

RESTRICTED

W.10/35
1 December 1955

Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES
Tenth Session

COMMODITY PROBLEMS

Draft Agreement on Commodity Arrangements - Amendments proposed by Mr. G. Peter

The following amendments to the draft Agreement are proposed by the Chairman of the Working Party after extensive informal meetings with interested delegations in the belief that they will bring about a substantial measure of agreement.

Article X: 1(a)

After the words "to existing study groups" insert "or commodity arrangements" and delete the words "operation or".

Add 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 X: 3(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 international agreements instituting an atomic energy organization as regards trade in fissionable minerals and materials between participating countries;
- (3) to customs unions and free trade areas or interim agreements 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 the CONTRACTING PARTIES to that Agreement determine that such treaties and agreements conform to the General Agreement on Tariffs and Trade, and provided that any commodity arrangement concluded in pursuance of such treaties or agreements shall be subject to approval under the procedure laid down in Article VI, paragraph 2.

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."

NEW ARTICLE

Regional Commodity Arrangements

Subject to the procedures of paragraph 2 of Article VI, nothing in this Agreement shall be held to prevent regional commodity arrangements.

Article XXIII

Replace paragraph 3 by the following text:

"Study groups and negotiating conferences may in each case decide whether to permit separate representation for dependent or autonomous territories for whose international relations signatories or non-signatories of this Agreement are responsible. There may also be separate representation for such dependent and autonomous territories on a commodity council if provisions governing such representation have been included in the arrangement establishing such council."

Escape Clause

In order to meet the desire of some delegations for a provision relating to escape clauses in commodity arrangements for underdeveloped countries in balance-of-payments difficulties, include the following in the Summary Record:

"The CONTRACTING PARTIES wish to record that in their view there is nothing in the Agreement which would prevent a negotiating conference from including in a commodity arrangement any escape clause that may be appropriate in the circumstances."

