

THIRD COMMITTEE: GENERAL COMMERCIAL POLICY

DRAFT CHARTER

COLOMBIA: PROPOSED AMENDMENTS

Paragraph 1 of Article 17 (Reduction of Tariffs and Elimination of Preferences)

1. Point (b) of paragraph (1) should read:

"(b) The binding of low tariffs or of tariff-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high tariffs or the elimination of tariff preferences. Any reduction which has automatically occurred in the specific duties of any tariff owing to depreciation of the currency in which such duties had been originally fixed, shall be also recognized as a concession equivalent in value to the substantial reduction of a high tariff or the elimination of tariff preferences."

2. The following should be added as a new sub-paragraph after point (b) of paragraph 1:

"In the case of countries in an early stage of industrial development, account shall be taken of the necessity of those countries to grant to their industries a reasonable degree of protection by means of customs duties with a view to promoting and diversifying their production."

CHAPTER IV - COMMERCIAL POLICY

Section F (Special Provisions)

To be added as a new Article after Article 40:

"To avoid the consumption of any primary product being unfavourably affected by measures taken or taxes imposed by any member country, the following rules shall be observed:

1. Any measure adopted by any member country in the matter of rationing or the fixing of maximum prices for primary commodities must be subject to the following principles:

(a) Any maximum prices which may be fixed shall keep an adequate relation with the costs of production and transportation, and shall include a reasonable margin of profit.

(b) Due consideration shall be given to the objective of progressively increasing the general standard of living.

/(c) In the fixing

(c) In the fixing of maximum prices no more unfavourable rules and principles shall be applied to imported products than to similar articles of domestic production.

2. Any measures adopted by a member country regarding primary commodities which may be imported from another member country shall forthwith be communicated to the Organization, and through the Organization, to the other members. Any member considering that its interests may be unfavourably affected by such measures may communicate with the Organization, which shall promptly investigate the case, and after taking into consideration any reasons which the complaining country and the country having adopted the measures in question may allege, the consequences which such measures may have on the economy of the former country, and the rules set out above in this Article, shall decide whether the measures in question must be withdrawn or maintained, and in the latter case, with what modifications, if any.

3. If any member country establishes or maintains internal taxes which, although not contrary to other provisions of this Charter, may unfavourably affect the consumption of any primary commodity imported from any other member country, the latter country may submit the matter to the Organization, and the Organization, after taking into consideration all facts bearing on the case, shall make whatever recommendations it may deem appropriate, or promote and propitiate such negotiations between the interested countries as may ensure a satisfactory settlement of the question. If, contrary to any recommendations issued by the Organization, the country having established or maintaining the tax, should not suspend or modify it within a reasonable term, the country considering its interests affected may withdraw any benefits or concessions which it has undertaken to grant to the other country pursuant other stipulations of this Charter."