

**United Nations**  
**ECONOMIC**  
**AND**  
**SOCIAL COUNCIL**

**Nations Unies**  
**CONSEIL**  
**ECONOMIQUE**  
**ET SOCIAL**

RESTRICTED

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ORIGINAL: ENGLISH

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

TEXT OF ARTICLE TENTATIVELY AGREED AT 16TH AND 20TH MEETINGS

Article 53

Additional Principles Governing Regulatory Agreements

Members undertake to adhere to the following principles governing regulatory agreements in addition to those stated in Article 51:

1. Members agree not to enter into any new regulatory agreement unless it has been recommended by a Conference called in accordance with Article 49. Nevertheless Members substantially interested in the production and consumption of, or trade in a particular commodity may proceed by direct negotiation to the conclusion of an agreement, provided that it conforms to the other provisions of this Chapter, if there has been unreasonable delay in the proceedings of the Study Group or of the Commodity Conference.
2. Such agreements shall be designed to assure the availability of supplies adequate at all times for world demand at reasonable and stable prices [, remunerative to efficient producers].
3. Under such agreements participating countries which are largely dependent for consumption on imports of the commodity involved shall, in determinations made relating to substantive matters, have together a voice equal to that of those countries largely interested in obtaining export markets for the commodity, provided that those countries which are largely interested in the commodity but which do not fall precisely under either of the above categories, shall, according to their interests under the circumstances, have an appropriate voice within one or both

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categories without altering the equality between the two.

4. Such arrangements shall, with due regard to the need during a period of change for preventing serious economic and social dislocation and to the position of producing areas which may be suffering from abnormal and temporary disabilities, make appropriate provision to afford increasing opportunities for satisfying world requirements from sources from which such requirements can be supplied most effectively and economically.

5. Participating countries shall formulate and adopt a programme of economic adjustment believed to be adequate to ensure substantial progress toward solution of the problem within the time limits of the agreement.

#### NOTES

1. Concerning paragraph 2 of Article 53, it was decided to include in the Report, that the Delegate for Cuba asked that a "reasonable price" should not be a price which does not cover the costs of production.

2. The Delegates for Australia and New Zealand wished to include in the Report the fact that they were of the opinion that the text of Article 53, paragraph 3 should be within square brackets because the transfer from Article 51 constituted a substantive change.

The Delegate for the United Kingdom reserved his position concerning the transfer.

3. It was decided to include in the Report the suggestion made by the Delegate for Chile concerning the text of Article 53, paragraph 3, and a note to the effect that it was the understanding of some delegates "that other stipulations of the Charter covered any legitimate interests the Chilean amendment was meant to cover".

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