

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Tenth Session

COMMODITY PROBLEMS

Draft Agreement on Commodity Arrangements

Compromise texts proposed, on a personal basis, by Mr. PETER:

Article X: 1(c)

The present text should be replaced by the following:

"The provisions of this Agreement shall not apply:

- (1) to the Treaty creating the European Coal and Steel Community;
- (2) to trade in fissionable materials between countries participating in any agreement for the formation of a European atomic energy organization;
- (3) to customs unions and free trade areas established in conformity with the provisions of Article XXIV of the General Agreement on Tariffs and Trade; or
- (4) to treaties or international agreements designed to increase freedom of commerce and develop a closer integration of the economies of countries which participate therein, and which conform to the objectives referred to in paragraph 4 of Article XXIV of the General Agreement on Tariffs and Trade, provided that so far as contracting parties to the General Agreement on Tariffs and Trade are concerned, participation shall be subject to the approval by the CONTRACTING PARTIES to that Agreement.

If any signatories who are not contracting parties to the General Agreement on Tariffs and Trade establish between them customs unions or free trade areas or conclude between them treaties or agreements of the type described in the preceding paragraph the Assembly will decide whether such customs unions or free trade areas conform to the provisions of sub-paragraph (3) above or to the objectives described in sub-paragraph (4) above."

GENERAL ASSEMBLY
ECONOMIC AND SOCIAL COUNCIL
COMMODITY COUNCILS

Article XXIII

Two alternative solutions are suggested:

(A) Add to paragraph 3:

"In the case of study groups and negotiating conferences such separate representation must first be approved by a majority of the countries represented, and in the case of commodity councils provisions governing such representation must be included in the arrangements establishing such councils."

(B) Replace paragraph 3 by the following text:

"Study groups, negotiating conferences and councils may in each case decide whether to permit separate representation for dependent or autonomous territories."

Article X; 1(a)

One delegation has proposed that the text be modified by deleting the words "conforming to the principles approved by the Economic and Social Council of the United Nations in its Resolution 30 (IV) of 28 March 1947". This change has been opposed by a number of delegations. One delegation has proposed that the present text be maintained but supplemented by the following interpretative note:

"The re-negotiation of quotas or prices, or provisions affecting them, such as 'basing points' or terms of delivery, would not be considered so fundamental a change in the provisions of an arrangement as to prevent it from being considered a renewal of the previous arrangement. But an arrangement re-negotiated in other respects would be considered to be a new arrangement and would be subject to the provisions of this Agreement."

Article IV

On the question of special measures for underdeveloped countries. (See document L/416, p.7, English Text). Indonesia and Brazil have proposed that the Agreement contain a clause which would recognize the difference in economic structure between underdeveloped countries on the one hand and industrialized countries on the other. Some delegations have opposed such a clause.

A compromise formula might be found by reproducing in the summary record of a meeting of the CONTRACTING PARTIES the statement made on page 8 of the Report of the Working Party.

"The Working Party wished to record that in their view there is nothing in the Agreement which would prevent a negotiating conference from including in a commodity arrangements any escape clause that may be appropriate in the circumstances."