

THIRD COMMITTEE: COMMERCIAL POLICY

REVISED ANNOTATED AGENDA FOR CHAPTER IV

SECTION F - SPECIAL PROVISIONS

This revised Agenda for Chapter IV includes all the items which appeared in the preliminary Agenda (E/CONF.2/C.3/1) and all proposals received from delegations up to Monday, 8 December. For the convenience of delegates this Agenda is issued in six parts (numbered C.3/6 to C.3/11), one for each of the six Sections of the Chapter. All the documents to which reference is made are addenda to E/CONF.2/11 and E/CONF.2/C.3/1.

Article 40 - Emergency Action on Imports of Particular Products.

Paragraph 1 (a)

1. The delegation of Peru proposes (document C.3/1/Add.42) that the first lines of sub-paragraph (a) should be amended as follows:

"If, as a result of unforeseen developments and of the effect of the Obligations incurred by a Member under or pursuant to this Chapter, including tariff concessions, any product is...."

2. The delegation of Cuba proposes (document C.3/1/Add.22) that the word "or" should be substituted for the word "and" in the second line.

3. The delegation of Italy proposes (document C.3/1/Add.8) that the word "and" after the word "quantities" in the sixth line should be replaced by the word "or".

Paragraph 1 (b)

4. The delegation of Denmark proposes that this sub-paragraph be deleted.

Paragraph 2

5. The delegation of Argentina proposes (document 11/Add.3) that the first words of the last sentence be amended as follows:

"In critical circumstances where any delay...."

Paragraph 3 (a)

6. The delegation of Argentina proposes (document 11/Add.3) the deletion of the last words of this sub-paragraph, namely "the suspension of which the Organization does not disapprove."

New Article 40 A

7. The delegation of Colombia proposes (document C.3/1/Add.4) that the
/following

Following new Article be inserted in Section F 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:

(a) 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:

(i) 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.

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

(iii) 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.

(b) 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.

(c) 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

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 to other stipulations of this Charter."

Article 41 - Consultation

8. The delegation of Afghanistan proposes (document C.3/1/Add.45) to insert after the word "health" the following phrase:

"practices and regulations affecting the freedom of transit,...."

Article 42 - Territorial Application of Chapter IV - Frontier Traffic -
Customs Unions

Paragraph 2 (a)

9. The delegation of Argentina proposes (document 11/Add.3) the deletion of the words "in order to facilitate frontier traffic".

Paragraph 2 (b)

10. The delegation of the United Kingdom proposes (document 11/Add.8) that the first proviso should begin as follows:

"Provided that the duties and other regulations of commerce imposed [by] at the institution of, or any margins of preference maintained by, any such union or agreement in respect of trade with Members of the Organization, shall not....."

11. The delegation of Chile proposes (document C.3/1/Add.6) that the following be added at the end of the sub-paragraph:

"The plan proposed may be developed on the basis of reductions in increasing percentages, in the overall tariff of neighbouring countries, leading ultimately to its elimination; or on the basis of the total or partial cancellation of the duties on some products, such cancellation being progressively widened and extended to other products until the customs frontiers are eliminated."

Paragraph 2 - new sub-paragraph

12. The delegation of Argentina proposes (document 11/Add.3) the addition of the following sub-paragraph:

"(c) The formation of a group of complementary economies co-operating on a compensatory basis and on the basis of equality of treatment."

13. The delegations of Lebanon and Syria propose (document 11/Add.14) the addition of the following sub-paragraph:

"(c) The formation of a free trade area by the conclusion of a free trade agreement involving the substantial elimination of tariffs and
/other restrictive

other restrictive regulations of commerce between Members belonging to the same economic region."

14. Paragraph 3 (a)

The delegation of Argentina proposes (document 11/Add.3) that the words "shall consult with the Organization and shall make available to it such information" be replaced by "may consult with the Organization and, in that case, shall make available to the Organization such information".

15. The delegation of Italy proposes (document C.3/1/Add.36) that this sub-paragraph be amended as follows:

"3 (a) Any Member proposing to enter into a customs union shall ~~consult with~~ inform the Organization and ~~shall make available to it such~~ give any information regarding the proposed union as will enable the Organization to make such ~~reports and~~ recommendations to Members as it may deem appropriate."

Paragraph 3 (b)

16. The delegation of Argentina proposes (document 11/Add.3) that this sub-paragraph be deleted.

17. The delegation of Chile proposes (document C.3/1/Add.6) that this sub-paragraph be deleted.

18. The delegation of Italy proposes (document C.3/1/Add.36) that this sub-paragraph be amended as follows:

"(b) No Member shall institute or maintain any interim agreement under the provisions of paragraph 2 (b) of this Article ~~if~~, after a study of the plan and schedule proposed in such agreement, the Organization finds that such agreement is not likely to result in such a customs union within a reasonable length of time in such a manner as to determine an unfair injury to any other Member of the Organization."

Paragraph 3 (c)

19. The delegation of Argentina proposes (document 11/Add.3) that this sub-paragraph be deleted.

20. The delegation of Chile proposes (document C.3/1/Add.6) that this sub-paragraph be deleted.

21. The delegation of Italy proposes (document C.3/1/Add.36) that this sub-paragraph be deleted.

New paragraph

22. The delegation of Iraq proposes (document C.3/1/Add.46) the addition of the following new paragraph:

/"5. Taking

"5. Taking into account the specially strong historical, cultural and economic ties which bind together the states members of the Arab League, Members agree that the provisions of this Charter shall not prevent the countries forming the said League from entering into special arrangements with respect to economic relations between them."

General

23. The following note was appended to the Geneva Draft:

"Paragraph 4 of the text of the former Article 38 proposed by the New York Drafting Committee has been deleted since the subject dealt with therein is covered by the new Article 15 and by Article 74. The delegation of Chile favoured its retention."

Article 43 - General Exceptions to Chapter IV

Paragraph I (d)

24. The delegation of Cuba proposes (document C.3/1/Add.52) that the last words of this sub-paragraph be amended as follows:

".....and the prevention of deceptive or disloyal practices in commerce, harmful to normal production and labour."

Paragraph I (g)

25. The delegation of Australia reserves its position pending an interpretation of this sub-paragraph in relation to certain restrictions which the Australian Government imposes.

Paragraph I (i)

26. The delegation of Argentina proposes (document 11/Add.3) the deletion of the last part of this sub-paragraph beginning with the words "during periods".

27. The delegation of Uruguay proposes (document C.3/1/Add.13) the deletion of the proviso.

Paragraph I - new sub-paragraph

28. The delegation of Afghanistan proposes (document C.3/1/Add.45) the addition of the following sub-paragraph at the end of paragraph I:

"(j) relating to the orderly marketing of seasonal surpluses of agricultural commodities in order to ensure reasonably stable returns to the producers thereof."

Paragraph II (a)

29. The delegation of Argentina proposes (document 11/Add.3) the deletion of the proviso.

Paragraph II (c)

30. The delegation of Argentina proposes (document 11/Add.3) the deletion of the proviso.

/Final paragraph

Final paragraph

31. The delegation of Norway proposes (document C.3/1/Add.39) that the first lines of the final paragraph be amended as follows:

"Measures instituted or maintained under paragraph II of this Article which are inconsistent with the other provisions of this Chapter shall be removed [as soon as the conditions giving rise to them have ceased, and in any event not later than 1 January 1951] within a time limit to be fixed by the Organization; Provided that...."

32. The delegation of Argentina proposes (document 11/Add.3) the deletion of the proviso.

New Article

33. The delegation of Switzerland has proposed (document 11/Add.12) that the following new paragraph be inserted at the beginning of Section F:

"A Member, unable to invoke the provisions of Article 21 and finding that its economic stability, particularly in the fields of agriculture or employment, is being seriously impaired or gravely threatened, may take such steps as are necessary for safeguarding its vital interests."
