

for International Commodity Arrangements which had been established in 1947 by the Economic and Social Council to facilitate inter-governmental consultation or action in this field.

During 1955 the Commission on International Commodity Trade held its first session in New York and its second session in Geneva. At its first session the Commission was concerned principally with its own rules of procedure and terms of reference. At its second session the Commission's main task was to organize its programme of work. The agenda for this session included: (1) arrangements for studies of fluctuations in commodity prices and trade; (2) consideration of statistical information necessary for the work of the Commission; (3) arrangements for studies of the operation of organized commodity markets; (4) consideration of proposals by governments regarding commodity problems; and (5) development of a programme for the consideration of proposals for international action. However, the absence of governmental agreement with respect to many of the basic issues before the Commission prevented it from making much progress on the first four of these items while consideration of the last was postponed until the next session. The Commission's discussions were affected also by the fact that no decision had been reached by the Contracting Parties to the GATT on a draft agreement on commodity arrangements.

A draft agreement on commodity arrangements prepared by a GATT working party was considered by the Contracting Parties at their ninth session held in the fall of 1954. The working party met again in September 1955 and submitted a final report to the Contracting Parties together with a revised draft agreement. The Contracting Parties at their tenth session agreed that the amended draft represented substantial progress towards an acceptable agreement and formed a reasonable basis for further consideration by governments and by the Contracting Parties at their eleventh session in 1956.

International Machinery for Trade Co-operation

A Charter for an International Trade Organization (ITO) was drawn up at Havana in 1948, with the intention that it should become a Specialized Agency of the United Nations. The ITO Charter contained a set of rules and principles to govern international trade between member countries. As it did not receive the necessary ratifications it has not come into force and a somewhat less comprehensive set of rules for international trade has been applied since 1947 on a provisional basis by the Contracting Parties to the General Agreement on Tariffs and Trade (GATT).

A review of the GATT was undertaken during the winter of 1954-55 and an Agreement to establish an Organization for Trade Co-operation (OTC) was drawn up. This Agreement is now awaiting ratification by the Contracting Parties. When it comes into force it will provide a permanent organization to administer the GATT on a definitive basis. Provision is made in this Agreement for the OTC, with the approval of the OTC Assembly, to be brought into relationship with the United Nations as a Specialized Agency.

At the twentieth session of the Economic and Social Council a number of delegations referred to the proposed OTC and the view was expressed that any inter-governmental organization dealing with international trade should operate within the framework of the United Nations. Several delegations proposed that governments be urged to accept the Havana Charter for an ITO, but many others pointed out that conditions had changed substantially since the Havana Charter had been prepared and that the proposed Organization for Trade Co-operation had been designed in the light of experience since 1947.