

*United Nations*

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**ECONOMIC  
AND  
SOCIAL COUNCIL**

**CONSEIL  
ECONOMIQUE  
ET SOCIAL**

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

TEXT OF ARTICLES AS AGREED IN THE TWENTIETH AND TWENTY-FIRST MEETINGS

Article 55

Provision for Initial Terms, Review, and Renewal of Regulatory Agreements

Regulatory agreements shall remain in effect for not more than five years. Their renewal and termination shall be subject to the principles stated in this Article and to the procedures established in such agreements. Such agreements shall also include provisions for withdrawal of any Member from the agreement. Periodically, at intervals no greater than three years, the Organization shall prepare and publish a review of the operation of each agreement in the light of the principles set forth in this Chapter. Moreover, each commodity agreement shall provide that if its operations have failed substantially to conform to the principles laid down in this Chapter, participating countries shall revise the agreement to conform to the principles or shall terminate it. When an agreement is terminated, the Organization shall take charge over archives, statistical material and other possessions of the Commodity Council.

Article 59

Exceptions to Provisions Relating to Inter-Governmental Commodity Arrangements

1. The provisions of Chapter VII are not designed to cover inter-governmental commodity arrangements, which relate solely to the equitable distribution of commodities in short supply, or an agreement made in accordance with the provisions of Section E of Chapter V, or to cover those provisions of inter-governmental commodity arrangements which appropriately relate to the protection of public morals or the protection of human, animal  
/or plant life

or plant life or health; the provisions are furthermore not designed to cover international fisheries or wildlife conservation agreements with the sole objective of conserving and developing these resources.

Provided that such arrangements are not used to accomplish results inconsistent with the objectives of Chapter VI or Chapter VII. Members agree not to participate in such arrangements if they involve the regulation of production, trade or prices, unless they are authorized or provided for by a multilateral convention subscribed to by a majority of the nations affected or unless operated under the Organization.

2. None of the provisions of Chapter VII are to be interpreted as applying to arrangements relating to fissionable materials, to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on for the purpose of supplying a military establishment, or, in time of war or other emergency in international relations, to the protection of the essential security interests of a member.

#### Article 60

##### Definitions

1. For the purposes of this Chapter a primary commodity is any product of farm, forest or fishery or any mineral which enters world trade in substantial volume in a form customarily called primary. The term "primary commodity" may include a primary commodity on which minor processing has been performed in preparation for export. It may also include a group of primary commodities which are so closely related to one another that they can conveniently be dealt with in a single arrangement. It may also include one or more commodities which are so closely related to a primary commodity that the group so formed can conveniently be dealt with in a single arrangement.

2. For the purposes of this Chapter the term "Member" or "non-Member" shall, where it is appropriate, be taken to mean a Member or non-Member of the Organization with its dependent territories. If a Member or non-Member and its dependent territories form a group, of which one or more units are

/mainly

mainly interested in the export of a commodity and one or more in the import of the commodity, there may be either joint representation for all the associated territories or, where it is so desired, separate representation for the territories mainly interested in export and separate representation for the territories mainly interested in import.

3. A regulatory agreement is an inter-governmental commodity arrangement involving regulation of the production, export or import of a commodity or regulation of prices.

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