking as the objective a minimum annual rate of growth of aggregate national income of 5 per cent at the end of the Decade,

Considering that the economic and social development of the economically less developed countries is not only of primary importance to those countries, but is also basic to the attainment of international peace and security and to a faster and mutually beneficial increase in world prosperity,

Recognizing that, in spite of a variety of efforts, policies, and measures designed to assist the developing countries in their efforts to achieve economic growth through which much has been accomplished, the rate of economic and social progress in these countries is still far from adequate,

Noting the essentiality of strengthening the economic independence of the less developed countries,

Bearing in mind that new problems affecting particularly the developing countries and hampering and delaying their economic and social development, have arisen in international economic relations in the course of the past years,

Having before it the report prepared by the Secretary-General<sup>20</sup> presenting proposals for intensified national and international action programmes during the present decade,

Noting :

(a) The views submitted by Governments concerning proposals for action in the Development Decade<sup>21</sup> and concerning the role of the regional economic commissions in the Decade,<sup>22</sup>

(b) The proposals for action made by the related agencies,<sup>23</sup> and

<sup>20</sup> United Nations publication, Sales No. 62.II.B.2.

<sup>21</sup> E/3613/Add. 2 and 3.

<sup>22</sup> Official Records of the Economic and Social Council, Thirty-fourth Session, Annexes, agenda item 4, document E/3664.

<sup>23</sup> E/3613/Add.1.

(c) The views expressed during the Council's discussion of this subject,

1. Expresses appreciation to the Secretary-General for his work in producing the report and to the agencies and other institutions which helped in its preparation;

2. Endorses the emphasis placed in the report on the development process as a many faceted one, based principally on industrial development and a highly productive agriculture and requiring for success determined self-help and careful planning on the part of developing countries;

3. Calls upon the Governments of Member States, as well as United Nations bodies and specialized agencies, to give particular consideration, in the first years of the implementation of the Development Decade, in addition to their endeavours in other fields, to the following:

(a) Industrial development as a most important factor in economic diversification and general economic development;

(b) Improved access to the world markets in order to promote export trade of the developing countries, taking into account their foreign exchange needs for development and the effects of deterioration in their terms of trade, including steps for early reduction or elimination of barriers to exports;

(c) Appropriate measures, such as international commodity arrangements, to stabilize at remunerative levels the prices of primary commodities on international markets, and also sound compensatory arrangements designed to mitigate excessive fluctuations in the export receipts of primary producing countries and to compensate for the harmful effects thereof;

(d) The pursuance by regional and sub-regional economic groupings of economic policies which avoid the introduction and facilitate the elimination of obstacles and restrictions which might hamper the necessary expansion of the trade of the developing and underdeveloped countries or might discourage the indispensable growth of their economies;

(e) A substantially increasing in-flow of long-term development capital, public and private, for financing their economic development programmes on terms which take into account the special requirements and conditions of the developing countries so as to benefit them; and for this purpose the continuing need for measures in both developing and developed countries designed to facilitate and encourage its flow to the less developed countries;

(f) The development of human resources through adequate programmes for education and vocational training, nutrition, health, sound public administration, housing, urban and rural development, including community development and effective land reform, with particular emphasis on their contribution to over-all development objectives and with the co-operation where appropriate of trade unions and other non-governmental organizations in consultative status;

(g) Exploration and exploitation of natural resources with a view to establishing a raw-material and energy basis for economic development;