



DEPARTMENT OF EXTERNAL AFFAIRS  
MINISTÈRE DES AFFAIRES EXTÉRIEURES

# communiqué

N<sup>o</sup>:  
No.: 63

DIFFUSION: FOR IMMEDIATE RELEASE  
RELEASE: APRIL 21, 1982

## SIXTH INTERNATIONAL TIN AGREEMENT

The Honourable Ed Lumley, Minister of Trade, today announced the Cabinet decision to sign the Sixth International Tin Agreement (ITA), to become effective July 1, 1982.

There have been five International Tin Agreements, beginning in 1956, the main objectives of which have been to achieve a long-term balance between world tin production and consumption and to prevent excessive fluctuations in the price of tin.

The agreements have sought to do this by means of purchases and sales from an internationally-owned buffer stock and, if necessary in a situation of serious imbalance between supply and demand, by limitations on exports of producing countries.

Canada has been a consuming member of all five previous agreements.

The new agreement, which contains provisions increasing the amount of the buffer stock and moderating export controls, will go into force provisionally if governments accounting respectively for 65 per cent of production and consumption have ratified it by June 30, 1982. It will go into full force if it receives an 80 per cent ratification. In making the announcement, Mr. Lumley expressed the hope that sufficient countries would join the agreement to ensure continuation of producer-consumer co-operation.

In the Fifth ITA Canada ranked as the eighth largest consuming country with tinplating accounting for half the consumption and the balance used in the manufacture of solder, alloys and chemicals.

.../2

As importers, Mr. Lumley said, Canadians will benefit from the provisions of the Sixth ITA, particularly moderation of the export controls and the increase in the buffer stock. Better stock provisions are expected to dampen wild market swings in prices and thus help control speculation.

Terms of the agreement provide for a substantial increase of the buffer stock to be jointly financed by producer and consumer countries. A new and desirable element of the agreement is the provision for automatic moderation of export controls as the tin market price recovers.

During the negotiations for the Sixth ITA, which started in April 1980, Canadian negotiation objectives were met. Canada recommended an agreement that would provide a balance of rights and obligations for producing and consuming members: mandatory consumer participation in the financing of the buffer stock; and improved conditions for the use of supplementary export control measures.

The buffer stock of the Fifth ITA was financed through mandatory contributions by producing countries and voluntary contributions by consuming countries. Canada, along with several other consuming countries, made such voluntary contributions.

Successive International Tin Agreements have provided a continuing forum for producer-consumer dialogue on tin, Mr. Lumley said. Canadian participation in the Sixth International Tin Agreement provides a continuing opportunity to safeguard Canadian interests in International Tin Council decisions and discussions including those concerning price range and prospective supplies.