Recent developments in the Economic and Social Council suggest that it may be desirable for the CONTRACTING PARTIES, in the course of the Review, to give careful consideration to the provisions of Article XX:1(h).

Article XX:1(h) provides an exception to the provisions of the Agreement for measures undertaken in pursuance of obligations under a commodity agreement conforming to the resolution of the Economic and Social Council which established the Interim Co-ordinating Committee for International Commodity Arrangements (ICCICA). That Resolution, as amended subsequently, provided also for the CONTRACTING PARTIES to be closely associated with the ICCICA, which was entrusted with the responsibility for convening commodity conferences and for ensuring that any agreements resulting from such conferences conform with the principles established in the Council's resolution.

It has never been quite clear in the past precisely what responsibility the GATT nominee in ICCICA has towards the CONTRACTING PARTIES and this question was a matter of some discussion at the Eighth Session. A recent resolution of the Economic and Social Council has now cast serious doubt on the permanence of the procedures on which the exception in Article XX was founded. The new resolution postponed a final decision on this and related questions in order to take into account the results of the discussions of the CONTRACTING PARTIES in connection with the Review of the Agreement.

The following are the essential facts relating to the present status of Article XX:1(h) and the procedures it envisaged:

1. ECOSOC Resolution 30 (IV) of 28 March 1947 recommended that members of the United Nations adopt as a general guide in intergovernmental consultation or action with respect to commodity problems the principles laid down in the draft charter for an International Trade Organization and requested the Secretary-General "... to appoint an interim co-ordinating committee for international commodity arrangements to keep informed of and to facilitate by appropriate
means such intergovernmental consultation or action with respect to commodity problems, the committee to consist of a chairman to represent the Preparatory Committee of the United Nations Conference on Trade and Employment, a person nominated by the FAO of the United Nations to be concerned in particular with agricultural primary commodities, and a person to be concerned in particular with non-agricultural primary commodities."

2. Subsequent resolutions (296 (XI), 373 (XIII) and 462 (XV)) substituted first the Interim Commission for an International Trade organization and later the CONTRACTING PARTIES to the General Agreement as the body to nominate the Chairman of ICCICA. The last of these also provided for an additional member familiar with the problems of under-developed countries.

3. On 5 August 1954, the Economic and Social Council adopted a new Decision establishing the Advisory Commission on International Commodity Trade. The text of this resolution is annexed to this document. It will be seen that paragraph 7 of the Decision assigns to the new Commission certain of the responsibilities formerly discharged by ICCICA but provides that ICCICA "shall, for the present, continue to discharge its functions of convening intergovernmental study groups, of making recommendations to the Secretary-General on the convening of commodity conferences, and of co-ordinating the activities of the individual commodity study groups and councils ......."

In paragraph 8 the Council decided to consider in consultation with the Secretary-General the future of ICCICA at the twentieth session. Paragraph 9 reads: "The Council shall consider in the future the status and functions of the Commission on International Commodity Trade in the light of any important development in this field, including the results of the discussions by the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, which shall be taken into account as soon as possible after these results are known."

Conclusion

In the light of this background it would appear that the CONTRACTING PARTIES should consider:

1. What changes should be made in Article XX:1(h) in order to take account of the changed situation arising from the decision of the Economic and Social Council;

2. What instructions they wish to give to the Executive Secretary to ensure that the interests of the GATT in international action relating to commodity problems is adequately provided for in any new organizational arrangements which may result from the Council's decision.

The CONTRACTING PARTIES will, no doubt, wish to consider these points in connection with proposals regarding the role of the GATT in the commodity field which several delegations have indicated they will bring forward during the Review.

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1 The summary record of the discussions in the Council leading up to this decision is available in the secretariat and can be consulted by delegations.