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GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CWP/19

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Special Distribution

Working Party on Commodity Problems

DRAFT AGREEMENT ON COMMODITY ARRANGEMENTS

Prepared by the Drafting Committee

PREAMBLE

The Governments which are Signatories of this Agreement, recognizing:

- (a) that producers and consumers of primary commodities have a common interest in the existence of adequate supplies of these commodities at prices which are reasonably stable and are fair to producers and consumers alike;
- (b) that there are many countries whose economic welfare depends upon the export of a limited number of primary commodities, and that the import of primary commodities plays an important part in the welfare of the populations and in the continued operation of the industries of many countries;
- (c) that in the conditions in which primary commodities are produced, consumed and exchanged, the common interest of producers and consumers may be adversely affected by such special difficulties as a tendency towards disequilibrium between production and consumption, pronounced short-term fluctuations in price and the emergence of burdensome surpluses or of acute shortages;
- (d) that such difficulties jeopardize the efforts of both producing and consuming countries to raise standards of living, to ensure full employment, and to develop a large and steadily growing volume of real income;
- (e) that the interests of both producing and exporting countries and consuming and importing countries lie in preventing these difficulties and in developing the best use of the resources of the world by reducing short-term discrepancies between production and consumption and by alleviating the economic hardships created by persistent disequilibrium between production and consumption; and

- (f) that it is desirable that they should cooperate with one another, with the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade and with other intergovernmental bodies for the purpose of taking such action as may be practicable in this field;

AGREE as follows:

ARTICLE I

Objectives

1. The objectives of this Agreement are, by joint action of the Signatories in accordance with its provisions, to contribute as far as possible towards increased standards of living, towards ensuring full employment and a large and steadily growing volume of income and effective demand, towards developing the full use of the resources of the world, towards the expansion of production and exchange of goods and towards the progressive development of the economies of all the Signatories.

2. It is the purpose of this Agreement to facilitate the preparation and conclusion of intergovernmental commodity arrangements which are consistent with the general objectives of paragraph 1, which take fully into account the interests of both producers and consumers and which are in particular designed:

- (a) where the conditions under which a primary commodity is produced, consumed or distributed or any other factors create a tendency towards widespread disequilibrium between production and consumption which ordinary market forces may not correct in sufficient time to avoid the creation of economic and social hardships:
- (i) to achieve a reasonable degree of stability on the basis of prices that are fair to consumers and that provide a reasonable return to producers, by preventing or moderating any pronounced fluctuation in prices, bearing in mind the desirability of securing long-term equilibrium between the forces of supply and demand and the efficient utilization of the productive resources of the world as a whole;
 - (ii) to prevent where possible the development of a burdensome accumulation of stocks, and to minimize its adverse effects if it should develop; and
 - (iii) to prevent where possible a shortage in world supplies and if such a shortage develops to ensure the equitable distribution of the commodity;

- (b) to facilitate the more orderly marketing of primary commodities;
- (c) where production of any commodity seems likely to be in excess of long-term demand, to alleviate economic and social hardship in producing countries during the period necessary for the orderly transfer of resources into new and productive occupations;
- (d) to expand consumption and production where this can be accomplished with advantage to consumers and producers, bearing in mind the desirability of maintaining and developing the natural resources of the world, while protecting them from unnecessary exhaustion; and
- (e) to afford so far as practicable increasing opportunities for satisfying national consumption and world market requirements from the most effective and economic sources, bearing in mind the social and economic standards of all countries concerned.

ARTICLE II

Examination of Difficulties in International Trade in Primary Commodities

1. Any Signatory, any non-Signatory 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 Standing Committee 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, if 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 it considers 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 paragraph 4 or Article II 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. (a) 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.

- (b) Any Signatory or non-Signatory government may participate in a conference convened under sub-paragraph (a) of this paragraph 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. Where conditions of acute shortage or burdensome surplus of a single commodity exist, or are clearly imminent, and threaten widespread unemployment or serious damage to the economy of a Signatory or Signatories, and if a negotiating conference has failed within three months to agree to the conclusion of a commodity arrangement, and where this appears necessary in order to prevent or alleviate such damage, any Signatories which consider themselves substantially interested in the production or consumption of or trade in that commodity may proceed by direct negotiation to draw up an arrangement and bring it into effect. Any such arrangement shall conform as closely as practicable to the provisions of this Agreement and shall make provision for modification to bring it into full conformity. The Assembly may determine conditions with which the arrangement should comply including a maximum period within which such arrangement shall be brought into full conformity with the provisions of the Agreement and may alter such conditions with changing circumstances. In addition the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade may establish such conditions as they consider necessary for the continued participation of any contracting party to that Agreement in such arrangement.

5. 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.

6. 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.

7. Subject to the provisions of paragraph 3, 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.

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ARTICLE IV

General Principles governing Provisions
of Commodity Arrangements

1. Any arrangement concluded under this Agreement shall take account of the objectives set out in Article I and shall conform to the following principles:

- (a) Such arrangements shall be open to participation initially by any Signatory which has participated in the negotiating conference and which is prepared to accept the obligations of the arrangement and thereafter only in accordance with such provisions as may be established in the arrangement.
- (b) The Assembly may invite the participation of non-Signatory governments, who shall take part on the same terms.
- (c) In every arrangement adequate provision shall be made to allow for the participation both of countries substantially interested in the import or consumption and of those substantially interested in the export or production of the commodity concerned.
- (d) Where a commodity arrangement involves the continuous regulation of prices in international trade of a commodity or the regulation of production or any quantitative control of exports or imports which might have the effect of reducing or preventing an increase in the production of or trade in that commodity, participants mainly interested in imports or consumption of the commodity concerned shall, in decisions on substantive matters, have together a number of votes equal to that of participants mainly interested in exports or production.
- (e) Where a commodity arrangement involves any undertaking by participants to enter into contracts for specific amounts and at specified prices or to engage in, or to authorize, the buying or selling of the commodity, participants mainly interested in imports of the commodity concerned shall, in decisions on substantive matters, have together a number of votes equal to that of participants mainly interested in exports.
- (f) The negotiating conference may, however, adopt any other distribution of votes within the commodity council where:
 - (1) the arrangement concerned is not of either of the types described in sub-paragraphs (d) and (e) of this paragraph, or

- (ii) in the case of an arrangement of a type described in sub-paragraph (d) or (e) of this paragraph the total production of the commodity which enters into international trade other than between countries which are substantial producers of it, is so small as to make equal representation of consuming and producing countries unreasonable;

Provided that in either such case any such distribution of votes shall be submitted to the Assembly and approved by it.

- (g) Any arrangement of the type described in sub-paragraph (d) of this paragraph shall provide for a study by the participants of measures designed to remove the need for such regulation or control consistently with the objectives of this Agreement.
- (h) Where any arrangement of the type described in sub-paragraph (d) of this paragraph is designed inter alia to afford a respite to enable an orderly transfer of resources into new and productive occupations, as far as it is practicable, the participants concerned shall adopt, and the other participants shall facilitate, programmes of internal economic adjustment designed to ensure progress within the duration of the arrangement towards solution of the commodity problem involved.
- (i) In the operation of any arrangement the participants shall take into consideration its effects on the production and consumption of other commodities.
- (j) The Signatories, including those not participating in an arrangement, shall give favourable consideration to any recommendation made under the arrangement for expanding consumption or production of the commodity in question.

2. Any negotiating conference shall give consideration to the inclusion within the terms of an arrangement of provisions not inconsistent with this Agreement for the renewal of the arrangement, its amendment, settlement of disputes arising from its operation and for accession and withdrawal by participants during the period of its operation. This paragraph shall not be construed as requiring that a commodity arrangement include a provision for reference of disputes to the Assembly.

3. Commodity arrangements negotiated under the provisions of this Agreement shall be concluded or renewed for periods of not more than five years.

ARTICLE V

Administration of Commodity Arrangements

1. Any commodity arrangement shall include provisions for
 - (a) the establishment of a governing body, hereinafter referred to as a council, on which each participant shall have one representative;
 - (b) the attendance at the council of non-voting representatives of the Assembly and of any other intergovernmental organization with which the Assembly has made an arrangement to that effect under Article XVII; and
 - (c) the appointment of a non-voting chairman.
2. When a commodity arrangement is terminated, the council may assign its archives to the Assembly or to any other body which the council may decide. Participants shall however retain the right to decide what material should remain unpublished or treated as confidential to the participants in that arrangement.

ARTICLE VI

Consideration of Questions concerning the Conformity of
an Arrangement with the Provisions of this Agreement

1. In any case in which Signatories do not represent a majority of the participants in a negotiating conference leading to a commodity arrangement, the Signatories participating in the negotiating conference, shall, before they accept the proposed arrangement, submit it to the Standing Committee. The Standing Committee shall deliver an opinion within thirty days either that it sees no objection to the arrangement or that the arrangement does not conform to the provisions of this Agreement. Pending the Standing Committee's opinion or if an adverse opinion is given, no Signatory shall accept the arrangement.
2. Where circumstances make it impracticable to conform to the provisions of Articles III and IV, a negotiating conference may draw up an arrangement which conforms as closely as possible to the provisions of those Articles and with the general principles and objectives underlying this Agreement. Any such arrangement shall be submitted to the Assembly before it enters into operation and no Signatory shall accept the arrangement unless it is approved by the Assembly. Furthermore, a Signatory or non-Signatory government which is also a contracting party to the General Agreement on Tariffs and Trade shall participate in any such arrangement only if it has also been submitted to the CONTRACTING PARTIES to that Agreement in accordance with the final phrase of paragraph (h) of Article XX of that Agreement and has not been disapproved by them.

3. If an arrangement has not been submitted to the Standing Committee or the Assembly under the provisions of paragraph 1 or 2, any Signatory whose interests represent a considerable part of world production or consumption of or trade in a commodity which is the subject of an arrangement or whose economy is dependent to an important extent on that commodity may, before the arrangement comes into force, ask the Standing Committee for a decision as to whether the arrangement conforms to the provisions of this Agreement. The Standing Committee shall examine the matter promptly. If it finds that the arrangement does not conform to the provisions of this Agreement, it may recommend such changes as it may consider necessary in order to bring the arrangement into conformity. Unless the arrangement is so amended, no Signatory shall accept the arrangement and any Signatory which has already accepted it shall immediately withdraw from it.

ARTICLE VII

Consideration of Representations concerning the Operation or Amendment of a Commodity Arrangement

1. Any Signatory or any non-Signatory participant in a commodity arrangement which considers that the arrangement is being operated in a manner that is not in conformity, or has been amended so that it ceases to be in conformity, with the provisions of this Agreement may ask the Standing Committee to make a finding in the matter.
2. The Standing Committee shall promptly examine the question and may make such recommendations to the council of the arrangement as it considers necessary in order to bring its operation or provisions into conformity with this Agreement. Unless the arrangement or its operation is brought into conformity in accordance with these recommendations, any Signatory participating in it shall withdraw from it.

ARTICLE VIII

Commodity Councils and non-participating Signatories

1. Where the council of a commodity arrangement considers that the action of a non-participant Signatory is frustrating the arrangement, the council may, with a view to a satisfactory adjustment of the matter, make written representations or proposals to the non-participant which shall give sympathetic consideration to them. A non-participant Signatory shall not be considered to frustrate a commodity arrangement by any action which is consistent with normal commercial practice.
2. Where a non-participant Signatory considers that the participants are operating an arrangement in such a way as to inflict commercial injury upon it and satisfies the Standing Committee that such commercial injury is substantial, the non-participant may, with a view to a satisfactory adjustment of the matter, make written representations or proposals to the council of the arrangement.
3. Where no satisfactory solution is reached as a result of the representations or proposals referred to in paragraphs 1 or 2, the Assembly may convene a special conference of the parties concerned with the object of enabling them to reach a satisfactory solution by further consultations. The Assembly may invite other Signatories to such a conference if this course seems likely to facilitate a satisfactory solution.

ARTICLE IX

Obligations of Individual Signatories

1. Signatories to this Agreement shall negotiate or conclude a commodity arrangement only in accordance with the provisions of this Agreement.
2. Except where otherwise provided in this Agreement, each Signatory shall recognize the Assembly as the final authority in all matters of principle, within the provisions of this Agreement, relating to commodity arrangements except in so far as Signatories which are contracting parties to the General Agreement on Tariffs and Trade are subject to the provisions of Articles VI and XXII relating to the special interests of the CONTRACTING PARTIES to that Agreement.

ARTICLE X

Exceptions to this Agreement

1. The provisions of this Agreement shall not apply:
 - (a) to existing study groups or to the operation or renewal of existing commodity arrangements conforming to the principles approved by the Economic and Social Council of the United Nations in its resolution of 28 March 1947;
 - (b) to any intergovernmental commodity arrangement involving not more than one exporting country and not more than one importing country;
 - (c) to any regional intergovernmental arrangement which provides for an adequate balance of interests between producing or exporting countries on the one hand and consuming or importing countries on the other, and which conforms to the following conditions:

- (i) the arrangement does not involve the fixing of prices or quantities of a primary commodity for the trade in that commodity between participants in the arrangement and non-participants;
- (ii) the operation of the arrangement does not have the effect of substantially altering world prices, or the production, consumption of or trade in the commodity;
- (iii) the text of the arrangement, annual reports on its operation and any similar documents are transmitted to the Assembly;

Provided that any Signatory not participating in the arrangement which considers that the arrangement is not in conformity with these conditions may bring the matter before the Assembly, and the Assembly may make recommendations to the Signatories participating in the arrangement as it considers necessary to bring it into conformity, and the Signatories shall either amend the arrangement in accordance with the recommendations or withdraw from it;

- (d) to those provisions of any intergovernmental commodity arrangement which are necessary for the protection of public morals or of human, animal or plant life or health, provided that the arrangement is not used to accomplish results inconsistent with the objectives of this Agreement;
- (e) to any intergovernmental arrangement relating solely to the conservation of fisheries' resources, migratory birds or wild animals, provided that, if the Assembly finds upon complaint by a non-participating Signatory that the arrangement is used to accomplish results inconsistent with the objectives of this Agreement and that the interests of that Signatory are seriously prejudiced by the arrangement, the Assembly may recommend that the arrangement shall become subject to such provisions of this Agreement as it may prescribe, and participating Signatories shall use their best endeavours to secure a satisfactory adjustment of its terms.

2. Nothing in this Agreement or in an arrangement negotiated in accordance with this Agreement shall be construed:

- (a) to require any Signatory or participant to furnish any information the disclosure of which it considers contrary to its essential security interests; or

- (b) to prevent any Signatory or participant from taking any action which relates to flammable material or ammunition and implements of war, or which it considers necessary for the protection of its essential security interests in time of war or other emergency in international relations; or
- (c) to prevent any Signatory or participant from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

ARTICLE XI

Appeals

1. Except in the case of decisions taken under paragraphs 3(a) and 7 of Article III, all decisions of the Standing Committee shall be subject to appeal to the Assembly in accordance with the rules of procedure. Decisions of the Assembly to modify or annul any decision of the Standing Committee other than those taken under Articles II, VI and VII shall be taken by a two-thirds majority.

2. In any deliberation of the Standing Committee under paragraph 3 of Article VI or Article VII which may result in decisions which are subject to appeal to the Assembly, or in the consideration by the Assembly of an appeal by a Signatory against a decision under those Articles, 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.

ARTICLE XII

Suspension of Rights

If, on application by a Signatory, the Assembly finds that any Signatory is participating in an arrangement contrary to this Agreement or has not withdrawn from an arrangement when required to do so under this Agreement or is otherwise acting in a manner contrary to the provisions of this Agreement, it may make recommendations on the steps which that Signatory ought to take. If the Signatory fails to comply with the recommendations the Assembly may suspend such rights of that Signatory under this Agreement as it considers appropriate in the circumstances.

ARTICLE XIII

The Assembly

1. Representatives of the Signatories, who shall constitute the Assembly, shall meet not less than once a year for the purpose of giving effect to the provisions of this Agreement. Special sessions of the Assembly may be held, as provided for in paragraph 2, to deal with problems of special urgency.
2. Except as provided in Article XIX, meetings of the Assembly shall be convened by the Executive Secretary to the Signatories, who shall convene a special session if so requested by a majority of the Signatories, or by any Signatory where, on circulation of the request to the other Signatories, it is not opposed by a majority of the Signatories. The Executive Secretary shall in any case convene within thirty days a Session of the Assembly to deal with appeals to the Assembly under paragraph 4 of Article II, and Articles VI and VII.
3. The Assembly shall elect annually from among the representatives a Chairman who shall have no vote.
4. The Assembly shall establish its rules of procedure.
5. Each Signatory shall have one vote in the Assembly, and, except where the Agreement provides otherwise, decisions of the Assembly shall be taken by a majority of the votes cast.
6. The Assembly may perform, in connection with any commodity arrangement, any functions within the provisions of the arrangement which a commodity council requests it to perform.

ARTICLE XIV

Standing Committee

1. The Assembly shall at its first meeting elect a Standing Committee to act on its behalf as provided in this Agreement. The Standing Committee shall consist of either twelve Signatories or such a number of Signatories that there is one member of the Standing Committee for every three Signatories in the Assembly, whichever is the greater. In electing the members, the Assembly shall give consideration to a reasonable balance between countries primarily interested in the import or consumption of commodities and those primarily interested in their export or production, and to a reasonable balance in geographical representation.

2. Each member of the Standing Committee shall be elected for a term of three years, provided, however, that initially one-third of the members shall be elected for one year, one-third for two years and the remainder for three years. Thereafter members shall be elected annually to complete the number of members specified in paragraph 1. At any election at which the total number of members is increased, one or more of the additional members may be elected for a period of less than three years. Retiring members shall be eligible for re-election.
3. The Chairman of the Assembly shall be the Chairman of the Standing Committee who shall have no vote.
4. The Standing Committee shall establish its rules of procedure, subject to the approval of the Assembly.
5. The Standing Committee shall have such powers and functions as are expressly assigned to it under this Agreement, and in addition the Assembly may by resolution delegate to the Committee such powers and functions of the Assembly as it sees fit.

ARTICLE XV

Administration and Finance

1. The Assembly shall establish a budget for the Signatories, determine the scale of contribution of each Signatory and shall appoint an Executive Secretary.
2. The Executive Secretary to the Signatories shall be responsible for the establishment of a secretariat and shall be responsible for its direction or may, with the approval of the Assembly, contract with any intergovernmental organization for the provision of the services required for the operation of this Agreement.
3. The expenses of representatives attending meetings of the Assembly, the Standing Committee or any study group, negotiating conference or other committee of the Signatories shall be paid by their governments.
4. The Assembly shall adopt rules establishing an appropriate basis for meeting the expenses of study groups and negotiating conferences convened by the Standing Committee or the Assembly.

ARTICLE XVI

Publicity and Reports

1. The Assembly shall provide that full publicity be given to the intention to conclude any commodity arrangement and to the convening of any study group or negotiating conference in connection with such an arrangement. After the conclusion of any arrangement full publicity shall be given to its purpose and terms.
2. A study group which remains in existence after presenting its report shall present annual reports to the Assembly on its activities.
3. The council of every arrangement shall make an annual report to the Assembly on the operation of the arrangement and, in addition, any reports on subjects within the competence of the council which the Assembly may desire.
4. The Assembly shall make an annual review of the operation of each arrangement in the light of the provisions and objectives of this Agreement and may make recommendations for the guidance of the participants.
5. The Assembly shall publish either itself or jointly with other intergovernmental organizations an annual report reviewing, to the extent that it considers necessary, developments in international commodity trade, including the operation of arrangements and any other intergovernmental consultation and action in the primary commodity field. The report shall be transmitted to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade for their consideration in view of the effect of the operation of this Agreement on the obligations of contracting parties under the General Agreement. The report of the Assembly shall also be transmitted to other intergovernmental bodies or agencies interested in commodity problems at their request.

ARTICLE XVII

Cooperation with other Intergovernmental Organizations

1. The Assembly shall, as soon as practicable after this Agreement comes into force, make appropriate arrangements with bodies and agencies of the United Nations having responsibilities in the field of primary commodities where it finds this desirable in order to avoid unnecessary duplication of activities. Such arrangements, where appropriate, shall include the conditions under which the Assembly will:
 - (a) provide for the examination in the manner described in Article II of statements of special difficulties submitted by such bodies and agencies;
 - (b) recognize study groups established by them as study groups for the purposes of paragraphs 2 and 3 of Article II;

- (c) convene negotiating conferences at their request, recognize negotiating conferences convened by them as negotiating conferences for the purposes of Article III, or recognize commodity arrangements resulting from such a negotiating conference as complying with the provisions of Article III;
 - (d) invite them to send non-voting representatives or observers to attend study groups, negotiating conferences and commodity councils.
2. The Assembly may, where it considers this desirable for the same purpose, make similar arrangements with other intergovernmental organizations.
 3. Notwithstanding the provisions of paragraph 1(a) of Article X, the Assembly may, on the invitation of existing study groups or of the councils of arrangements, perform in regard to them any of the functions which it shall perform in regard to study groups convened, or commodity arrangements concluded after the coming into force of this Agreement.

ARTICLE XVIII

Entry into Force and Registration

1. This Agreement shall be deposited with the Executive Secretary to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade and shall be open for acceptance by signature or by deposit of an instrument of acceptance with the Executive Secretary from ... to Any government which is a member of the United Nations and any contracting party to the General Agreement on Tariffs and Trade may accept the Agreement during this period. The Agreement shall enter into force as between those who have accepted it on the thirtieth day after acceptance by not less than twenty countries together representing at least two-thirds¹ of the total world net imports and exports of all primary commodities. As soon as practicable after its entry into force the Agreement shall be deposited with the Executive Secretary to the Signatories.
2. The Secretary-General of the United Nations is authorized to register this Agreement in accordance with the provisions of Article 102 of the Charter of the United Nations.

¹ Percentage and statistical basis to be examined further at the Tenth Session.

ARTICLE XIX

First Meeting of the Signatories

As soon as practicable after this Agreement enters into force the Executive Secretary of the General Agreement on Tariffs and Trade, after consultation with the Signatories and acting on their behalf, shall convene the first meeting of the Assembly.

ARTICLE XX

Accession

Any government whose accession is approved by the Assembly or any contracting party to the General Agreement on Tariffs and Trade may accede to this Agreement and shall thereupon become a Signatory.

ARTICLE XXI

Withdrawal

Any Signatory may withdraw from this Agreement. The withdrawal shall take effect six months after the day on which written notice of its withdrawal is received by the Executive Secretary to the Signatories, and it shall thereupon cease to be a Signatory.

ARTICLE XXII

Amendments

Amendments to this Agreement shall be submitted to the Signatories for acceptance provided that they have been approved by the Assembly by a two-thirds majority. An amendment shall become effective as between the Signatories which have accepted it, upon the thirtieth day after the day on which two-thirds of the Signatories have accepted it and thereafter in respect of each Signatory on the thirtieth day after its acceptance by that Signatory. However, no Signatory which is a contracting party to the General Agreement on Tariffs and Trade shall accept any amendment which has been disapproved by the CONTRACTING PARTIES to that Agreement. The Signatories may decide that an amendment is of so fundamental a character that any Signatory unwilling to accept it shall withdraw from membership and the withdrawal of the Signatory shall take effect at a date to be determined by the Assembly which shall be not less than six months from the date on which the amendment comes into force.

ARTICLE XXIII

Territorial Application

1. Any Signatory may at the time of signature of this Agreement, or at any time thereafter, declare by notification given to the Signatories that this Agreement shall extend to or be accepted in respect of any of the territories for whose international relations it is responsible, and this Agreement shall, from the date of the receipt of the notification, apply to the territories named therein.
2. A Signatory which has made a declaration under paragraph 1 may at any time thereafter declare by notification given to the Signatories that this Agreement shall cease to apply to any territory named in the notification. Six months from the date on which such notification is sent from the Signatory this Agreement shall cease to apply to that territory.
3. Where a Signatory or a non-Signatory government mainly interested in the import or consumption of the commodity is responsible for the international relations of 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 of the Signatory or non-Signatory government and those dependent or autonomous territories or, where the Signatory or the non-Signatory government so wishes, separate representation for such territory or territories.

ARTICLE XXIV

Definitions

For the purposes of this Agreement:

1. "Signatory" means a government or a contracting party to the General Agreement on Tariffs and Trade which has accepted or has acceded to this Agreement.
2. "Commodity" or "primary commodity" means any product of farm, forest or fishery, or any mineral, in its natural form or which has undergone such processing as is customarily required to prepare it for marketing in substantial volume in international trade, and includes a related group of

such products. The term "commodity" may also include at the discretion of the Assembly, commodities closely related to a primary commodity as regards conditions of production or utilization.

3. "Commodity arrangement" or "arrangement" except for the purpose of Article XVII, means any intergovernmental agreement or arrangement designed to affect the production or consumption of, or the international trade in, a specified commodity.
4. "Participant" in relation to a negotiating conference means any country which participates in such conference, and in relation to any commodity arrangement, a country which is a party to that arrangement.
5. "Commodity council" or "council" means the governing body of an arrangement.
6. "Negotiating conference" means any conference of governments convened for the purpose of negotiating a commodity arrangement.
7. "The CONTRACTING PARTIES to the General Agreement on Tariffs and Trade" means the contracting parties to the General Agreement acting jointly pursuant to Article XXV of that Agreement.
8. "A two-thirds majority" means a majority which includes two-thirds of the votes cast, and votes of at least half of all the Signatories in the case of a vote in the Assembly, or of all the members of the Standing Committee in the case of a vote in that Committee.