

DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF
THE UNITED NATIONS ON TRADE AND EMPLOYMENT

TEXT OF ARTICLE TENTATIVELY AGREED AT THE 18th MEETING

Article 52

Circumstances Governing the Use of Regulatory Agreements

1. A burdensome surplus of a primary commodity has developed or is expected to develop, which would cause serious hardship to producers among whom are small producers who account for a substantial portion of the total output and these conditions cannot be corrected by normal market forces alone, in time to prevent such hardship, because characteristically, in the case of the primary commodity concerned, a substantial reduction in price does not readily lead to a significant decrease in production.
2. Widespread unemployment or under-employment in connection with a primary commodity, arising out of difficulties of the kind referred to in Article 46, has developed or is expected to develop, which would not be corrected by normal market forces alone in time to prevent widespread and undue hardship to workers, because, characteristically, in the case of the industry concerned, a substantial reduction in price does not readily lead to a significant increase in consumption but to the reduction of employment and because areas in which the commodity is produced in substantial quantity do not afford alternative employment opportunities for the workers involved; or
3. The Organization finds that, for a commodity other than a primary commodity, in addition to the circumstances set forth in 1 or 2 above, exceptional circumstances justify such action. Such agreements shall be subject not only to the principles set forth in this Chapter but also to any other requirements which the Organization may establish.

/NOTES

NOTES

1. The Committee decided to include in the Report the text submitted by the Chilean Delegation (document E/PC/T/C.6/W.41) concerning Article 52 and a statement to the effect that, as the hardships the Chilean proposal was intended to cover, would be the outcome of unemployment or under-employment they were covered by Paragraph 2 of Article 52.
2. In regard to the proposal made by the F.A.O. Observer (document E/PC/T/C.6/W.59) for the addition of a new paragraph to Article 52, it was decided that the F.A.O. Observer with a small number of Delegates would draft a statement to be presented to the Committee for possible inclusion in the Report.
