

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CWP/8
7 September 1955
Special Distribution

Working Party on Commodity Problems

CONSOLIDATED AMENDMENTS

Amendments to the Draft Agreement on Commodity Arrangements proposed by Governments and Organizations up to 7 September 1955¹

P R E A M B L E

Proposed by

Remove the square brackets.

Ceylon

Delete: "AGREE that they will"; and substitute:
"(f) that it is desirable to ...".

United Kingdom

Delete: "DECIDE in consequence ... 'Agreement'";
and substitute "AGREE as follows:-".

United Kingdom

A R T I C L E I.

Opening phrase

Substitute: "The objective of the Agreement, is by joint
action of the signatories, taking full account
of the interests of producers and consumers alike,
to facilitate the preparation and the conclusion
of intergovernmental commodity arrangements.
The object of such arrangements is, where the
conditions under which ..."

France

Change "The Agreement" (first line); to
"this Agreement".

United Kingdom

Insert after "Signatories": "in accordance with this
Agreement".

United Kingdom

Paragraph 1(a)

Delete: "pronounced" (line 3); and substitute:
"excessive".

United Kingdom

Add: "and the desirability of avoiding excessive
fluctuations in the employment and earnings
of workers engaged in producing the commodity
in question;".

ILO

¹ Changes in paragraph numbering and lettering which will be required to take account of deletion and insertion of passages are not listed.

Proposed by

Paragraph 1(b)

Insert after "accumulation of stocks" (line 2), "ensuing in heavy fluctuations of prices on a short term".

Indonesia

Second line, replace "or" by a comma; after "stocks" insert "or the emergence of widespread unemployment or underemployment".

ILO

Paragraph 1(c)

Delete

United Kingdom

Paragraph 1(d)

Fourth line, after "transfer of" insert "manpower and other ..."

ILO

Paragraph 1(f)

Delete: "practical" (line 1) and substitute: "practicable".

United Kingdom

Paragraph 2

Remove the square brackets.

Ceylon

Delete the paragraph.

France

A R T I C L E II

Paragraph 1

Delete: "non-signatory" (line 1); and substitute: "other".

United Kingdom

Change second sentence to: "Subject to the provisions of paragraphs 2 and 6".

France

Paragraph 2

Substitute: "The Standing Committee shall make appropriate arrangements forthwith for its immediate examination."

France

Delete: "having world-wide competence"; and substitute: "not having exclusively a regional competence".

United Kingdom

Delete: "having world-wide competence".

Turkey

Proposed by

Paragraph 5

Delete and substitute:

"For the purposes of this Article the Assembly may, if so requested, recognize as a study group for the purposes of this Agreement any study group established by any body or Agency of the United Nations having special knowledge of the commodity or commodities in question and provided that the study group is instructed by the body or Agency in question to conform to the provisions of paragraphs 3 and 4 of this Article".

United Kingdom

Paragraph 6

Delete:

"applying" (line 5); and substitute:
"submitting".

United Kingdom

Delete:

"their next" (line 7); and substitute:
"a special", and after the comma add:
"to be convened within 30 days of the applying government's expression of dissatisfaction".

Ceylon

A R T I C L E III

Paragraph 1

Substitute:

"The Standing Committee shall summon a negotiating conference for any commodity on behalf of the Assembly on the recommendation of a Study Group and, unless they consider by a two-thirds majority that such a conference would not have a reasonable prospect of success ..."

Ceylon

Add at beginning: "At the request of any signatory".

France

Insert after "commodity": "or commodities".

United Kingdom

Paragraph 1(a)

Delete.

Ceylon

Add after "group": "on a majority of the votes".

Belgium

Paragraph 1(b)

Delete

(Belgium
(United Kingdom)

Proposed by

Paragraph 1(c)

Delete.

(Belgium
(Turkey
(United Kingdom

Paragraph 1(d)

Insert after "its" (line 1); "own" and a comma after "initiative".

United Kingdom

Delete comma after "Article II:6", add "or commodities" at end.

United Kingdom

New paragraph following paragraph 1

Add new paragraph 2, as follows:

"When a request for the convening of a negotiating conference is submitted by a United Nations body or agency, or any other intergovernmental organization, the Standing Committee shall make arrangements for the early convening of such a conference".

Turkey

Paragraph 2

Delete.

Belgium

Paragraph 2(b)

Delete: "~~which~~ considers that its", and substitute: "whose".

United Kingdom

New paragraph after paragraph 2

Add new paragraph, as follows:

"If they consider by a two-thirds majority that such a conference would not have a reasonable prospect of success the Standing Committee may recommend that any preparatory work which appears necessary for such a conference to be convened and lead to adequate results should be initiated."

France

Paragraph 3

Delete.

(Belgium
(Turkey

Paragraph 5

The first line should read as follows: "Decisions or recommendations approved in respect of ...".

France

Proposed by

Paragraph 6

Delete the first ten words, and begin the sentence with "Any Signatory"; and add: "not signatories" after "any government" in the third line; and delete "any government" in the fourth line.

Belgium

Change the second sentence to: "The Assembly shall invite any government claiming a substantial interest in the production or consumption or trade in that commodity and which has applied to that affect to the Standing Committee or to the Assembly. The Assembly may invite any government ..."

France

Delete: "The Assembly" (line 2) and "them" (line 5); and substitute: "The Standing Committee".

United Kingdom

Insert after "that commodity" (line 4): "to appoint representatives".

United Kingdom

Insert at the end: "to appoint observers to the conference".

United Kingdom

A R T I C L E I V

Paragraph 1

Delete: "Consistent with the provisions of Article I".

United Kingdom

Insert after "shall": "take account of the objectives set out in Article I and shall ..."

United Kingdom

Paragraphs 1(c) - 1(h)

Substitute the following:

Belgium

"(c) In any arrangement an opportunity for adequate participation shall be provided to countries representing the interests concerned.

"(d) The participation provided for in subparagraph (c) above shall include a substantial part of such interests and a substantial number of interested parties.

"(e) The establishment under an arrangement of bodies of voters, and the determination of majority requirements for the adoption of rules governing production, consumption or trade shall be such as to take account of the legitimate interest of each party participating in the activity thus regulated and to provide for equality of voting power as between conflicting interests.

- "(f) When an arrangement is under the obligation to lay down restrictions, regulations or controls applicable to production, consumption or trade, with a view to attaining its objectives, it shall provide for a study to be made of the means whereby such restrictions, regulations or controls could be eliminated as soon as possible.
- "(g) Where an Agreement is designed to afford modifications in the production activities of participating countries and to enable orderly transfers of activities into other economic branches, the participants concerned shall adopt the necessary programmes of internal economic adjustment, and other countries shall make every possible effort in order to facilitate the implementation of such programmes.
- "(h) The signatories, including under the arrangement for the purpose of expanding consumption of the commodity in question, and generally speaking, of implementing the arrangement without requiring continuing the restrictive measures.

Paragraph 1(c)

Delete and substitute:

"In every arrangement adequate provision shall be made for the participation both of countries substantially interested in the import and of those substantially interested in the export of the commodity with which the arrangement is concerned".

United Kingdom
Indonesia

Insert after "shall" (line 2), "as far as possible".

Paragraph 1(d)

Delete the fifteen lines beginning with "participants mainly" in the sixth line, and substitute: "participants in the particular commodity arrangement concerned shall decide upon the division of votes among themselves. The Assembly may, however, make recommendations to the Council on this subject".

Indonesia

Delete: "imports" (line 6); and substitute: "the import and consumption".

United Kingdom

Delete: "exports" (line 9); and substitute: "the production and export".

United Kingdom

Proposed by

- Delete: "provided that"; and start new sub-paragraph:
"(e) The Assembly may except an arrangement
from the provisions of the previous para-
graph ...". United Kingdom
- Delete: "volumes of" (old line 11). United Kingdom
- Insert after "small" (old line 13): "in value and in
volume both relatively and absolutely". United Kingdom
- Delete: "require that ... consumers" (last sentence);
and substitute: "lay down specific matters
in decisions on which". United Kingdom

Change the last six lines to: "In such a case the Assembly
or the Standing Committee may authorize the negotiating con-
ference or the council to decide on the voting power which
shall be given to exporters on the one hand and importers on
the other. The Assembly or the Standing Committee may,
however, make recommendations to the negotiating conference
or the council upon this subject and may specify cases in
which, in deciding upon matters ...". France

Paragraph 1(f)

Insert in the third line, after "transfer of", "manpower
and other". Fifth line, after "adjustment" add: "in-
cluding programmes for such transfer of resources". IIO

Paragraph 2

- Delete. Belgium
- Make this a sub-paragraph of paragraph 1. United Kingdom
- Change the second half of the sentence to: "... the
Assembly may, if it so desires, on the occasion of any
modification concerning the distribution of votes, address
to the negotiating conference or to the council any
recommendations concerning ...". France

Paragraph 3

- Delete and
substitute: "Any negotiating conference, in the formula-
tion of a commodity arrangement, shall give
consideration to the inclusion within the terms
of the arrangement of provisions consistent
with this Agreement for the renewal of the
arrangement, its amendment, settlement of dis-
putes arising from its operation and for
accession and withdrawal by participants
during the period of its operation". United Kingdom

Proposed by

Paragraph 3(a)

The last two lines should read as follows: " ... on the invitation of the council, by any country claiming an interest;"

France

Paragraph 3(b)

Change to: "Accession during the duration of the arrangement ..."

France

Change to: "Amendments ... at the request of participants".

Belgium

Paragraph 3(c)

Change to: "Settlement of disputes arising from the operation of the arrangements such as a provision that the matter may be brought before a Supreme Court or Assembly or possibly submitted to arbitration procedure".

Belgium

New sub-paragraph (e)

Insert the following new sub-paragraph (e): "Circumstances under which a Member country may withdraw from the arrangement and the terms of such withdrawal."

France

Paragraph 5

Change to: "Where there exist, or threaten to exist, conditions of acute shortage or surplus of a single commodity which is likely substantially to deteriorate the market, and if a negotiations conference has failed within three months to agree to the conclusion of a commodity arrangement, notwithstanding the rules laid down in Article III above concerning the setting up of study groups, any signatories should consider this as the Assembly may decide."

Belgium

Second line, after "imminent" insert "or where widespread unemployment or underemployment of workers engaged in producing a commodity exists or appears clearly imminent".

ILO

Replace in line 6 the full stop after "conclusion of an arrangement" by a comma and add: "including arrangements either among producers or consumers themselves or among producers and consumers".

Indonesia

Delete the final sentence and substitute the following: "Such modification shall be carried out within such period as the Assembly, after consideration of a report by the Standing Committee, may decide."

Rhodesia &
Nyasaland

Proposed by

New paragraph 6

Add new paragraph this Article: "Any new commodity arrangement to be concluded hereafter shall include a clause enabling participants belonging to the group of countries still in process of economic development to take special measures not in accordance with the provisions of the special commodity arrangement concerned, when it is considered necessary to safeguard their respective foreign exchange position, for rehabilitation, economic development or in cases of emergency."

Indonesia

A R T I C L E V

Paragraph 1

The second line should read: "in addition to any other provisions of this Agreement ..."

France

Paragraph 1(b)

Delete the square brackets

Ceylon

Paragraph 1(c)

The words "by the Assembly or on its behalf" should be substituted for the words "by the Assembly".

France

Paragraph 2

Replace comma by full stop after "decide" (line 3).

United Kingdom

Delete: "subject ... retaining"; and substitute: "Participating countries shall however retain".

United Kingdom

Delete: "should remain ... arrangement"; and substitute: "should be withheld from the assignment and treated as confidential to the participants in that arrangement or should, if assigned, remain unpublished".

United Kingdom

A R T I C L E VI

Paragraph 1(a)

Change the second sentence to: "the Standing Committee shall examine the text promptly and deliver an opinion within thirty days."

France

Paragraph 1(b)

Remove the square brackets.

Ceylon

Change the second sentence to: "The negotiating conference shall meet again and shall amend the arrangement ..."

France

Paragraph 3

In the third line, substitute the word "before" for the words "either before or after".

France

A R T I C L E X

Paragraphs 5 and 7

Remove the square brackets.

Ceylon

A R T I C L E XI

Paragraph 1(b)

After the words "importing country" add the following:

"provided that if such arrangement has the effect of applying to a particular commodity conditions relating to production, movement or consumption which, in the opinion of any signatory, are prejudicial to its interest, such signatory may appeal to the Assembly".

Rhodesia and
Nyasaland

Paragraph 1(d)

Delete: "the arrangement shall ... prescribe" (last 2 lines); and substitute: "either the arrangement shall become subject to such provisions of the Agreement

as the Assembly may prescribe or, in the event of Signatories not being the majority of participants in the arrangement, participating Signatories shall use their best endeavours to secure a satisfactory adjustment of its terms."

United Kingdom

New sub-paragraph 1(e)

Add new sub-paragraph as follows: "To any regional negotiation or arrangement of limited commercial and economic scope not likely to deteriorate world prices or international trade."

Turkey

A R T I C L E XII

Paragraph 2

Remove the square brackets.

Ceylon

Delete.

Indonesia

A R T I C L E XIII

Paragraph 3

Remove the square brackets.

Ceylon

Paragraph 6

Add at end of sentence: "provided that such a majority shall comprise more than half of the signatory countries".

Indonesia

Paragraph 7

Insert after "any functions": "within the terms of such an agreement".

A R T I C L E XIV

Paragraph 1

Change the second sentence to the following:

"In electing the members, the Assembly shall give consideration to a reasonable balance between countries primarily interested in the export of commodities and those primarily interested in their import and a reasonable distribution of geographical representation."

Indonesia

NEW ARTICLE XIV A

Proposed by

Insert new Article after Article XIV:

"Appeals

"In any deliberation of the Standing Committee as a result of which a Signatory may have the right of appeal to the Assembly, or in the consideration by the Assembly of an appeal by a Signatory, the Signatory raising the question and all participants in the arrangement under discussion shall be entitled to participate. They shall have the right to vote only if they are members of the Standing Committee or the Assembly as the case may be."

United Kingdom

ARTICLE XV

Paragraph 4

Change the third line to: "...negotiating conference convened on the initiative of the Assembly". France

New paragraph 5

Add the following new paragraph:

"The administrative and financial affairs under this Agreement shall be conducted by the Assembly under the general control and direction of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade."

Ceylon

ARTICLE XVI

Insert at the end: "at the time of their deposit".

United Kingdom

Change the Article to:

"This Agreement shall enter into force when accepted by not less than twenty governments together representing at least two-thirds of the total world net-imports and net-exports of all primary commodities."

Indonesia

ARTICLE XVII

Add:

"Instruments of ratification shall be deposited with the Executive Secretary to the Agreement."

France

Proposed by

NEW ARTICLE XVIII A

Insert a new Article after Article XVIII:

"Suspension or Termination

"1. If under Article VI of this Agreement the Standing Committee or the Assembly has found that an arrangement does not conform to the provisions of this Agreement and has made recommendations for its adjustment in order to bring it into conformity and if no satisfactory adjustment is effected within a reasonable time, or the arrangement is not terminated, and if any signatory remains or becomes a party to the arrangement concerned, the Standing Committee shall draw the attention of the Assembly to the situation.

"2. The Assembly shall promptly investigate the matter and shall make appropriate recommendations to the Signatories concerned. If the Assembly consider that the circumstances are serious enough to justify such action, they may authorize Signatories to suspend the application to any Signatory they may name of such provisions of this Agreement as they consider appropriate in the circumstances."

United Kingdom

Change the beginning of paragraph 1 shown above to:

"If under Article IV or VI of this Agreement ..."

Rhodesia and
Nyasaland

ARTICLE XIX

Remove the square brackets.

Ceylon

Add the following final clause: "Any amendment shall enter into force as between the countries which have accepted it upon the day when two-thirds of the members of the Assembly have notified the Executive Secretary of their acceptance thereof."

France

A R T I C L E XX

Paragraph 1

Insert after "extend to" (third line): "or be accepted for".

Netherlands

Delete "extend" (last line) and insert in lieu thereof: "apply".

Netherlands

Paragraph 2

Delete: "extending the Agreement to any territory for whose international relations it is responsible".

Netherlands

Delete "extend" (fourth and sixth line) and insert in lieu thereof "apply".

Netherlands

Paragraph 3

Insert paragraph 3: "Where a Signatory or non-signatory, mainly interested in the import or consumption of a commodity has one or more dependent or autonomous territories mainly interested in the export or production of the commodity or vice versa, there may at study groups, negotiating conferences and councils be either joint representation for the Signatory or non-signatory and its dependent or autonomous territories that are in the said position or where the Signatory or non-signatory so wishes, separate representation for such territory or territories."

Netherlands

A R T I C L E XXI

New paragraph 4

Add new paragraph between present paragraphs 4 and 5:

"The term 'substantially interested' shall apply to any country for the economy of which the commodity concerned is of special importance. If the importance of such a commodity for the economy of a country is questioned by any other country, party to the Agreement, the Assembly shall, by a two-thirds majority, decide whether the commodity

Proposed by

is of special importance to the country claiming it, or not. If a two-thirds majority cannot be reached, the commodity concerned shall be deemed to be of special importance to the country claiming it."

Austria

R E S O L U T I O N

The following resolution to be moved by the Ceylon delegation after the "first reading" of the draft Agreement:

"In as much as Commodity Problems are a primary responsibility of the CONTRACTING PARTIES to the General Agreement as the body most appropriate and qualified to deal with such matters and in as much as it is undesirable and unnecessary to set up a new authority while the CONTRACTING PARTIES or an organization created by them is in existence,

"The Working Party on Commodity Problems recommends to the CONTRACTING PARTIES the insertion in any appropriate part or in any appropriate way in the General Agreement the specific proposals regarding Commodity Problems as set forth in the Draft Agreement contained in the Working Party's Interim Report (L/320)."