

**United Nations**  
**ECONOMIC**  
**AND**  
**SOCIAL COUNCIL**

**Nations Unies**  
**CONSEIL**  
**ECONOMIQUE**  
**ET SOCIAL**

RESTRICTED

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DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF  
THE INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT

UNITED STATES SUGGESTIONS

ARTICLE 30. GENERAL UNDERTAKING REGARDING SUBSIDIES -  
ELIMINATION OF EXPORT SUBSIDIES - EXCEPTIONS

1. Except as provided in paragraphs 2 and 4 of this Article if any Member establishes or maintains grants any subsidy, including any form of income or price support, to the domestic producers of any product which operates to increase the exports of such a product from, or to reduce the imports of such a product into its territory, such the Member shall notify the Organization in writing as to the extent and nature of the subsidization, as to the anticipated effect of the subsidization on the quantity of the product imported into and exported from the territory of the Member and as to the conditions making the subsidization necessary. In any case in which it is determined that serious prejudice to the interest of any Member is caused or threatened by the operation of any such subsidization, the Member granting the subsidization shall, undertake to upon request, discuss with the other Member or Members concerned, or with the Organization, the possibility of limiting the subsidization.

2. Except as provided in paragraph 4, No Member shall grant, directly or indirectly, any subsidy on the exportation of any product, or establish or maintain any other system, which results in the sale of such product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market, due allowance being made

/for differences in

for differences in conditions and terms of sale, for differences in taxation, and for other differences affecting price comparability. The preceding sentence shall not be construed to prevent any Member from exempting exported products from duties or taxes imposed in respect of like products when consumed domestically, [or] from remitting such duties or taxes which have accrued [or] [The use of] or from using the proceeds of such duties or taxes to make payments to domestic producers. [would be considered as a case under paragraph 1.] Members shall give effect to the provisions of this paragraph at the earliest practicable date, but in any event not later than three years from the day on which this Charter enters into force. If any Member considers itself unable to make the provisions of this paragraph effective in respect of any specified product or products upon the expiration of such period, such Member shall, at least three months before the expiration of such period, give to the Organization a notice in writing to that effect, accompanied by a complete analysis of the practices in question and the facts justifying them and an indication as to the extension of the period desired. It shall then be determined whether the extension requested should be made.

3. A system for the stabilization of the domestic price of a primary product, which [sometimes] results over a period in the sale of the product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market, may be determined by the Organization not to be a subsidy on exportation under the terms of paragraph 2 if it has [at times] also resulted over a period in the sale of the product for export at a price higher than the comparable price charged for the like product to domestic buyers, and if the system is so operated, either because of the effective limitation of production or otherwise, as not to [unduly] stimulate exports unduly or otherwise seriously prejudice the interest of other members.

/4. (a) In any

4. (a) In any case of subsidization of a primary commodity, whether falling under paragraph 1 or paragraph 2, if a Member considers that its interest is seriously prejudiced by the subsidy or if the Member granting the subsidy considers itself unable to comply with the provisions of paragraph 2 within the time limit laid down therein, the difficulty may be deemed determined to be a special difficulty of the kind referred to in Chapter VII, and in that event, the procedure laid down in that Chapter shall be followed.
- (b) If it is determined that the measures mentioned in provided for in sub-paragraph (a) Chapter VII have not succeeded, or do not promise to succeed, within a reasonable period of time, in removing or preventing the development of a burdensome world surplus of the primary product concerned, the requirements of paragraphs 1 and 2 shall cease to apply in respect of such product as from the effective date of such determination and shall not be re-applied in respect of such product until a date determined in accordance with procedures approved by the Organization.
- (c) Notwithstanding the provisions of paragraph 2 and sub-paragraph 4 (b), no Member shall grant any subsidy on the exportation of any primary product which has the effect of acquiring for that Member a share of world trade in that product in excess of the share which it had during a previous representative period, account being taken insofar as practicable of any special factors which may have affected or may be affecting the trade in that product. The selection of a representative period for any product and the appraisal of any special factors affecting the trade in the product shall be made initially by the Member granting the subsidy; Provided, that such Member shall, upon the request of any other Member having an important interest in the trade in that  
/product, or

product, or upon the request of the Organization, consult promptly with the other Member or with the Organization regarding the need for an adjustment of the base period selected or for the re-appraisal of the special factors involved.

5. Any determination required by or appropriate to the operation of this Article shall be made under procedures established by the Organization in accordance with paragraph 6 of Article 65.