

FIFTH COMMITTEE: INTER-GOVERNMENTAL COMMODITY AGREEMENTS

DRAFT CHARTER

EL SALVADOR: PROPOSED AMENDMENTS

Article 54

In line 2, replace the word "may" by the words "may only".

Add a new sub-paragraph (h) at the end of the Article, as follows:

"(h) any other objective not specified in this Article but consistent with the principles and purposes of this Charter."

In sub-paragraph (c), delete the words "efficient" and add at the end of the sub-paragraph the words:

"The term remunerative prices shall be understood to mean prices which maintain a fair relationship with the prices which the producers of primary commodities are obliged to pay for manufactured production goods and general consumption goods."

Insert a new paragraph (g), as follows:

"(g) to protect countries producing primary commodities from action taken or about to be taken by foreign companies, well known to dominate the production and distribution of such commodities and the application of which implies or may imply a direct or indirect contradiction of the objectives set forth in the previous sub-paragraphs, since such measures would have harmful effects on the level of employment in such countries or tend to impair their sovereignty."

Commentary on the Proposed New Sub-Paragraph

At first sight, the purpose of this sub-paragraph may seem to be already covered in Article 44, Chapter V. Nevertheless, we may call attention to the fact that in Article 44 and in the Articles governing the relative procedure, no mention is made of inter-governmental arrangements and it is quite certain that this last procedure would prove the most effective or, at all events, the least ineffective means of giving countries which in many cases are less powerful than a number of private companies, an opportunity to defend themselves. This is said without prejudice to the fact that at this level we exist not so much under a system of free competition as under a system controlled by the decisions of the big trusts,
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and that it is therefore desirable to devise measures adequate to offset the activities of such organizations, which are generally incompatible in character with the objectives set forth in Article 54.

It may, of course, be considered that the addition is to some extent redundant. This is logical and understandable in the context of the Charter, if the latter is analyzed mechanically, as it deals with aspects of a single problem, trade and employment.

NOTE: The delegation of El Salvador will make use of the concession granted in the appropriate committee to submit amendments on Article 56 and connected matters to the relevant sub-committee. The concession involves the submission of such amendments to the sub-committee after 6 December.
