

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CWP/12

21 September 1955

Special Distribution

Working Party on Commodity Problems

DRAFT OF ARTICLES II AND III OF SACA

Prepared by the Drafting Group

ARTICLE II

Examination of Difficulties in
International Trade in Primary Commodities

1. Any Signatory, any other government or any intergovernmental organization may submit to the Standing Committee of the Signatories a statement of special difficulties which affect or are likely to affect international trade in any primary commodity. The Standing Committee, unless it decides by a two-thirds majority that the case put forward in support of the submission does not warrant further action, shall forthwith make arrangements for its immediate examination. This examination shall be carried out by a study group convened by the Standing Committee except in the circumstances provided for in paragraph 4 below.

2. A study group shall promptly examine the problem referred to in the statement of difficulties, taking into consideration any work on the same subject by other intergovernmental organizations and shall report to the Assembly and to non-Signatory governments members of the study group its findings and any recommendations it may have as to how best to deal with any difficulties which may exist or may be expected to arise. A study group, after presenting its report, may remain in existence for as long as its members see fit for the exchange of information and views between governments about the commodity.

3. In convening a study group the Standing Committee shall invite all Signatories, and any Signatory may appoint a representative to it. Any non-Signatory government claiming an interest in the commodity in question shall be invited to appoint a representative. Observers may be invited by the study group to take part in its deliberations. Each study group shall select its own chairman.

4. The Standing Committee, when it considers the problem inappropriate to a study group, shall refer it either to a committee of Signatories, or to any existing body or organization having special knowledge of the commodity in question, or to an expert or experts whom the Assembly shall select, provided

that if the government or organization submitting the statement is dissatisfied with the course proposed by the Standing Committee, the matter shall be referred to the Assembly, and it shall decide whether and how the problem shall be examined. The terms of reference shall fix a time for a report to the Assembly.

ARTICLE III

Negotiation of Commodity Arrangements

1. The Standing Committee shall, unless they consider by a two-thirds majority that such a conference would not have a reasonable prospect of success, convene a negotiating conference:
 - (a) on the recommendation of a study group conforming to the provisions of Article II, or
 - (b) at the request of a Signatory or a group of Signatories which is responsible for a substantial part of world production or consumption of or trade in a commodity or whose economy is dependent to a large extent on a commodity and which has specific measures to propose for intergovernmental action to deal with serious difficulties in international trade in the commodity. However, the Signatory or Signatories making such a request shall first consult with the Standing Committee and take into consideration its views as to the likelihood of such negotiations reaching a successful conclusion or,
 - (c) on its own initiative, as a result of a report issued after an examination in accordance with Article II:4 or on the basis of information agreed to be adequate by the Signatories substantially interested in the production or consumption of or trade in a commodity.
2. If it considers by a two-thirds majority that such a conference would not have a reasonable prospect of success the Standing Committee may recommend the initiation of any preparatory work which appears necessary for such a conference to be convened and lead to adequate results.
3. Where a number of Signatories with a special interest in any commodity desire to negotiate a commodity arrangement, they may convene a conference, provided that they notify the Standing Committee of their intentions. The Standing Committee shall inform all Signatories and any non-signatory government whom it considers to be specially interested. Any Signatory, or any non-signatory government upon invitation by the Standing Committee may send an observer to such a conference. Any Signatory or non-signatory government may participate in the conference if the Standing Committee decides that the conclusion of the proposed arrangement would substantially affect its interests. No arrangement concluded under this paragraph shall operate unless it is approved by the Assembly.

4. A negotiating conference may draw up a commodity arrangement or recommend to governments any other form of specific action to deal with particular difficulties which exist or are expected to arise concerning a commodity.

5. Decisions taken or recommendations made pursuant to the foregoing paragraphs shall take into consideration any action that has been or is being taken by other intergovernmental organizations in the same field.

6. Subject to the provisions of paragraph 3 of this Article, any Signatory may appoint a representative to a negotiating conference. The Standing Committee may invite any non-signatory government to appoint a representative and shall do so upon the request of any such government which considers itself substantially interested in the commodity.