REVIEW OF THE GENERAL AGREEMENT

Proposals by the Norwegian Government

General Note

1. The Norwegian Government feels that the proposal of the Secretariat (L/189/Add.1) as to the entry into force of Amendments and/or definitive application of the Agreement should be accepted. A consequential amendment to Article XXVI establishing a transitional period has been proposed.

2. Following this it is felt that a more functional arrangement of the articles should take place. The Norwegian Government is willing to forward suggestions for this purpose, but feels that the task might be left to a special working group during the session, possibly the legal drafting group.

   The Norwegian Government would prefer Arabic figures instead of Roman figures.

3. The Norwegian Government takes it that it will be left to a drafting group to undertake such formal alterations as will be necessitated through possible changes in the organizational set-up (such as "member" for "contracting party" or "organization" for "CONTRACTING PARTIES" etc.).

4. The Norwegian Government proposes the deletion of Article XXIX. Consequential amendments to other articles should be left to the drafting groups and are accordingly not included in the present list of proposed amendments.

5. The Norwegian Government proposes the insertion of an interpretative note to articles containing the term "primary commodity" as follows:

   For the purposes of this Agreement, the term "primary commodity" means any product of farm, forest or fishery or any mineral, in its natural form or which has undergone such processing as is customarily required to prepare it for marketing in substantial volume in international trade.
The Preamble

Substitute the preamble by the following two new articles:

Article 0

Purpose and Objectives

Recognizing that their relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world and expanding the production and exchange of goods,

Being desirous to contribute to these objectives,

The Contracting Parties to this Agreement, hereinafter called the Members, establish the International Trade and Tariff Organization, hereinafter called the Organization, through which they shall co-operate as Members to achieve the purpose and the objectives set forth in this article.

Article 00

General Obligations

Each Member shall endeavour through national and international measures to achieve and maintain the objectives of Article 0. Such measures shall be taken with due regard to the desirability of employing methods which expand rather than contract international trade. Members shall seek to avoid measures which would have the effect of creating balance-of-payment difficulties for other countries.

Article 1

Add as a new Interpretative Note to para.1:

Differentiation by nomenclature or practice should only be based on the intrinsic qualities of the product.
Article I (B)

1. Add as a new article to be inserted between the present Article I and Article II:

1. Each Member shall, subject to procedural arrangements established by the Organization, enter into and carry out negotiations directed to the substantial reduction of the general levels of tariffs and other charges on imports and exports and to the elimination of the preferences referred to in paragraph 2 of Article I.

2. The binding against increase of low duties or of duty-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high duties or the elimination of tariff preferences.

Note: Article XXV, para. 5(b) and (c) should be deleted.

Article V

1. Add as a new paragraph:

The Organization may undertake studies, make recommendations and promote international agreement relating to the simplification of customs regulations concerning traffic in transit, the equitable use of facilities required for such transit and other measures designed to promote the objectives of this Article. Members shall co-operate with each other directly and through the Organization to this end.

Article VI

1. Para. 4. Amend as follows:

No product of the territory of a Member imported into the territory of any other Member shall be subject to anti-dumping or countervailing duty by reason of the exemption of such product from customs duties or indirect taxes actually borne by the like product, or actually borne by the material going into the manufacturing of the like product when destined for consumption in the country of origin or exportation, or by reason of the refund of such customs duties and indirect taxes.

2. Add as new paragraphs:

8. The Organization shall work toward the standardization, as far as practicable, of rules for the imposition of dumping and subsidization as well as of procedures for determining and levying of anti-dumping and countervailing duties.
9. The Members shall inform the Organization of any national law or regulation regarding anti-dumping and countervailing duties and of any change in such laws and regulations. They shall report annually to the Organization on any measure or action taken under this Article.

Article VII

1. Add as a new paragraph 2:

2. The Members shall work toward the standardization, as far as practicable, of definitions of value and of procedures for determining the value of products subject to customs duties or other charges or restrictions based upon or regulated in any matter by value. With a view to furthering cooperation to this end, the Organization may study and recommend to Members such bases and methods for determining value for customs purposes as would appear best suited to the needs of commerce and most capable of general adoption.

2. Paragraph 3. Amend as follows:

The value for customs purposes of any imported products should not include the amount of customs duties or any indirect taxes actually borne by the finished product or actually borne by the material going into the manufacturing of such product.

3. Paragraph 4. Add the following sentence:

................ pursuant to Article XV of this Agreement. It shall not differ from such per values by more than one per cent.

Article VIII

1. Add as a new paragraph:

5. The Members shall abolish, not later than 31 December 1956, consular invoices and consular visas for commercial invoices, certificates of origin, manifests, etc.

2. In accordance with instructions from the CONTRACTING PARTIES, the Executive Secretary is at present studying the question of discrimination in connection with transport insurance. If it is found that such discrimination exists to any measurable extent, the Norwegian Government feels that rules should be introduced into the Agreement to prevent such practices. The right place for such rules might be Article VIII.
Article IX

1. Add as a new paragraph, presumably to be placed between the present paragraphs 4 and 5:

The Members agree to co-operate through the Organization towards the early elimination of unnecessary marking requirements. The Organization may study and recommend to Members measures directed to this end, including the adoption of schedules of general categories of products, in respect of which marking requirements operate to restrict trade to an extent disproportionate to any proper purpose to be served.

Article XVI

1. Add as a new paragraph 2 a-c as follows:

a. No Member shall grant, directly or indirectly, any subsidy on the export of any product, or establish or maintain any other system, which subsidy or system results in the sale of such product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market, due allowance being made for differences in the conditions and terms of sale, for differences in taxation, and for other differences affecting price comparability.

b. The exemption of exported products from duties or taxes imposed in respect of like products when consumed domestically, or the remission of such duties or indirect taxes in amounts not in excess of those which have accrued, shall not be deemed to be in conflict with the provisions of paragraph 1. The use of the proceeds of such duties or indirect taxes to make payments to domestic producers in general of those products shall be considered as a case under /Article/XVI/ paragraph 1/.

c. Members shall give effect to the provisions of this paragraph at the earliest practicable date but not later than 31 December 1955. If any Member considers itself unable to do so in respect of any particular product or products, it shall, at least three months before the expiration of such period, give notice in writing to the Organization, requesting a specific extension of the period. Such notice shall be accompanied by a full analysis of the system in question and the circumstances justifying it. The Organization shall then determine whether the extension requested should be made and, if so, on what terms.
d. Notwithstanding the provisions of sub-para. a/, any Member may subsidize the exports of any product to the extent and for such time as may be necessary to offset a subsidy granted by a non-Member affecting the Member's exports of the product. However, the Member shall, upon the request of the Organization or of any other Member which considers that its interests are seriously prejudiced by such action, consult with the Organization or with that Member, as appropriate, with a view to reaching a satisfactory adjustment of the matter.

e. Subsidies granted to products that are mainly sold to foreign markets are considered to be export subsidies in the sense of this paragraph, even if the subsidization also includes the sale on the home market.

2. Add as new paragraph 3 as follows:

3. A system for the stabilization of the domestic price or of the return to domestic producers of a primary commodity, independently of the movements of export prices, which results at times in the sale of the commodity for export at a price lower than the comparable price charged for the like commodity to buyers in the domestic market, shall be considered not to involve a subsidy on export within the meaning of paragraph 1 of Article XVII if the Organization determines that

(a) the system has also resulted, or is so designed as to result, in the sale of the commodity for export at a price higher than the comparable price charged for the like commodity to buyers in the domestic market; and

(b) the system is so operated, or is designed so to operate, either because of the effective regulation of production or otherwise as not to stimulate exports unduly or otherwise seriously prejudice the interests of other Members.

3. Add as new paragraph 4 as follows:

4. Any Member which considers that a practice is incompatible with the principles laid down in paragraphs 2 and 3 of this Article shall be entitled to make a complaint to the Organization which, after investigation, may request the Member against whom the complaint is made, to withdraw or modify the measure in question.

4. Add as an interpretative note to paragraph 2/(b):

For the purposes of this paragraph shall be taken into account only customs duties or indirect taxes actually borne by the finished product or actually borne by the material going into the manufacturing of such product.
Article XIX

1. Amend paragraph 1(a) as follows:

......... in respect of such product, and to the extent and for such reasonable period of time to be fixed by the Organization in order to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

The provisions of this Article shall not apply unless the quantity of the product imported is equivalent to a considerable part of the domestic production of like or directly competitive products.

2. Add a new paragraph 2(b):

The obligation suspended or the concession withdrawn or modified should be wholly or partially restored as soon as possible. Accordingly the Organization may during the consultation foreseen under 2(a) above recommend a fixed period of time within which such restoration should take place.

3. Add as a new paragraph 3(c):

Any suspension, withdrawal or modification under paragraphs 1(a) and 1(b) must not discriminate against imports from any Member country, and such action should avoid, to the fullest extent possible, injury to other supplying Member countries.

Article XX

1. Delete part II of Article XX.

Article XXIII

1. Add as an interpretative note to paragraph 2:

It is understood that the recommendation referred to in paragraph 2 should aim at a positive solution of the matter through the removal of the measure or measures in question or the provision of compensation for the damage suffered. As a rule retaliatory measures should not be authorized unless such recommendations have failed to lead to a solution within a reasonable period of time.
Article XXV

Substitute Article XXV by the following new articles:

Article XXV/1

Membership

1. The original Members of the Organization shall be those Governments who were contracting parties to the Agreement, on 1 January 1954.

2. Any other Government whose membership has been approved by the Assembly under Article XXXIII.

Article XXV/2

Functions

The functions of the Organization are:

1. To give effect to those provisions of the Agreement which require joint action by the Members.

2. To encourage and facilitate consultation among Members on all questions relating to the provisions of the Agreement.

3. To study questions of international trade and commercial policy and to make recommendations thereon to the Members.

4. To prepare or sponsor agreements between Governments with respect to any matter within the scope of the Agreement and to recommend such agreements for acceptance, and,

5. generally to facilitate the operation of the Agreement and to discharge such other functions as the Members may from time to time agree to assign to it.

Article XXV/3

Structure

1. The Organization shall consist of an Assembly and an Executive Board. There shall also be an Executive Secretary and a secretariat.

2. The Assembly shall establish such other auxiliary bodies as may be required.
Article XXV/4

The Assembly

1. The Assembly shall consist of all the Members of the Organization.

2. Each Member shall have one representative in the Assembly and may appoint alternates and advisers to its representative.

3. Each Member shall be entitled to have one vote at all meetings of the Assembly.

4. Except as otherwise provided for in the Agreement decisions of the Assembly shall be taken by a majority of the votes cast.

5. Sessions of the Assembly shall be held at the seat of the Organization from time to time as required. The date of each session shall be fixed by the Assembly at the previous session. A session may, however, be held at another date on the initiative of the Chairman or at the request of a Member concurred in by the majority of the Members. Notice of the convening of any such session shall be given to Members at least twenty-one days in advance of the session.

6. The Assembly shall establish its rules of procedure, and shall elect its chairman and other officers.

7. The powers and duties attributed to the Organization by the Agreement and the final authority to determine the policies of the Organization shall be vested in the Assembly.

8. The Assembly shall approve the accounts and the budget of the Organization. It shall apportion the expenditures of the Organization among the members in accordance with a scale of contributions to be fixed by the Assembly.

9. In exceptional circumstances not elsewhere provided for in the Agreement, the Assembly may waive an obligation imposed upon the Member by the Agreement, provided that any such decision shall be approved by two-thirds majority of the votes cast and that such majority shall comprise more than half of the Members. The Assembly may also by such a vote,

(i) define certain categories of exceptional circumstances to which other voting requirements shall apply for the waiver of obligations and

(ii) prescribe such criteria as may be necessary for the application of this paragraph.
Article XXV/5

The Executive Board

1. The Executive Board shall exercise the powers and perform the duties assigned to it by the Assembly.

2. The size and composition of the Executive Board shall be determined by the Assembly.

3. The Members of the Executive Board shall be selected by the Assembly. They shall elect among themselves their Chairman.

4. The rules of procedure of the Executive Board shall be determined by the Board subject to confirmation by the Assembly.

5. Members of the Organization which are not Members of the Executive Board may be represented at the meetings of the Board as observers, and shall take part in the work of the Board in accordance with policies and procedures established by the Assembly when matters of direct concern to them are under consideration.

Article XXV/6

The Executive Secretary and the Secretariat

1. The chief administrative officer of the Organization shall be the Executive Secretary.

   He shall be appointed by the Assembly upon the recommendation of the Executive Board, and shall be subject to the general supervision of the Board. The powers, duties, conditions of service and terms of office of the Executive Secretary shall conform to regulations approved by the Assembly.

2. The Executive Secretary or his representative shall be entitled to participate, without the right to vote, in all meetings of any organ of the Organization.

3. The Executive Secretary shall present to the Assembly an annual report on the work of the Organization, and the annual budget estimates and financial statements of the Organization.

4. The Executive Secretary shall have authority to appoint such members of the secretariat as may be required, and shall fix the duties and conditions of service of the members of the secretariat, in accordance with regulations approved by the Assembly.
5. The responsibilities of the Executive Secretary and of the members of the secretariat shall be exclusively international in character. In the discharge of their duties, they shall not seek or receive instructions from any government or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials.

Article XXV/7

International Legal Status of the Organization

The Organization shall have legal personality and shall enjoy such legal capacity as may be necessary for the exercise of its functions.

Article XXV/8

Status of the Organization in the Territory of Members

The Organization shall enjoy in the territory of each of its Members such legal capacity, privileges and immunities as may be necessary for the exercise of its functions.

Article XXV/9

Status of Representatives of Members and officials of the Organization

The representatives of the Members and the officials of the Organization shall enjoy such privileges and immunities as may be necessary for the independent exercise of their functions in connection with the Organization.

Article XXV/10

Relations with other organizations

1. The Organization shall make arrangements with the United Nations and other inter-governmental bodies and agencies, which have related responsibilities, to provide for effective co-operation and the avoidance of unnecessary duplication in the activities of these bodies or agencies. The Organization may for this purpose arrange for joint committees, reciprocal representation at meetings and establish such other working relationship as may be necessary.
2. The Organization may be brought into relationship with the United Nations as one of the specialized agencies referred to in Article 57 of the Charter of the United Nations. This relationship shall be effected by agreement approved by the Assembly.

3. The Organization may make suitable arrangements for consultation and co-operation with non-governmental organizations concerned with matters within the scope of the Agreement.

Article XXVII

Contributions

Each Member shall contribute promptly to the Organization its share of the expenditure of the Organization as apportioned by the Assembly. A Member which is in arrears in the payment of its contribution shall have no vote in the organs of the Organization, if the amount of its arrears equals or exceeds the amount of the contributions due from it in respect of the preceding two complete years. The Assembly may, nevertheless, permit such a Member to vote, if it is satisfied that the failure to pay is due to circumstances beyond the control of the Member.

Article XXVI

1. Add as a new paragraph 6:
   a. No Member shall be obliged to apply before 1 January 1958 such provisions of (part II) of this Agreement which are inconsistent with its internal mandatory legislation on 1 October 1954.
   b. The Members shall as soon as possible but in any case within twelve months from the date of the revised Agreement notify the Organization of their internal mandatory legislation which is inconsistent with the revised Agreement.
   c. In exceptional circumstances where a Member has not been able to comply with the provisions of sub-paragraph a. above the Member shall consult with the Organization with a view to abolishing such internal legislation at the earliest possible date. It shall report annually on the measures taken to this effect.

Article XXVIII

1. Amend the last sentence as follows:

The (contracting party) member taking such action shall give notice to (all other contracting parties) the Organization and upon request consult with the (contracting parties) Members which have a substantial interest in the product concerned.
Article XXX

1. Add as a new paragraph 2:

Notwithstanding the provisions of paragraph 1, a rectification of an entirely non-substantive character in the schedule of a Member shall take effect upon the expiration of ninety days from the day on which a written proposal for the rectification is received by the Organization for transmission to the Members, provided that within that period of time no objection is lodged to the proposed rectification.