Chapter I

INTRODUCTION
Chapter - I

INTRODUCTION

This introduction indicates the setting of the present study, its objective and approach, as well as the scope.

I. THE SETTING

Developing countries are critically dependent on the export of non-fuel primary commodities for their export earnings. Notwithstanding the fact that the share of primary commodities in the total export earnings of the non-oil developing countries has fallen substantially during the past decade from about 66 to about 44 per cent, the total number of developing countries for which primary commodity export earnings account for more than 50 per cent of total exports has declined from 68 to merely 64. Of these, 29 countries are dependent for more than 90 per cent, and 21 countries between 70-90 per cent, of their export earnings on the export of primary commodities.¹ Often a country is dependent, for a very significant part of its export earnings, on the export of one or two commodities (see Table I). This heavy dependence makes the

¹ See Table 6, Annex, TD/273, February 1983, Commodity Issues - UNCTAD Policy Paper for UNCTAD VI.
Table - I

DEGREES OF DEPENDENCY

<table>
<thead>
<tr>
<th>Percentage of export earnings from main commodity product</th>
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<tbody>
<tr>
<td>(1970-78)</td>
<td></td>
</tr>
<tr>
<td>1. Zambia</td>
<td>copper</td>
</tr>
<tr>
<td>2. The Gambia</td>
<td>vegetable oils</td>
</tr>
<tr>
<td>3. Burundi</td>
<td>coffee</td>
</tr>
<tr>
<td>4. Guinea-Bissau</td>
<td>vegetable oils</td>
</tr>
<tr>
<td>5. Mauritania</td>
<td>iron ore</td>
</tr>
<tr>
<td>6. Sao Tome</td>
<td>cocoa</td>
</tr>
<tr>
<td>7. Mauritius</td>
<td>sugar</td>
</tr>
<tr>
<td>8. Chad</td>
<td>cotton</td>
</tr>
<tr>
<td>9. Uganda</td>
<td>coffee</td>
</tr>
<tr>
<td>10. Bangladesh</td>
<td>jute</td>
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Percentage of export earnings from two main commodity exports

<table>
<thead>
<tr>
<th>Percentage of export earnings from two main commodity exports</th>
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</thead>
<tbody>
<tr>
<td>1. Liberia</td>
<td>iron ore/rubber</td>
</tr>
<tr>
<td>2. Rwanda</td>
<td>coffee/tin</td>
</tr>
<tr>
<td>3. Samoa</td>
<td>vegetable oils/cocoa</td>
</tr>
<tr>
<td>4. Zaïre</td>
<td>copper/coffee</td>
</tr>
<tr>
<td>5. Togo</td>
<td>phosphates/cocoa</td>
</tr>
<tr>
<td>6. Yemen</td>
<td>cotton/coffee</td>
</tr>
<tr>
<td>7. Ghana</td>
<td>cocoa/timber</td>
</tr>
<tr>
<td>8. Sri Lanka</td>
<td>tea/rubber</td>
</tr>
<tr>
<td>9. Cuba</td>
<td>sugar/coffee</td>
</tr>
<tr>
<td>10. Colombia</td>
<td>coffee/cotton</td>
</tr>
</tbody>
</table>

economies of developing countries vulnerable to unstable markets, to fluctuations in export proceeds from the export of primary commodities: "while instability in economic activities is widespread, developing countries experience significantly greater instability in export earnings than developed countries. This is due largely to the fact that they are highly dependent on the exports of primary commodities which have high instability. In fact, fluctuations in export earnings and in prices of primary non-fuel commodities exported by developing countries have been greater than those of manufactured products".\(^2\)

Instability in export earnings, it is recognised, has serious harmful effects on the economies of primary commodity exporting countries. Among other things, it affects a country's domestic income, consumption, savings, investment, tax revenues, balance of payments and the capacity to import. And indeed, instability in the export earnings of developing countries, which has been significant in the past, "has intensified since the early 1970's".\(^3\) This was dramatically manifested in the crisis that visited commodity markets between 1980 and 1982. The collapse in prices, resulted in the developing coun-


\(^3\). Ibid., p. 10.
rise losing export earnings of almost $8 billion in 1981 and $13 billion in 1982. Price declines were exceptionally steep for sugar (-71 per cent) and cocoa (-33 per cent) among foods, and for natural rubber (-41 per cent) and various oil seeds and oils among raw materials. In fact, few commodities escaped the declining trend in prices in this period.

The element of price instability, apart from contributing to fluctuations in the export earnings, has also negative consequences per se for the commodity exporting countries. Conversely, "more stable prices would be beneficial to exporting countries by helping to maintain foreign exchange earnings and to facilitate fiscal planning and economic management". Price stabilisation also brings considerable benefits to the importing countries through assured access to supplies on more predictable prices, and through lowering inflationary trends. Therefore, an

4. TD/273, n. 1, pp. 5-6.
7. In the context of benefits which will accrue to the developed countries the Brandt Commission Report aptly draws attention to the fact that the developed countries, in particular Europe and Japan, depend on the developing countries for a very large share of primary products: "For coffee, cocoa, tea, bananas, hard fibres, jute, rubber, and tropical

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important element of the stabilisation objective is the reduction of price instability for specified products. On the international plane, the commodity agreement is the principal instrument through which the objective of price stabilisation is sought to be achieved. Commodity agreements use different price regulating mechanisms, like the international buffer stock (or internationally co-ordinated national stocks), or export quotas or the multilateral contract in order to stabilise prices. At present however, only four commodities - tin, cocoa, natural rubber and coffee - are covered by price regulating commodity agreements. These account for about 13 per cent of the total non-fuel commodity exports of developing countries. About 15 developing countries derive at least 50 per cent of their non-fuel export earnings from these four commodities, while around 85 developing

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hardwood, both the EEC and the US depend entirely on imports from the Third World. In several important minerals Japan and the EEC obtain over 90 per cent of their supplies from imports, in large part from the Third World; the US and Canada, themselves major mineral producers, also depend on imports from developing countries for a number of key minerals. Sixty per cent of world exports of the major agricultural and mineral commodities other than oil originate from the Third World. Ibid., p. 72.

8. Till the beginning of 1985 sugar was also regulated by a price regulating commodity agreement i.e. the International Sugar Agreement, 1977. A new agreement - the International Sugar Agreement, 1984 - which is effective as of January 1985 does not contain any price provisions. One of its principal objectives is in fact to negotiate an agreement with price provisions.
countries derive less than 10 per cent of their non-fuel export earnings from them. 9

While the commodity agreements in tin, cocoa, natural rubber and coffee have price stabilisation as their chief objective, there are at present agreements in olive oil, jute and jute products, and tropical timber which have the long-term development of the commodity as their chief objective. For instance, the International Agreement on Jute and Jute Products, 1982 sets itself, keeping in view the peculiar problems of jute and jute jute products, inter alia, the following objectives: to improve structural conditions in the jute market, to enhance the competitiveness of jute and jute products, to maintain and enlarge existing markets as well as to develop new markets for jute and jute products, and to develop production of jute and jute products with a view to improving their quality for the benefit of importing and exporting countries. The agreements incorporate and specify the ways and means through which these objectives are to be achieved. Commodity agreements which have price stabilisation as their chief objective also set themselves other objectives which include the long-term development of the commodity.

In view of the significance of the problems which commodity agreements address for the developing commodity exporting countries, all fora concerned with establishing a New International Economic Order (NIEO) place due emphasis on them. For instance, the Programme of Action on the Establishment of a New International Economic Order states that all efforts should be made towards

- Expeditious formulation of commodity agreements where appropriate, in order to regulate as necessary and to stabilize the world markets for raw materials and primary commodities.10

The Charter of Economic Rights and Duties of States affirms that

- It is the duty of States to contribute to the development of international trade of goods, particularly by means of arrangements and by conclusion of long-term multilateral commodity agreements, where appropriate, and taking into account the interests of producers and consumers.11


11. G.A. Res. 3281(XXIX), Charter of Economic Rights and Duties of States. The Charter was adopted on December 12, 1974, by a vote of 120 in favour to 6 against with 10 abstentions. The States which abstained were Austria, Canada, France, Ireland, Israel, Italy, Japan, Netherlands, Norway, Spain.

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In 1976, at its Nairobi session, the UNCTAD adopted without dissent the Integrated Programme for Commodities (IPC), encompassing a number of interrelated elements, which cumulatively shape the agreed plan for the restructuring of international trade in primary commodities. A major objective of the IPC is price and earnings stabilization. Other objectives include improving market access, diversifying production in developing countries, expanding processing of primary commodities in developing countries, improving the competitiveness of natural products over synthetics, improving market structures in commodities of export potential to developing countries, and improving marketing, distribution and transport system for commodity exports of developing countries.

After setting out the objectives of the programme, the IPC lists out the international measures to be applied in order to implement it. In the context of price stabilization, the most important of these is the setting up of, all within the framework of commodity agreements.

cont...

The states which voted against the resolution were Belgium, Denmark, Federal Republic of Germany, Luxembourg, United Kingdom and the United States of America. The text of the resolution is reproduced in International Legal Materials, Vol. 14 (1975), p. 251.

international stocking arrangements and co-ordinated
national stocks for commodities, or arriving at interna-
tionally agreed supply management measures, including
export quotas and multilateral long-term supply and pur-
chase commitments. The other major measure the IPC
envisioned in this respect was the need to establish a
common institution for financing, inter alia, of stock-
ing operations which would result from commodity agree-
ments to regulate commodity markets. This common finan-
cing facility would also play a catalytic role in bring-
ing about more commodity agreements in as much as the lack
of finance had been in the past the primary reason for
the existence of few buffer stocking arrangements.

The IPC identified eighteen commodities which are
of export interest to developing countries, and which are
prone to economic instability on the world market. The
eighteen commodities are: bananas, cocoa, sugar, meat, tea
vegetable oil (including olive oil), cotton and cotton
yarns, hard fibres and hard fibre products, jute and jute
products, natural rubber, timber, bauxite, copper, iron
ore, manganese, phosphate and tin. Other commodities
could be added to this list. Of the eighteen, ten are to
be "core" commodities, i.e. those products of which deve-
loping countries are the major, or the only, exporters.
These are: coffee, cocoa, tea, sugar, copper, tin, natural
rubber, cotton, jute and hard fibres. The IPC envisaged
the conclusion of commodity agreements in all the eighteen commodities. Today this appears to be a rather distant goal, yet one which is worthwhile pursuing in the backdrop of the recent commodity crisis. Meanwhile, an Agreement Establishing the Common Fund for Commodities has been successfully negotiated.\(^{13}\) This Agreement has not yet received the required ratifications for it to enter into force. Once the Agreement comes into force it will be able to play a catalytic role and help bring about more commodity agreements.

The IPC, however, does not confine the role of commodity agreements to price stabilisation alone. It also conceives of action in the context of commodity agreements, with respect to the other objectives as well. These objectives, as has been noted earlier, form an integral part of the goals which contemporary agreements strive to achieve, with some agreements devoted exclusively to achieving these rather than the price stabilisation objective.

The Brandt Commission Report has also endorsed the need to actively pursue commodity agreements as a means of stabilising the prices of primary commodities: "\(\frac{\text{w}}{\text{e}}\) believe that greater support should be given to Interna-

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tional Commodity Agreements and negotiations presently taking place on them should be concluded as rapidly as possible". In this respect the Report perceptively noted: "International Commodity Agreements involve a cooperative arrangement between producers and consumers. This is a valuable institutional development which could be a means through which mutual interests of international commodity trade could be pursued".

Finally, the sixth session of UNCTAD, held in Belgrade in 1983, reaffirmed "the importance of establishing commodity agreements or arrangements containing provisions on price stabilisation and/or development measures, whenever appropriate, in the light of the characteristics and problems of each commodity."

II. OBJECTIVE OF THE STUDY

A study of international commodity agreements is of immense legal interest because they are multilateral treaty arrangements which seek to regulate aspects of international trade in primary commodities, an area which is of great importance to both the developing and the developed countries, in particular to the former group of countries. Besides, their study can be a "fascinating exercise in the

15. Ibid.
16. Res.155(VI), Implementation of the Integrated Programme for Commodities in the area of stabilisation...
dynamics of international organisation". In brief, in the words of Fawcett, "intergovernmental commodity agreements are instruments of trade regulation and, as such, a form of international organisation: Law can be seen at work in them in both aspects...". Yet writings which systematically examine the history, objectives, legal and institutional structure of commodity agreements, as well as other aspects of their negotiation and operation, have been few and far between. Writing more than two decades ago, Richard Bilder ruefully observed that, "international economic agreements in general, and commodity agreements in particular, have been sadly neglected by international lawyers, despite the fact that arrangements of this type cumulatively embody important experience in the area of international cooperation and regulation, and are in some cases unique experiments in developing techniques of international legal control". These observations have by


and large gone unheeded with respect to commodity agreements. 20

The present study makes a modest attempt to fill in a small way the existing gap in the literature. The modus is to schematically examine the following aspects of commodity agreements: historical evolution, definition and objectives, the political economy of commodity negotiations, institutional structure, legal obligations of members, enforcement system, disputes settlement mechanisms, effectiveness, and their contribution to the progressive development of the principles and norms of international law relating to the NIBO. Being an important international initiative to promote more and effective commodity agreements, the Agreement Establishing the Common Fund for Commodities is given due consideration in this study.

A general concern which underlies the study may be noted. It is based on the perspective that "the future of law as a discipline of action will inevitably be affected, and may well be determined by the extent to which

it reflects the preoccupation of current policy on economic, social and technological matters." In the context of the task of the international legal community to help shape a NIMO, students of international law, particularly from the developing countries, must increasingly concern themselves not merely with the political aspect of the sovereignty of these newly independent states, but with the urgent need of these states to achieve and safeguard their economic sovereignty. It is in the matrix of this concern that an endeavour has been made here to study international commodity agreements.

III. AN INTER-DISCIPLINARY PERSPECTIVE

A considerable part of this study is devoted to an explanation of the economic problems which commodity agreements address, the regulatory mechanisms they incorporate, the economic and political factors which bear upon their negotiations and operation, and their effectiveness.

This is done, firstly, in the belief that "the part which law plays in the future of commodity policy will depend to the extent to which the international lawyer

understands the issues of policy involved...". 22 Law, it is believed, cannot solve commodity problems from within itself since it does not evolve in a vacuum. Therefore, international law must concern itself with the political economy of commodity problems if it is to shape tools and policies which aid their resolution. 23

Secondly, it is important to remember that what commodity agreements essentially seek to achieve are concrete economic ends, and that law and organisation, through providing a formal framework for such cooperation, are the means to achieve these ends. This is not to say, and this study argues to the contrary, that an intrinsic value should not be attached to the legal framework of cooperation which institutionalises channels for informed communication, a process so necessary for the amicable resolution of economic conflicts. Indeed, a


23. More generally, Fawcett and Parry have aptly observed: "International law, in its broadest sense, must be increasingly concerned with the international political economy in two main respects: directly, in that the tools and conventions of international jurisprudence may be called upon to resolve or prevent economic conflicts; and indirectly, in that the norms which international law reflect may themselves be modified and reformed by changes in the policies and ideologies expressed through economic action". James Fawcett and Andrew Parry, International Resource Conflicts (Clarendon Press, Oxford, 1981). See Preface, p. V.
broad objective of all commodity agreements is to promote international cooperation in a commodity. In fact, purely economic studies tend to commit the error of evaluating the need for, and the performance of commodity agreements merely on an empirical basis.\(^24\) However, one would be committing a parallel error if one were to entirely ignore the track record of commodity agreements.\(^24\) In other words, it is important to review the effectiveness of commodity agreements from an integrated perspective, in which both the legal framework and the empirical element are given due consideration.\(^25\) Such a perspective enables a clearer identification of the operational problems and promotes a proper understanding of international initiatives to improve the effectiveness of commodity agreements, one such initiative being the Agreement Establishing the Common Fund for Commodities.

In jurisprudential terms, this inter-disciplinary approach warrants the rejection of the formalist concept of international law whereby the task of the international

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25. It is important to clarify that it is not being suggested that the student of international law involve himself in independent studies of the empirical element, a task for which he is not qualified. All that is being said is that for a holistic analysis of economic agreements there is a need to consider and review the results of extant research done by economists.
lawyer is confined to the normative phenomena, that is, to rules and rule making. 26 Hans Kelsen, the foremost known exponent of the formalist approach, explicitly disassociates the legal science from economics, sociology, psychology etc. in order to avoid what he calls "methodological syncretism", since it "obscures the essence of the science of law and obliterates the limits imposed upon it by the subject matter". 27 Applying Kant's transcendental method, Kelsen attempts to find a priori the universal principles and assumptions which underlie all law. In other words, it portrays law and legal relations in abstraction from reality, and in doing so limits the endeavours of the student of law to the narrow confines of a legalist framework which does not accommodate the totality of social phenomena shaping the content and contours of law in the first place. This study does not accept the fragmentation of social sciences which the formalist approach embraces. "The phenomenon of law", as Bedjaoui notes, "is not to be explained in terms of itself, but in terms of the overall socio-economic system of which it is part and with which it must necessarily interact". 28 Therefore, this study attempts to pay due attention to the political economy of commodity agreements.

To say that international law reflects the configuration of the existing structure of international society does not automatically deny for it a role in the functioning or shaping of the international social structure. In other words, law is not a mere photographic replica of the existing political and economic relationship between states. In actuality, it has a dynamic role to play in the social system. Having come into existence, legal regimes assume lives of their own. The whole body of international law intervenes to give substance and orientation to individual regimes. In brief, law is neither autonomous of nor wholly a normative expression of the international social structure. To peg this study on to such an understanding of the nature and role of law, is also tantamount to rejection of the so-called 'realist' approach that international law is either irrelevant or harmful. This view, needless to say, if carried to its logical conclusion, borders on legal nihilism.

With this perception of international law, two general observations may be made with respect to the

approach of this study to international organisation. The term "international organisation" can be used in two different senses: "International organisation is a process; international organisations are representative aspects of the phase of that process which has been reached at a given time". In other words, firstly, the term "international organisation" denotes a historical process which engenders progressive international cooperation in diverse areas of human activity. The concern here is with the production of cooperation in international commodity trade as embodied in commodity agreements. Secondly, the term "international organisation" is used to refer to specific institutions which are the outward expression of the international organisational process, as are individual commodity organisations established by commodity agreements. Both these contexts find a place in the present study.

International institutions, like international law, are not autonomous actors; international institutions reflect in their structure the principal contradictions of the international system or sub-system which throw them up in the first place. But at the same time it would be

deterministic to contend that international institutions do not in turn influence the environment which creates them. In the words of Falk, "there is a discernible pattern of an opposite sort, namely, a refraction effect" which allows international institutions to shape, in however small a way, the activity around which they are established. International institutions serve, for instance a number of functions other than those which are specifically set out in their constituent instruments; they inject value to the whole concept of cooperation; that is, they have a symbolic value; they help in understanding and identifying new issues and the appropriate modes for resolving the concerned problems of law and organisation; and they are a means to develop alliances and strategies. Of even greater significance is the fact that they provide channels for communication which facilitate the peaceful resolution of conflicting interests. The impact of these functions cannot be easily quantified, and therefore often tend to be ignored.

XII. SCOPE OF THE STUDY

It must be emphasised that the present study does not claim to deal exhaustively with all aspects of commodity.

agreements. Its aim, on the other hand, is rather modest. It only seeks to survey the area and map out the terrain from a macro-perspective. Thus, it does not train its focus, exclusively or elaborately, on any individual commodity agreement. Instead, the study has for its subject a number of contemporary commodity agreements. They are the following: International Coffee Agreement, 1976; International Sugar Agreement, 1977; International Natural Rubber Agreement, 1979; International Olive Oil Agreement, 1979; International Cocoa Agreement, 1980; International Tin Agreement, 1981; International Agreement of Jute and Jute Products, 1982; and International Tropical Timber Agreement, 1983. However, in view of the macro-perspective, the dearth of literature, both primary and secondary, and the need to elaborate particular aspects of commodity agreements, a number of other commodity agreements and their practices in the post-1945 period have also been referred to, sometimes in detail. In other words, an eclectic use of evidence is made wherever necessary, or in the absence of any other alternative. Lastly, it may be noted that the discussion in the present thesis is largely based on data available up to the end of 1984.

The following is a broad indication of the diverse aspects of commodity agreements dealt with in the present study:

\[ \text{Thesis} \]

\[ Z, 1931Z \text{C N8} \]

\[ M5 \]
In the immediately following chapter an attempt has been made to trace the history and evolution of commodity agreements. The general objective is to outline the various phases through which the concept of commodity agreement has undergone since the beginning of this century in response to economic and political developments and a growing body of operational experience. More specifically, attention is sought to be drawn to the changing form and rationale of commodity agreements; the contribution of international institutions and conferences towards evolving principles and policies governing commodity agreements; and the limitations and potentialities of commodity control schemes as revealed through historical experience.

Chapter three examines the definition and objectives of commodity agreements. The brief definitional section is concerned with identifying some of the major characteristics of commodity agreements and considering the relationship of these agreements with GATT. Thereafter, a somewhat detailed analysis is undertaken of the objectives of commodity agreements. Since a primary objective of commodity agreements is price stabilisation, the matter is discussed at some length; attempt is made to present a systematic analysis of the causes and effects of instability; and the various regulatory mechanisms incor-
porated in commodity agreements in order to stabilise prices, vis., buffer stocks, export quotas and multilateral contracts. Finally, the other objectives of commodity agreements, including long-term development objectives which is the primary objective of some contemporary agreements, are discussed.

The Programme of Action on the Establishment of a New International Economic Order recommended the expeditious formulation of commodity agreements. The Integrated Programme for Commodities foresaw commodity agreements in all the eighteen commodities it identified as being of interest to developing countries. This goal, as the Programme envisaged, is unlikely to be achieved in the near future. The reason for the slow conclusion of commodity agreements, and often their ineffective nature, can be traced to the conflicting interests of exporter and importer countries and the diverse interests of the exporter nations themselves. Chapter four looks at some of the economic issues, around which conflict is centred in commodity negotiations. It also notes the significant political factors which facilitate or hinder the conclusion of commodity agreements. A final section briefly and tentatively explores the possible relevance of international law in the commodity negotiations.

If the objectives set out in the commodity agreements are to be achieved, there is the evident need for
setting up an appropriate institutional structure which is functional in nature, accommodates the diverse interests of producers and consumers, and is sensitive to its special features such as its short duration etc. Chapter five elaborates, in these contexts, the institutional structure established by contemporary commodity agreements. The initial sections of the chapter examine the structure of membership, the provisions relating to entry into force, and their duration and termination. The latter half of the chapter portrays the formal organisational structure which commodity agreements establish including the powers and functions of the various organs, the generally prescribed decision making process, and the privileges and immunities of the organisation.

In order to implement the agreement, members undertake to perform a host of obligations. Broadly speaking, commodity agreements incorporate four categories of obligations depending upon the objectives an individual agreement sets itself. These are: general obligations concerning fair labour standards. While this categorisation may seem somewhat arbitrary, it is followed because it allows a focus on the system of obligations which commodity agreements establish. Chapter six studies the basis and content of these obligations and in this light makes appropriate recommendations. It also examines,
in the context of obligations, the provisions relating to reservations and amendment, as well as the circumstances in which relief from obligations can be granted.

While all the obligations undertaken by members under an agreement are to be performed in good faith, commodity agreements establish an enforcement regime of their own to ensure that the members perform their obligations. Against the background of some conceptual reflections, chapter seven examines the enforcement regime which can consist of both persuasive and coercive measures. The coercive measures, indicating sanctions, are generally provided in the context of obligations aimed at price stabilization. These measures receive separate treatment with reference to the export quota and the buffer stock types of commodity agreements. In the instance of export quotas, a case study is also made of the control measures which are incorporated in coffee agreements in order to show the ways and means in which the enforcement system is operationalised.

The process of enforcing an agreement can give rise to genuine differences between members. Therefore, as is the general practice with international agreements, commodity agreements provide for a disputes settlement machinery. Its chief characteristic is that the mode of settlement is
internal. The concern of chapter eight is thus the elucidation of the different means of dispute settlement in contemporary agreements and the rationale for adopting the internal mode for resolving disputes. The circumstances in which a matter can be referred to an intermediary are noted. In this background a systematic exposition is undertaken of the Selective Quota case and the Soluble Coffee case which arose under the 1962 and 1968 coffee agreements. These two are the only known instances in which a resort was had to an intermediary to settle disputes. The two cases are analysed to consider the efficacy of the internal mode of settlement, the general considerations which bear upon the resolution of economic disputes, and the role of law and legal interpretation in resolving these conflicts.

In keeping with the integrated perspective adopted in this study chapter ten attempts a selective review of the effectiveness of commodity agreements in the post-1985 period. It reviews firstly, the performance of the first five tin agreements of the period, the 1962 and 1968 coffee agreements, and the 1972 and 1975 cocoa agreements. Secondly, it pinpoints the problems faced by the contemporary agreements in responding to the 1980-82 commodity crisis. A brief section is also devoted to a review of the International Olive Oil Agreement, 1979, as an example
of an agreement which has the long-term development of the commodity as its chief objective. A final section contains a broad appraisal which seeks to identify the problems which beset the operation of commodity agreements and makes appropriate recommendations.

A major obstacle in stabilising prices through the buffer stock mechanism, and the implementation of long-term commodity development objectives has been the paucity of finance. The same reason partly accounts for the failure of past efforts to establish larger number of commodity agreements which incorporate the buffer stock mechanism. In response to these problems, the international community has adopted the Agreement Establishing the Common Fund for Commodities which, hopefully, when it comes into force, will act as a 'catalyst' for conclusion of more agreements, as well as contribute to the effective functioning of the extant agreements. Chapter ten is devoted to examining the nature and structure of the Common Fund, the circumstances under which commodity organisations, established by commodity agreements, can avail the facilities of the Fund, and the legal and financial relationship between the organisations and the Fund.

Since the present study views commodity agreements from the broader perspective of establishing a NIBO, it
is important that it examine the principles and norms of the commodity agreements articulate and crystallise in the context of the efforts in the United Nations to progressively develop the principles and norms of international economic law. Chapter eleven attempts, albeit briefly, to identify and highlight, in this regard, the cumulative contribution of commodity agreements. It may be clarified that the idea is not so much to examine the legal significance of the various instruments and resolutions heralding a NIEO (a task attended to competently elsewhere by eminent publicists) but to merely evaluate the evidence manifested by commodity agreements to the endeavour to progressively develop the principles and norms of NIEO.

The last chapter provides a summary and final submissions emerging from this study.

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