

THIRD COMMITTEE: COMMERCIAL POLICY

DRAFT CHARTER

MEXICO: PROPOSED AMENDMENTS

Article 17 - Reduction of Tariffs and Elimination of Preferences

"1. Each Member shall, upon the request of the Organization, enter into and carry out with such other Members as the Organization may specify, negotiations directed to the conclusion of agreements on a mutually advantageous basis in respect of tariffs and other charges on imports and exports and to the elimination of the preferences referred to in paragraph 2 of Article 16 in order to secure the maximum expansion of international trade on a permanent basis, consistent with the sound economic development of the undeveloped countries, and to eliminate unwarranted restrictions. These negotiations shall proceed in accordance with the following rules:

(a)

(i) Unaltered.

(ii) Unaltered.

(iii) Unaltered.

(iv) Unaltered.

(a bis)

(i) As a preliminary measure to such negotiations, countries shall equalize their tariffs, so that negotiations may be entered into under tariff conditions of genuine similarity.

(ii) The industrialized countries shall accord appropriate advantages to countries at an early stage of industrial development, in such a way as to afford effective compensation for the existing economic disequilibrium in this respect.

(iii) Creditor countries shall be required to grant to debtor countries advantages proportional to the degree of indebtedness of the latter, whether current or long-term.

/(iv) Countries

(iv) Countries having specific tariffs, required to negotiate with countries whose tariffs are wholly or partly ad valorem, may use the tariffs obtained by reverting to the ad valorem equivalent in terms of 1939 prices as the basic level for negotiations.

(b) Unaltered.

(c) Unaltered.

(c bis) Agreements shall be revised at the request of any Member provided that world economic conditions or the economic position of the Members concerned justify such revision.

(d) Unaltered.

2. Unaltered.

3. Unaltered.

Article 18

Add the following at the end of paragraph 2:

"The Organization shall, however, upon the request of any Member, investigate whether such differential transportation charges constitute discriminatory treatment on grounds of the origin of the product."

Delete paragraphs 3, 4 and 5.

Article 20

Amend sub-paragraph 2 (a) as follows:

"(a) export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting country or intended to ensure the supply of raw materials to industry or to prevent the export of products whose import is restricted under Article 21 and other relevant provisions."

Amend sub-paragraph (c) as follows:

"(c) import restrictions on any agricultural or fisheries product or product vital to the economy of the country, imported in any form, necessary to the enforcement of governmental measures which operate:"

(remainder of paragraph unaltered)

Article 22

Amend paragraph 2, sub-paragraph (d) as follows:

"(d) in cases in which a quota is allocated among supplying countries, the Member applying the restrictions may seek agreement with respect to the allocation of shares in the quota with all other Members having a substantial interest in supplying the product concerned.

/In cases in which

In cases in which this method is not reasonably practicable, the Member concerned shall allot to Member countries having a substantial interest in supplying the product, shares to be determined in accordance with the production capacity in respect of the item concerned, of the countries interested in filling the quota. No conditions or formalities shall be imposed which would prevent any Member from utilizing fully the share of any such total quantity or value which has been allotted to it, subject to importation being made within any prescribed period to which the quota may relate."

Amend paragraph 4 as follows:

"4. With regard to restrictions applied in accordance with paragraph 2 (d) of this Article or under paragraph 2 (c) of Article 20, the allocation of the quota for any product and the appraisal of any special factors affecting the trade in the product shall be made by the Member applying the restriction or fixing the quota. Provided that such Member...." (remainder of paragraph unaltered).

Article 23

Amend paragraph 1, sub-paragraph (a), as follows:

"1. (a) The Members recognize that when a substantial and widespread disequilibrium prevails in international trade and payments a Member applying restrictions under Article 21 may be able to increase its imports from certain sources, or effectively ensure its development or recovery, without unduly depleting its monetary reserves, if permitted to depart from the provisions of Article 22. The Members also recognize the need for close limitation of such departures so as not to handicap achievement of multilateral international trade."

Amend the last sentence of paragraph 3, sub-paragraph (c) as follows:

"(c) ... If, as a result of any such review, the Organization determines that no such disequilibrium exists, and that there is no danger that such disequilibrium will recur when the restrictions imposed are removed, the provisions of paragraph 1 of this Article shall be suspended, and all actions authorized thereunder shall cease six months after such determination."

Article 24

A further paragraph should be added, as follows:

"Countries not having adopted the system of exchange control, may apply appropriate and reasonable restrictive measures in order to bring their position into line with that of countries where an /exchange control

exchange control system exists; provided that no agreements on payments are concluded with such countries."

Article 30

Delete paragraph 2.

Article 33

The following new paragraph should be inserted as paragraph 1:

"1. Members condemn the practice of dumping in all its possible forms and aspects, and authorize affected countries to adopt the necessary measures to combat it, and also to enact appropriate domestic legislation against this practice."

No Member shall encourage, support or participate in campaigns designed to initiate or develop the practice of dumping."

Delete paragraph 1.

Delete paragraph 6.

Article 39

The following should be added:

"Campaigns designed to increase domestic consumption of the articles produced in any country shall not be considered as indirect action to discourage consumption of the products of any other Member."