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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL AND ECONOMIC
DEVELOPMENT OF THE UNDER-DEVELOPED COUNTRIES

Development of international trade and
international commodity problems

Argentina, Chile, France and Greece: revised joint
draft resolution

The General Assembly,

Recalling its resolution 1324 (XIII) of 12 December 1958 and noting Economic and Social Council resolution 726 (XXVIII) of 27 July 1959,

Convinced that economic and social progress throughout the world, especially in the under-developed areas, depends largely on a steady increase in international trade,

Bearing in mind that exports of a relatively small number of primary commodities constitute the main source of foreign exchange earnings of many countries, particularly in the under-developed areas,

Considering that excessive fluctuations in commodity prices affect the volume of export receipts and the budgetary resources of many countries, and in the case of the under-developed countries are likely to hamper the sound and stable development of the economy,

Convinced that a policy of economic assistance to the under-developed countries will be more effective if the excessive instability of commodity markets is remedied, and that to seek solutions to this problem should be one of the main concerns of all Member States,

Noting the approval by the Economic and Social Council of the programme of work of the Commission on International Commodity Trade, including the detailed study of national and international measures to deal with fluctuations in primary commodity markets,

Noting further that the Contracting Parties to the General Agreement on Tariffs and Trade have undertaken a study of the problem of long-term expansion of trade and in particular of the exports of countries producing primary commodities,

Considering, however, that the procedures of multilateral financial assistance do not always enable countries that have suffered from a sharp and sudden drop in the prices of the raw materials they export to restore the deficit in their balance of payments rapidly and at the same time to carry out their development programmes,

1. Appeals anew to the Governments of Member States to continue their efforts to solve the problems relating to commodity production and trade, including where appropriate the negotiation of agreements between the principal producers and the principal consumers in their mutual interest, of the same product or the participation in international study groups;

2. Takes note with appreciation of Economic and Social Council resolution 726 (XXVIII) approving the report and programme of work submitted by the Commission on International Commodity Trade, and expresses the hope that the Commission in the course of its studies will give careful attention to the types of comprehensive commodities schemes referred to in part I, chapter 3, of the World Economic Survey 1958;

3. Invites the Governments of Member States to extend the greatest possible assistance to the Commission on International Commodity Trade in order to help it carry out its programme of work quickly and effectively;

4. Recommends that the regional economic commissions, the specialized agencies concerned, especially FAO, the Contracting Parties to the General Agreement on Tariffs and Trade and the study groups dealing specifically with commodity problems give particular attention to the problems of countries dependent to a high degree on the export of a small number of primary commodities;

5. Urges the Governments of Member States:

(a) To contribute to the greatest possible extent, either unilaterally or in the competent international organizations, to the progressive abolition of such discrimination, quantitative limitations and other restrictive practices as are no longer justified by balance of payments difficulties and which hinder the sound development of international commodity trade;

(b) To take account in formulating their economic policy of the effect that it may have on the export opportunities of the primary producing countries;

6. Requests the Commission on International Commodity Trade to give particular attention, in carrying out its programme of work, to the study of means for giving temporary assistance to countries encountering serious payment difficulties as a result of a sharp and sudden drop in the prices of their raw material exports, with a view to enabling them to take the necessary measures and at the same time continue to carry out their economic development programmes.
