Agenda Item 5a

UNCTAD Letter

At its meeting on August 1, 1973, the Consultative Group discussed the UNCTAD Resolution on natural and synthetic products and asked the Chairman to convey its views to the Secretary-General of UNCTAD. A copy of the Chairman's letter, dated August 15, 1973, is included as Annex V of the Informal Summary of Proceedings of International Centers Week, dated September 25, 1973. Attached are copies of the Secretary-General's response and of the Chairman's reply of October 15, 1973.
Dear Mr. Demuth,

Thank you for your letter of 15 August 1973 in which you informed me of the results of the consideration by the Consultative Group of resolution 50 (III) adopted by UNCTAD at its third session. I was glad to note that the Group recognized the need for substantial programmes of research on agricultural raw materials, in spite of its decision to continue to give highest priority to food crops.

I also note with interest that the Group's Technical Advisory Committee would be prepared to advise the Consultative Group on research needs for non-food crops offering considerable employment opportunities, or contributing markedly to foreign exchange earnings, on the basis of well-prepared proposals for research on such commodities. In this connexion, the Group will no doubt be aware that detailed and carefully prepared proposals for a long-term programme of research into cotton processing and end-uses has been prepared by the International Institute for Cotton, and that this programme has been submitted to both the World Bank and UNDP. Moreover, a fact-finding mission on cotton, organized by UNDP, has just completed a detailed and exhaustive report on the problems of cotton growing and manufacturing in developing countries, including the question of research needs, while the International Cotton Advisory Committee itself has carried out a detailed survey of research needs in the field of raw cotton production. In the case of jute, detailed proposals for expanded research and development have already been presented to the governments concerned. Subsequently, IBRD and UNDP jointly financed an expert mission for the purpose of assessing the amount of international support which might be forthcoming for expanded R and D for this commodity.

There can be little doubt that these two commodities, cotton and jute, meet the criteria suggested by the Technical Advisory Committee to the Consultative Group, namely, that non-food commodities considered by the Group should offer considerable employment opportunities, or contribute markedly to foreign exchange earnings. I hope, therefore, that the Group will give early and urgent consideration to the possibility of mobilising international financial support for expanded R and D for these two commodities, especially.

Mr. Richard H. Demuth  
Chairman  
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In view of the fact that research needs for these have already been thoroughly investigated and documented and since intergovernmental machinery for the co-ordination of research already exists for both commodities.

In view of my preceding remarks, I was naturally a little surprised to see cotton and jute in the list of commodities which FAO proposes to study with a view to determining needs for further research, as I was to see the inclusion of wool, whose research needs can be assumed to be adequately taken care of by the International Wool Secretariat. Moreover, for certain other commodities, in the FAO's list, notably hides and skins, rubber and hard fibres, general assessments of the need for further R and D have already been made by, respectively, UNCTAD, the International Rubber Study Group and the FAO Intergovernmental Group on Hard Fibres. In each of these cases, therefore, the next step required is the preparation of an internationally co-ordinated programme of research which could be considered by the Consultative Group and by individual donor governments or institutions. The preparation of such programmes would require action at the intergovernmental level, and it is my hope that the necessary stimulus to such action will be given, in the case of hides and skins and hard fibres, in the course of the intensive intergovernmental consultations on these commodities which will be held early next year in pursuance of initiatives taken in UNCTAD and, in the case of rubber, by the International Rubber Study Group or the Association of Natural Rubber Producing Countries.

There is a good prospect, therefore, that the proposals already worked out for expanded research on cotton and on jute will be followed by further proposals for research on other non-food crops. In these circumstances, I wonder whether the Consultative Group, in view of the understandable preoccupation of its Technical Advisory Committee with food research, would consider establishing a parallel technical committee to advise it on problems of research on agricultural raw materials, particularly the special problems associated with research on the processing and utilization of these materials.

I should be glad to learn your views on these various issues at an early date. In the meantime I am sending a copy of the present letter to the President of IBRD, the Administrator of UNDP and the Director-General of FAO, for their information.

Yours sincerely,

Manuel Pérez-Guerrero
Secretary-General of UNCTAD