

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.9/35

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CONTRACTING PARTIES
Ninth Session

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Review Working Party I on
Quantitative Restrictions

PROPOSED AMENDMENTS TO ARTICLE XVIII

Note by the Chilean Delegation

In addition to the Chilean Government's proposals for the revision of the Agreement (L/272), the following changes to the text of Article XVIII prepared by the Executive Secretary (W.9/17) were proposed by the Chilean representative at the meeting of the Working Party on 22 November. In proposing these changes, the Chilean delegation wished it to be understood that it would not insist on the precise manner in which these changes might be introduced into the Article; provided that the desired effect was achieved, some of the additional provisions proposed could be equally well included in the Agreement as interpretative notes.

1. Insert in Section A after paragraph 4, as an additional paragraph, the provisions of paragraph 4(a) of Article XVIII of the existing Agreement.
2. Insert the underlined words in paragraph 5:

".....an excessive demand for imports or a substantial fall in exports which threaten its monetary reserves....."
3. Insert at the end of paragraph 5 the provisions of Article XII:3(b)(i) of the present Agreement.
4. Insert after paragraph 5 a new paragraph embodying the provisions of Article XII:2(a) of the present Agreement, and including a reference to the effects of "a substantial fall in exports" as well as "an excessive demand for imports".
5. Insert in paragraph 7, after the words "application of such restrictions", the following clause:

"(or, in circumstances in which prior consultation is impracticable, immediately after doing so),".

6. The wording of the proviso in paragraph 8 should be changed along the lines of Article XIV:1(b) of the present Agreement; that is, the extent to which a contracting party should be allowed to deviate from the rule of non-discrimination should be the same as provided in the present Article XIV:1(b).

7. Insert the underlined words in the second sentence in paragraph 12:

"If, as a result of such a consultation, the Organization agrees that there is no measure consistent with the provisions of Sections B and C of this Article, or with the other provisions of the Agreement, which is feasible or practicable.....".

8. In the last part of paragraph 13, the time limit within which contracting parties substantially affected by a measure introduced in accordance with Section C may take retaliatory action, should be 180 days, and should be subject to alteration by arbitration through a procedure to be formulated.

9. Insert a new paragraph after paragraph 13, reproducing paragraph 7(a)(2) of Article XVIII of the present Agreement which states that the CONTRACTING PARTIES shall not adopt any measure under the provisions of this Article which is likely to cause serious prejudice to exports of a primary commodity on which the economy of the territory of another contracting party is largely dependent.

10. A new paragraph should be added at the end of the Article embodying the provisions of Article XIV:5 of the present Agreement.