1. At their Ninth Session the CONTRACTING PARTIES established the Working Party on Commodity Problems to consider proposals for intergovernmental action to overcome problems arising in the field of international trade in primary commodities. The Working Party held its first meeting during the Ninth Session and submitted an Interim Report (L/320, 11 February 1955) to the CONTRACTING PARTIES to which was annexed a draft Agreement on Commodity Arrangements. The CONTRACTING PARTIES agreed that that report, together with the draft Agreement, should be distributed to contracting parties, to other interested governments and to certain intergovernmental organizations for comments and that the Working Party should reconvene at a time to be determined by the Executive Secretary with the object of producing a revised draft that could be considered by the CONTRACTING PARTIES at their Tenth Session.

2. The Working Party reconvened for their second session and met from 1 September to 30 September under the same Chairman, Mr. G. Peter. In addition to the original membership of the Working Party the following contracting parties sent representatives to this meeting, namely, Austria, Indonesia, Italy, the Netherlands, Sweden, and these representatives were co-opted as members of the Working Party. One government which is not a contracting party, Ecuador, sent an observer, as did the United Nations, the International Labour Organisation, the Food and Agriculture Organization, the Organisation for European Economic Co-operation and the European Coal and Steel Community.

3. The Working Party wishes to make it clear that the views expressed and the votes cast by its members in the course of the deliberations did not in any way commit their governments either concerning the attitude that they would finally adopt towards the proposed agreement, or concerning any specific provision in the draft. Certain representatives, however, have considered it desirable to record a general reservation for their governments with respect to the draft as a whole, and many representatives have recorded reservations concerning specific points in the draft to which they attach particular importance.

4. The representative of Cuba explained that his Government was interested in the project on which the Working Party was engaged. Since his Government had not had an opportunity, however, to conclude its study of the problem, it was necessary for the time being for him specifically to reserve the position of his Government with respect to the draft Agreement as a whole. The representative of India wished it to be recorded that the draft Agreement departed in a number of respects from the
Agreement his Government desired and that his Government would need to subject the draft to the most careful scrutiny before it could determine its general position on the proposed Agreement. The representative of Australia informed the Working Party that the revised draft Agreement which it had prepared would be unacceptable to his Government since most of the principal Australian objections to the earlier draft in document L/320 applied also to the revised draft. Australia considered that the distribution of votes as between consumers and producers in each commodity arrangement should be left for determination on merits of the case when a commodity agreement was being negotiated. It further considered that any proposed criteria for governing the conditions under which measures taken pursuant to commodity arrangements would be excepted from the provisions of the General Agreement, should be of a simple and objective character, not related to rigid procedures, but such as to facilitate the conclusion of arrangements which conformed to agreed objectives and were in the general interest of contracting parties to the General Agreement. He explained the sort of criteria which Australia considered to be appropriate. Australia considered that an Agreement on Commodity Arrangements should not by its terms preclude contracting parties to GATT from submitting directly to the CONTRACTING PARTIES, under the last phrase in Article XX(h), arrangements negotiated outside the terms of the proposed Agreement on Commodity Arrangements. In view of his country's position in relation to the draft Agreement as a whole, the representative of Australia did not consider it necessary to enter his reservations on individual Articles but reserved the position of his Government on this Report and the recommendation to the CONTRACTING PARTIES. The representative of Czechoslovakia, with reference to the reservation of his delegation at the Ninth Session to paragraphs 18 and 20 of the Report of the Working Party on Organizational and Functional Questions (BISD, Third Supplement, p.238), made a general reservation to the Report and to the proposed Agreement in its entirety. He was of the opinion that commodity problems should be dealt with within the scope of the Economic and Social Council of the United Nations. The representative of Turkey reserved the right of his Government to revert at a later stage if necessary to one or more of the points in this Report and the draft Agreement.

5. This draft Agreement is being submitted to the CONTRACTING PARTIES with the recommendation of the Working Party that, subject as far as possible, to resolution of outstanding differences, it be accepted by them as embodying the criteria to which intergovernmental commodity arrangements should conform in order to benefit from the exception provided in the first part of paragraph (h) of Article XX of the General Agreement as revised at the Ninth Session. The Working Party assumes, that, if the CONTRACTING PARTIES find this Agreement satisfactory for that purpose, they will record their intention of recognizing formally when the revised GATT comes into effect that the Agreement has been considered under Article XX(h) and not disapproved. The Working Party also agreed that this report and the draft Agreement should be transmitted immediately to the Secretary-General of the United Nations so that any comments may be available to the CONTRACTING PARTIES at the Tenth Session.
Before discussing some of the special problems that were considered it is necessary to record the general agreement of the Working Party on certain important points which affected its attitude on many of the more detailed issues that arose. In its Interim Report the Working Party had recorded its understanding that it was the wish of the CONTRACTING PARTIES that the Agreement should constitute the main centralizing and co-ordinating instrument for all commodity arrangements. It was apparent that this could be achieved only if the agreement were of a "universal" character. It should be so drafted as to make possible the adherence of the largest possible number of governments. The Working Party was also unanimous in its belief that every possible effort should be made to avoid unnecessary duplication between the activities of intergovernmental organizations in the field of commodities.

Relations with GATT and with other intergovernmental organizations

One of the most difficult problems with which the Working Party dealt was that of establishing an appropriate relationship between the Agreement on Commodity Arrangements and the General Agreement on Tariffs and Trade. Because of the necessity for obtaining the approval of the CONTRACTING PARTIES under Article XX(h) of the General Agreement, the draft prepared at the first session had included a number of provisions designed to permit review by the CONTRACTING PARTIES in special circumstances. A number of representatives felt that any such subordination of the new Agreement to the CONTRACTING PARTIES would be contrary to the concept of a universal Agreement. Some felt that instead of a close link with the General Agreement, the new Agreement should be tied directly to the United Nations. The general solution to this problem that was agreed by the Working Party was to provide that the special authority of the CONTRACTING PARTIES required for the purpose of avoiding conflict between arrangements under the new Agreement and the obligations of governments under the GATT apply not to all the Signatories but only to those who also are contracting parties to GATT. For example, in paragraph 2 of Article VI of the draft Agreement it is provided that under certain circumstances a negotiating conference may draw up an arrangement which does not conform entirely with the other provisions of the Agreement, subject to approval by the Assembly. In order to preserve the authority of the CONTRACTING PARTIES with respect to the obligations in the General Agreement this paragraph also provides that such an arrangement shall be submitted to the CONTRACTING PARTIES and that no Signatory which is a contracting party shall participate in it if the arrangement is disapproved by them. Similarly, the new draft provides that no Signatory which is a contracting party to GATT shall accept any amendment to the Agreement which has been disapproved by the CONTRACTING PARTIES. Any Member of the United Nations and any contracting party to the General Agreement has the automatic right to accept the Agreement during the period when it is open for acceptance. Accession has, however, been made subject to approval by the Assembly.
8. As regards the avoidance of duplication with the work of other intergovernmental organizations where practicable, the earlier draft contained certain specific provisions under which study groups or negotiating conferences convened by other organizations could be recognized and co-ordinated within the terms of the Agreement. The Working Party felt, however, that the precise relationship with other organizations can best be determined after the Agreement comes into effect and on the basis of discussions between the Signatories and those organizations. They therefore deleted the specific provisions referred to and substituted a general Article on Co-operation with Other Intergovernmental Organizations (Article XVII). This Article requires that the Assembly make appropriate arrangements with bodies and agencies of the United Nations having responsibilities in the field of commodities and permits the Assembly to make similar arrangements with other intergovernmental organizations. It was understood that this provision is sufficiently broad to permit an arrangement with the CONTRACTING PARTIES to the General Agreement if it is found desirable to establish relationships with them on matters that are not specifically covered by the Agreement.

9. In this connexion the Working Party considered the nature of the arrangements that should be made for the administration of the Agreement and the relationship, if any, with the CONTRACTING PARTIES at that level. They agreed that the Signatories should appoint an Executive Secretary and should have a separate budget, but provided that the Assembly might approve a contractual arrangement with any intergovernmental organization for the provision of the services required for the operation of the Agreement. It was the opinion of several members of the Working Party that the Assembly should enter into such an arrangement with the CONTRACTING PARTIES to GATT. The Indonesian representative was, however, of the view that any such an administrative link should be with the United Nations.

Regional Arrangements

10. At the previous meeting of the Working Party the question of the status of regional commodity arrangements was considered at length, but was not resolved. During the present meeting a joint proposal was presented by the delegations of Brazil, Chile and Turkey which provided that such arrangements would be excepted from the provisions of the Agreement. This proposal, in its final form, was approved by the majority of the Working Party as paragraph 1(c) of Article X. This exception is qualified by a number of safeguards and is subjected to a procedure for review by the Assembly upon request. The representatives of Canada and the United Kingdom considered, however, that in the absence of an acceptable definition of "regional arrangement" it was impossible to determine the extent to which commodity arrangements might be excepted from the provisions of the Agreement and that it was contrary to the basic principles of the Agreement that Signatories having a substantial interest in a commodity could be excluded from participating in an arrangement for that commodity. Reservations on the whole of paragraph 1(c) of Article X were registered by the delegations of Canada, Ceylon, Denmark, Dominican Republic, Rhodesia and Nyasaland and the United Kingdom.
11. The attention of the Working Party was called to the question of the implications which the proposed Agreement might have on a "community" which involved the partial surrender of sovereignty of member governments, but there was not enough time for members to seek instructions from their governments to enable them to engage in a substantive discussion of this matter. Accordingly, it was considered that it should be left for consideration by the CONTRACTING PARTIES at their Tenth Session.

Producer and Consumer Agreements

12. In the case of the provisions of paragraph 4 of Article III the Working Party found it necessary to consider whether the Agreement was intended to cover arrangements in which all the participants might be producers, or all the participants consumers. The Working Party decided that this was indeed the intention and that any arrangement of this character was clearly covered by the definition of "commodity arrangement" in Article XXIV, and therefore by the obligation in paragraph 1 of Article IX. It was therefore agreed that the emergency provision in paragraph 4 of Article III must be construed as permitting such an arrangement under the circumstances described in that paragraph. Nevertheless, it was decided to amend the paragraph in order to make clear that it would not permit a producer agreement at a time of shortage of the commodity nor a consumer agreement at a time when the commodity is in surplus supply. The representative of Chile was opposed to any provision that would permit arrangements of this kind and reserved the position of his Government on the entire paragraph.

Territorial Application

13. As recorded in its Interim Report, the Working Party at its earlier meeting had found itself unable to reach agreement on certain provisions dealing with the territorial application of the Agreement. Paragraph 1 of Article XXIII (formerly Article XX) provided that a Signatory could itself determine whether to accept the Agreement in respect of a territory for whose international relations it is responsible, and paragraph 2 permitted the withdrawal of such an acceptance by the Signatory concerned. At the present meeting the Working Party again adopted these paragraphs, subject to the reservations mentioned below.

14. Paragraph 3 of Article XXIII gave rise to a prolonged discussion in the Working Party. Because of failure to agree during its first session, no provision of this sort had been included in the draft Agreement submitted with the Interim Report of the Working Party, as explained in paragraph 4(c) of that Report. At the present meeting the representative of the Netherlands submitted a draft paragraph which was essentially in the form finally adopted by the Working Party and which provided that a territory of a government participating in a negotiating conference of commodity council might be represented either jointly with or separately from the metropolitan territory. This provision was strongly opposed by a number of representatives. The representatives of Brazil, Chile and Indonesia opposed the inclusion of such
a provision on the ground that to allow non-self-governing territories to negotiate international agreements or to vote in commodity councils would not be in conformity with the principles of international law, with Articles 73 and 103 of the Charter of the United Nations, or with decisions taken by the United Nations and Specialized Agencies where the administering Powers, several of which were represented in the Working Party including the country which proposed the provision under consideration, had been generally opposed to the participation of non-self-governing territories in international organizations. As regards the few exceptions to this attitude, these territories in question did not enjoy rights equivalent to those enjoyed by sovereign States which composed these organizations. They argued that a territory which is not completely independent is likely to be influenced by the views of the metropolitan territory regardless of its own interests and that such representation could, therefore, result in upsetting the balance between producing and consuming interests. The representatives of countries with dependent territories pointed out their general effort to provide a maximum of autonomy to their territories and their desire to give those territories as much practical experience as possible in international negotiations. They stated that in many cases the policies they had adopted toward their territories would not permit them to impose on such a territory their own views in a commodity matter which vitally affected the interest of the territory concerned and in which the interests of the territory and the metropolitan area might be divergent.

15. In the view of some members the Working Party was not competent to deal with questions of the kind referred to above and felt they should be reserved for discussion at the Tenth Session of the CONTRACTING PARTIES, but other members held the contrary view. Upon a vote by roll-call the Working Party decided that it was within its competence to recommend a text to deal with this matter. The result of the vote was as follows: 9 for (Australia, Canada, Ceylon, Denmark, France, India, Netherlands, Rhodesia and Nyasaland, United Kingdom), 8 against (Austria, Belgium, Brazil, Chile, Germany, Indonesia, Italy, Turkey), 2 abstentions (Dominican Republic and Japan) and 3 absent (Cuba, Czechoslovakia, Sweden).

16. A further roll-call vote was taken on the text of paragraph 3 proposed by the Netherlands delegation. The text was approved by: 10 for (Australia, Belgium, Canada, Ceylon, Denmark, France, India, Netherlands, Rhodesia and Nyasaland, United Kingdom), 6 against (Brazil, Chile, Dominican Republic, Germany, Indonesia, Italy), 2 abstentions (Austria and Japan); 1 member did not participate in the vote (Turkey) and 3 were absent (Cuba, Czechoslovakia, Sweden).

17. Upon the conclusion of these votes the following reservations were recorded: the representatives of Chile and Indonesia reserved their positions on the entire Article, and the representative of Brazil reserved his position on paragraph 2 and paragraph 3. At the concluding meeting of the Working Party when the report was being discussed, the representative of Czechoslovakia, who had been absent from the Working Party at the time of the
vote, requested it be recorded that he would have voted against the first motion, referred to in paragraph 15, had he been present. At the same time the representative of Cuba explained that, consistent with his general position throughout the session, he would have abstained from voting, but would have expressed his sympathy with the position of those who had opposed the amendment.

Observations and Reservations on the Provisions of the Draft Agreement

18. In addition to the matters discussed above the Working Party wishes to put on record certain points of interpretation concerning various provisions in the draft Agreement. The reservations made by certain delegations with respect to specific provisions are also recorded below.

Article I: It was proposed by a member of the Working Party that one of the objectives of this Agreement should be to assure the orderly disposal of accumulated stocks in order to avoid disruption of the market. The Working Party, however, considered such a provision unnecessary but agreed to record its view that this objective is fully covered by the provisions of paragraph 2(a)(ii) of this Article. Paragraph 2(a)(i) of this Article refers to "a reasonable degree of stability" and "fluctuation in prices". It was understood by the Working Party that these terms covered stability and fluctuation both in the long-term and in the short-term. The references in paragraph 2(c) of this Article and in paragraph 1(f) of Article IV to the "transfer of resources" is intended to cover all resources including manpower.

Article II: In the earlier draft of the Agreement it was envisaged that the Standing Committee would consider statements submitted by governments or organizations on "special difficulties which exist or are likely to exist in international trade in any primary commodity". It was considered by a member of the Working Party that this phrase was too restrictive to cover all difficulties which should be dealt with under the Agreement. Consequently this sentence was changed to read as in the annexed text.

Article III: As stated in paragraph 12 above, the Chilean representative reserved the position of his Government on paragraph 4 as a whole.

Article IV: The Working Party agreed that the term "substantially interested" in paragraph 1(c) shall not be interpreted in a restrictive manner and that the standard applied should not only be the actual share in the total world trade in a primary commodity but also the relative importance of such a commodity to the economy of a country. The Working Party gave careful consideration to a proposal by the representative of Indonesia that there be inserted in Article IV a paragraph which would provide that each negotiating conference should consider the possibility of including in the proposed commodity arrangement a provision permitting countries in the early stages of economic development to take
special measures in cases of emergency or to safeguard their economies. The Indonesian representative, supported by some members of the Working Party, felt that such countries must be left free to protect their interests. Other members considered that it would be difficult if not impossible to draft a provision to apply to all commodity arrangements without conflicting with existing obligations of participants and that it should be left to each negotiating conference to determine the nature of any escape clause on the basis of the circumstances pertinent to the commodity in question. The Working Party decided not to insert a provision on escape clauses in the Agreement but wished to record that in their view there is nothing in the Agreement which would prevent a negotiating conference from including in a commodity arrangement any escape clause that may be appropriate in the circumstances. The representative of Indonesia reserved his position. The Brazilian representative reserved his position on the manner in which the Working Party dealt with the Indonesian proposal regarding measures of protection for underdeveloped countries. In his view it was indispensable to have a clause in the Agreement recognizing the differences in economic structure between underdeveloped countries and highly industrialized countries, as had been recognized in the General Agreement and by the United Nations. The Belgian representative was of the opinion that this concept recognized by the United Nations and in GATT should not be automatically and indiscriminately extended to all intergovernmental relations, the considerations being dependent on circumstances, which might differ considerably according to the case.

Article X: Under paragraph 1(a) of this Article, the provisions of the Agreement shall not apply to existing study groups or to the operation or renewal of existing commodity arrangements which conform to the principles approved by the United Nations Economic and Social Council in its Resolution 30(IV) of 28 March 1947. The representative of the Dominican Republic was opposed to the inclusion of such an exception insofar as it covers the renewal of existing commodity arrangements. The Working Party, however, decided to retain this provision. The representative of the Dominican Republic consequently reserved his position. The representative of Rhodesia and Nyasaland reserved his position on paragraph 1(b) of this Article, which exempts from the provisions of the Agreement commodity arrangements involving not more than one importing and one exporting country. As noted in paragraph 10 above the representatives of Canada, Ceylon, Denmark, the Dominican Republic, Rhodesia and Nyasaland, and the United Kingdom reserved their positions on paragraph 1(c) of this Article.

Article XIII: The Indonesian representative proposed that the provisions of paragraph 5 of this Article, specifying the decisions of the Assembly that should be taken by a simple majority, should apply only to decisions on matters of procedure or interpretation and of no substantive importance. He proposed that for other decisions it should be left for the Assembly to establish its own voting rules. The Indonesian proposal was not accepted by the Working Party, and the delegations of Brazil and Indonesia reserved their positions on this paragraph as it now stands.
Article XIV: The representative of the Dominican Republic proposed that it should be expressly provided in paragraph 1 of this Article that, in addition to reasonable balance in geographical representation, the Assembly in electing the members of the Standing Committee should, in so far as practicable, give consideration to affording adequate representation to countries with different interests which were located in the same geographical area. The Working Party considered it unnecessary to add such a provision to this paragraph; in the view of the Working Party, the present version of the paragraph contains nothing which would preclude the election of more than one Signatory from the same geographical area to the Standing Committee in order to achieve a proper balance between producing and consuming interests.

Article XVIII: The Working Party has placed the words "two-thirds" in paragraph 1 within square brackets. Though there was general agreement on the principle laid down in this paragraph, that the Agreement should enter into force only after it has been accepted by countries responsible for a very substantial part of the total world trade in primary commodities, the Working Party felt that the most appropriate percentage could only be determined after a more detailed examination of the statistics of each country's net imports and exports of primary commodities. The secretariat will distribute before the Tenth Session a statistical table which may serve as the basis for discussion of this point and which, when completed in so far as possible by governments for whom adequate statistics are not available, might be used as an annex to the Agreement in its final form. The provision in paragraph 2 concerning the registration of the Agreement with the Secretary-General of the United Nations is enclosed within square brackets because it was considered that further changes might be necessary in order to meet the procedural requirements of the United Nations. The Working Party agreed to request the Executive Secretary to recommend an improved text at the Tenth Session.

Article XXIII: The representatives of Chile and Indonesia reserved their positions on the Article as a whole, and the representative of Brazil reserved his position on paragraphs 2 and 3. The problems connected with paragraph 3 of this Article have been discussed in paragraphs 13 to 17 above which record the result of a roll-call vote on the inclusion of this paragraph. The representative of the Dominican Republic, who had proposed an amendment to paragraph 3 which was not adopted, also reserved his position on this paragraph.

Article XXIV: The definition of "primary commodities" for the purposes of the proposed Agreement differs from the definition given in the interpretative Note to Article XVI of the General Agreement. The Working Party was of the opinion that in view of the difference between the
proposed Agreement and GATT there is no difficulty created by definitions for the purposes of the two instruments which are not identical. The representative of Austria, however, expressed the view that the differences for the purposes of the two agreements should be based on the same criteria and that the CONTRACTING PARTIES should reconsider the matter.

Recommendation to the CONTRACTING PARTIES

19. The Working Party, in submitting this Report and the annexed draft Agreement for consideration by the CONTRACTING PARTIES, recommends that they make every effort to consider it during the Tenth Session. Although many of the points of difference that existed at the time of the Working Party’s Interim Report have been resolved during the present meeting, there remain a number of important points on which serious differences remain. It therefore appears desirable that the CONTRACTING PARTIES allow sufficient time for discussion of these issues and, if possible, for their resolution in a manner that will be acceptable to all. In the light of this consideration the Working Party recommends that the CONTRACTING PARTIES take up consideration of this Report and the draft Agreement early in the Tenth Session.
ANNEX

DRAFT AGREEMENT ON COMMODITY ARRANGEMENTS

PREAMBLE

The Governments which are Signatories of this Agreement, recognizing:

(a) that producers and consumers of primary commodities have a common interest in the existence of adequate supplies of these commodities at prices which are reasonably stable and are fair to producers and consumers alike;

(b) that there are many countries whose economic welfare depends upon the export of a limited number of primary commodities, and that the import of primary commodities plays an important part in the welfare of the populations and in the continued operation of the industries of many countries;

(c) that in the conditions in which primary commodities are produced, consumed and exchanged, the common interest of producers and consumers may be adversely affected by such special difficulties as a tendency towards disequilibrium between production and consumption, pronounced short-term fluctuations in price and the emergence of burdensome surpluses or of acute shortages;

(d) that such difficulties jeopardize the efforts of both producing and consuming countries to raise standards of living, to ensure full employment, and to develop a large and steadily growing volume of real income;

(e) that the interests of both producing and exporting countries and consuming and importing countries lie in preventing these difficulties and in developing the best use of the resources of the world by reducing short-term discrepancies between production and consumption and by alleviating the economic hardships created by persistent disequilibrium between production and consumption; and
(f) that it is desirable that they should cooperate with one another, with the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade and with other intergovernmental bodies for the purpose of taking such action as may be practicable in this field;

AGREE as follows:

ARTICLE I

Objectives

1. The objectives of this Agreement are, by joint action of the Signatories in accordance with its provisions, to contribute as far as possible towards increased standards of living, towards ensuring full employment and a large and steadily growing volume of income and effective demand, towards developing the full use of the resources of the world, towards the expansion of production and exchange of goods and towards the progressive development of the economies of all the Signatories.

2. It is the purpose of this Agreement to facilitate the preparation and conclusion of intergovernmental commodity arrangements which are consistent with the general objectives of paragraph 1, which take fully into account the interests of both producers and consumers and which are in particular designed:

(a) where the conditions under which a primary commodity is produced, consumed or distributed or any other factors create a tendency towards widespread disequilibrium between production and consumption which ordinary market forces may not correct in sufficient time to avoid the creation of economic and social hardships:

(i) to achieve a reasonable degree of stability on the basis of prices that are fair to consumers and that provide a reasonable return to producers, by preventing or moderating any pronounced fluctuation in prices, bearing in mind the desirability of securing long-term equilibrium between the forces of supply and demand and the efficient utilization of the productive resources of the world as a whole;

(ii) to prevent where possible the development of a burdensome accumulation of stocks, and to minimize its adverse effects if it should develop; and

(iii) to prevent where possible a shortage in world supplies and if such a shortage develops to ensure the equitable distribution of the commodity;
(b) to facilitate the more orderly marketing of primary commodities;

c) where production of any commodity seems likely to be in excess of long-term demand, to alleviate economic and social hardship in producing countries during the period necessary for the orderly transfer of resources into new and productive occupations;

d) to expand consumption and production where this can be accomplished with advantage to consumers and producers, bearing in mind the desirability of maintaining and developing the natural resources of the world, while protecting them from unnecessary exhaustion; and

e) to afford so far as practicable increasing opportunities for satisfying national consumption and world market requirements from the most effective and economic sources, bearing in mind the social and economic standards of all countries concerned.

ARTICLE II

Examination of Difficulties in International Trade in Primary Commodities

1. Any Signatory, any non-Signatory government or any intergovernmental organization may submit to the Standing Committee of the Signatories a statement of special difficulties which affect or are likely to affect international trade in any primary commodity. The Standing Committee, unless it decides by a two-thirds majority that the case put forward in support of the submission does not warrant further action, shall forthwith make arrangements for its immediate examination. This examination shall be carried out by a study group convened by the Standing Committee except in the circumstances provided for in paragraph 4 below.

2. A study group shall promptly examine the problem referred to in the statement of difficulties, taking into consideration any work on the same subject by other intergovernmental organizations and shall report to the Standing Committee and to non-Signatory governments members of the study group its findings and any recommendations it may have as to how best to deal with any difficulties which may exist or may be expected to arise. A study group, after presenting its report, may remain in existence for as long as its members see fit for the exchange of information and views between governments about the commodity.

3. In convening a study group the Standing Committee shall invite all Signatories, and any Signatory may appoint a representative to it. Any non-Signatory government claiming an interest in the commodity in question shall be invited to appoint a representative. Observers may be invited by the study group to take part in its deliberations. Each study group shall select its own chairman.
4. The Standing Committee, if it considers the problem inappropriate to a study group, shall refer it either to a committee of Signatories, or to any existing body or organization having special knowledge of the commodity in question, or to an expert or experts whom the Assembly shall select, provided that if the government or organization submitting the statement is dissatisfied with the course proposed by the Standing Committee, the matter shall be referred to the Assembly, and it shall decide whether and how the problem shall be examined. The terms of reference shall fix a time for a report to the Assembly.

ARTICLE III

Negotiation of Commodity Arrangements

1. The Standing Committee shall, unless it considers by a two-thirds majority that such a conference would not have a reasonable prospect of success, convene a negotiating conference

(a) on the recommendation of a study group conforming to the provisions of Article II, or

(b) at the request of a Signatory or a group of Signatories which is responsible for a substantial part of world production or consumption of or trade in a commodity or whose economy is dependent to a large extent on a commodity and which has specific measures to propose for intergovernmental action to deal with serious difficulties in international trade in the commodity. However, the Signatory or Signatories making such a request shall first consult with the Standing Committee and take into consideration its views as to the likelihood of such negotiations reaching a successful conclusion, or

(c) on its own initiative, as a result of a report issued after an examination in accordance with paragraph 4 or Article II or on the basis of information agreed to be adequate by the Signatories substantially interested in the production or consumption of or trade in a commodity.

2. If it considers by a two-thirds majority that such a conference would not have a reasonable prospect of success the Standing Committee may recommend the initiation of any preparatory work which appears necessary for such a conference to be convened and lead to adequate results.

3. (a) Where a number of Signatories with a special interest in any commodity desire to negotiate a commodity arrangement, they may convene a conference, provided that they notify the Standing Committee of their intentions. The Standing Committee shall inform all Signatories and any non-Signatory government whom it considers to be specially interested. Any Signatory, or any non-Signatory government upon invitation by the Standing Committee may send an observer to such a conference.
(b) Any Signatory or non-Signatory government may participate in a conference convened under sub-paragraph (a) of this paragraph if the Standing Committee decides that the conclusion of the proposed arrangement would substantially affect its interests. No arrangement concluded under this paragraph shall operate unless it is approved by the Assembly.

4. Where conditions of acute shortage or burdensome surplus of a single commodity exist, or are clearly imminent, and threaten widespread unemployment or serious damage to the economy of a Signatory or Signatories, and if a negotiating conference has failed within three months to agree to the conclusion of a commodity arrangement, and where this appears necessary in order to prevent or alleviate such damage, any Signatories which consider themselves substantially interested in the production or consumption of or trade in that commodity may proceed by direct negotiation to draw up an arrangement and bring it into effect. Any such arrangement shall conform as closely as practicable to the provisions of this Agreement and shall make provision for modification to bring it into full conformity. The Standing Committee may determine conditions with which the arrangement should comply including a maximum period within which such arrangement shall be brought into full conformity with the provisions of this Agreement and may alter such conditions with changing circumstances. In addition the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade may establish such conditions as they consider necessary for the continued participation of any contracting party to that Agreement in such arrangement.

5. A negotiating conference may draw up a commodity arrangement or recommend to governments any other form of specific action to deal with particular difficulties which exist or are expected to arise concerning a commodity.

6. Decisions taken or recommendations made pursuant to the foregoing paragraphs shall take into consideration any action that has been or is being taken by other intergovernmental organizations in the same field.

7. Subject to the provisions of paragraph 3, any Signatory may appoint a representative to a negotiating conference. The Standing Committee may invite any non-Signatory government to appoint a representative and shall do so upon the request of any such government which considers itself substantially interested in the commodity.
ARTICLE IV

General Principles governing Provisions
of Commodity Arrangements

1. Any arrangement concluded under this Agreement shall take account of the objectives set out in Article I and shall conform to the following principles:

(a) Such arrangements shall be open to participation initially by any Signatory which has participated in the negotiating conference and which is prepared to accept the obligations of the arrangement and thereafter only in accordance with such provisions as may be established in the arrangement.

(b) The Assembly may invite the participation of non-Signatory governments, who shall take part on the same terms.

(c) In every arrangement adequate provision shall be made to allow for the participation both of countries substantially interested in the import or consumption and of those substantially interested in the export or production of the commodity concerned.

(d) Where a commodity arrangement involves the continuous regulation of prices in international trade of a commodity or the regulation of production or any quantitative control of exports or imports which might have the effect of reducing or preventing an increase in the production or trade in that commodity, participants mainly interested in imports or consumption of the commodity concerned shall, in decisions on substantive matters, have together a number of votes equal to that of participants mainly interested in exports or production.

(e) Where a commodity arrangement involves any undertaking by participants to enter into contracts for specific amounts and at specified prices or to engage in, or to authorize, the buying or selling of the commodity, participants mainly interested in imports of the commodity concerned shall, in decisions on substantive matters, have together a number of votes equal to that of participants mainly interested in exports.

(f) The negotiating conference may, however, adopt any other distribution of votes within the commodity council where:

(i) the arrangement concerned is not of either of the types described in sub-paragraphs (d) and (e) of this paragraph, or
(ii) in the case of an arrangement of a type described in sub-paragraph (d) or (e) of this paragraph the total production of the commodity which enters into international trade other than between countries which are substantial producers of it, is so small as to make equal representation of consuming and producing countries unreasonable;

Provided that in either such case any such distribution of votes shall be submitted to the Assembly and approved by it.

(g) Any arrangement of the type described in sub-paragraph (d) of this paragraph shall provide for a study by the participants of measures designed to remove the need for such regulation or control consistently with the objectives of this Agreement.

(h) Where any arrangement of the type described in sub-paragraph (d) of this paragraph is designed inter alia to afford a respite to enable an orderly transfer of resources into new and productive occupations, as far as it is practicable, the participants concerned shall adopt, and the other participants shall facilitate, programmes of internal economic adjustment designed to ensure progress within the duration of the arrangement towards solution of the commodity problem involved.

(i) In the operation of any arrangement the participants shall take into consideration its effects on the production and consumption of other commodities.

(j) The Signatories, including those not participating in an arrangement, shall give favourable consideration to any recommendation made under the arrangement for expanding consumption or production of the commodity in question.

2. Any negotiating conference shall give consideration to the inclusion within the terms of an arrangement of provisions not inconsistent with this Agreement for the renewal of the arrangement, its amendment, settlement of disputes arising from its operation and for accession and withdrawal by participants during the period of its operation. This paragraph shall not be construed as requiring that a commodity arrangement include a provision for reference of disputes to the Assembly.

3. Commodity arrangements negotiated under the provisions of this Agreement shall be concluded or renewed for periods of not more than five years.
ARTICLE V

Administration of Commodity Arrangements

1. Any commodity arrangement shall include provisions for

(a) the establishment of a governing body, hereinafter referred to as a council, on which each participant shall have one representative;

(b) the attendance at the council of non-voting representatives of the Assembly and of any intergovernmental organization with which the Assembly has made an arrangement to that effect under Article XVII; and

(c) the appointment of a non-voting chairman.

2. When a commodity arrangement is terminated, the council may assign its archives to the Assembly or to any other body which the council may decide. Participants shall however retain the right to decide what material should remain unpublished or treated as confidential to the participants in that arrangement.

ARTICLE VI

Consideration of Questions concerning the Conformity of an Arrangement with the Provisions of this Agreement

1. In any case in which Signatories do not represent a majority of the participants in a negotiating conference leading to a commodity arrangement, the Signatories participating in the negotiating conference, shall, before they accept the proposed arrangement, submit it to the Standing Committee. The Standing Committee shall deliver an opinion within thirty days either that it sees no objection to the arrangement or that the arrangement does not conform to the provisions of this Agreement. Pending the Standing Committee's opinion, or if an adverse opinion is given, no Signatory shall accept the arrangement.

2. Where circumstances make it impracticable to conform to the provisions of Articles III and IV, a negotiating conference may draw up an arrangement which conforms as closely as possible to the provisions of those Articles and with the general principles and objectives underlying this Agreement. Any such arrangement shall be submitted to the Assembly before it enters into operation, and no Signatory shall accept the arrangement unless it is approved by the Assembly. Furthermore, a Signatory or non-Signatory government which is also a contracting party to the General Agreement on Tariffs and Trade shall participate in any such arrangement only if it has also been submitted to the CONTRACTING PARTIES to that Agreement in accordance with the final phrase of paragraph (h) of Article XX of that Agreement and has not been disapproved by them.
3. If an arrangement has not been submitted to the Standing Committee or the Assembly under the provisions of paragraph 1 or 2, any Signatory whose interests represent a considerable part of world production or consumption of or trade in a commodity which is the subject of an arrangement or whose economy is dependent to an important extent on that commodity may, before the arrangement comes into force, ask the Standing Committee for a decision as to whether the arrangement conforms to the provisions of this Agreement. The Standing Committee shall examine the matter promptly. If it finds that the arrangement does not conform to the provisions of this Agreement, it may recommend such changes as it may consider necessary in order to bring the arrangement into conformity. Unless the arrangement is so amended, no Signatory shall accept the arrangement and any Signatory which has already accepted it shall immediately withdraw from it.

4. If an amendment is proposed or adopted in respect of an arrangement already in force any Signatory or non-Signatory participant to whom the description in paragraph 3 above applies may invoke the procedures of that paragraph with respect to such amendment. Unless the amendment is altered in accordance with any recommendations of the Standing Committee so that the arrangement remains in conformity with this Agreement, no Signatory shall accept the amendment or, if the amendment has entered into force, any Signatory participating in the arrangement shall immediately withdraw from it.

ARTICLE VII

Consideration of Representations concerning the Operation of a Commodity Arrangement

1. Any Signatory or any non-Signatory participant in a commodity arrangement which considers that the arrangement is being operated in a manner that is not in conformity with the provisions of this Agreement may ask the Standing Committee to make a finding in the matter.

2. The Standing Committee shall promptly examine the question and may make such recommendations to the council of the arrangement as it considers necessary in order to bring its operation into conformity with this Agreement. Unless its operation is brought into conformity in accordance with these recommendations, any Signatory participating in the arrangement shall immediately withdraw from it.

ARTICLE VIII

Commodity Councils and non-participating Signatories

1. Where the council of a commodity arrangement considers that the action of a non-participant Signatory is frustrating the arrangement, the council may, with a view to a satisfactory adjustment of the matter, make written representations or proposals to the non-participant which shall give sympathetic consideration to them. A non-participant Signatory shall not be considered to frustrate a commodity arrangement by any action which is consistent with normal commercial practice.
2. Where a non-participant Signatory considers that the participants are operating an arrangement in such a way as to inflict commercial injury upon it and satisfies the Standing Committee that such commercial injury is substantial, the non-participant may, with a view to a satisfactory adjustment of the matter, make written representations or proposals to the council of the arrangement.

3. Where no satisfactory solution is reached as a result of the representations or proposals referred to in paragraphs 1 or 2, the Assembly may convene a special conference of the parties concerned with the object of enabling them to reach a satisfactory solution by further consultations. The Assembly may invite other Signatories to such a conference if this course seems likely to facilitate a satisfactory solution.

ARTICLE IX

Obligations of Individual Signatories

1. Signatories to this Agreement shall negotiate or conclude a commodity arrangement only in accordance with the provisions of this Agreement.

2. Except where otherwise provided in this Agreement, each Signatory shall recognize the Assembly as the final authority in all matters of principle within the provisions of this Agreement relating to commodity arrangements except in so far as Signatories which are contracting parties to the General Agreement on Tariffs and Trade are subject to the provisions of Articles VI and XXII relating to the special interests of the CONTRACTING PARTIES to that Agreement.

ARTICLE X

Exceptions to this Agreement

1. The provisions of this Agreement shall not apply:

(a) to existing study groups or to the operation or renewal within their terms of existing commodity arrangements conforming to the principles approved by the Economic and Social Council of the United Nations in its Resolution 30 (IV) of 28 March 1947, except in so far as the study group or commodity council concerned may decide;

(b) to any intergovernmental commodity arrangement involving not more than one exporting country and not more than one importing country;

(c) to any regional intergovernmental commodity arrangement which groups in a balanced way interests between producing or exporting countries on the one hand and consuming or importing countries on the other, and which conforms to the following conditions:
(i) the arrangement does not involve the fixing of prices or quantities of a primary commodity for the trade in that commodity between participants in the arrangement and non-participants;

(ii) the operation of the arrangement does not substantially affect world prices, or the production, consumption or trade in the commodity;

(iii) the text of the arrangement, annual reports on its operation and any similar documents are transmitted to the Assembly;

Provided that any Signatory not participating in the arrangement which considers that the arrangement is not in conformity with these conditions may bring the matter before the Assembly, and the Assembly may make recommendations to the Signatories participating in the arrangement as it considers necessary to bring it into conformity, and the Signatories shall either amend the arrangement in accordance with the recommendations or withdraw from it;

(d) to those provisions of any intergovernmental commodity arrangement which are necessary for the protection of public morals or of human, animal or plant life or health, provided that the arrangement is not used to accomplish results inconsistent with the objectives of this Agreement;

(e) to any intergovernmental arrangement relating solely to the conservation of fisheries resources, migratory birds or wild animals, provided that the arrangement is not used to accomplish results inconsistent with the objectives of this Agreement and is given full publicity and provided that, if the Assembly find upon complaint by a non-participating Signatory, that the interests of that Signatory are seriously prejudiced by the arrangement, and the arrangement is being used to accomplish results inconsistent with the objectives of this Agreement, the participating Signatories shall use their best endeavours to secure a satisfactory adjustment of its terms.

2. Nothing in this Agreement or in an arrangement negotiated in accordance with this Agreement shall be construed:

(a) to require any Signatory or participant to furnish any information the disclosure of which it considers contrary to its essential security interests; or
(b) to prevent any Signatory or participant from taking any action which relates to fissionable material or ammunition and implements of war, or which it considers necessary for the protection of its essential security interests in time of war or other emergency in international relations; or

(c) to prevent any Signatory or participant from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

ARTICLE XI

Appeals

1. Except in the case of decisions taken under paragraphs 3(a) and 7 of Article III, all decisions of the Standing Committee shall be subject to appeal to the Assembly in accordance with the rules of procedure. Decisions of the Assembly to modify or annul any decision of the Standing Committee other than those taken under Articles II, VI and VII shall be taken by a two-thirds majority.

2. In any deliberation of the Standing Committee under paragraph 3 of Article VI or Article VII which may result in decisions which are subject to appeal to the Assembly, or in the consideration by the Assembly of an appeal by a Signatory against a decision under those Articles, the Signatory raising the question and all participants in the arrangement under discussion shall be entitled to participate. They shall have the right to vote only if they are members of the Standing Committee or the Assembly as the case may be.

ARTICLE XII

Suspension of Rights

If, on application by a Signatory, the Assembly finds that any Signatory is participating in an arrangement contrary to this Agreement or has not withdrawn from an arrangement when required to do so under this Agreement or is otherwise acting in a manner contrary to the provisions of this Agreement, it may make recommendations on the steps which that Signatory ought to take. If the Signatory fails to comply with the recommendations the Assembly may suspend such rights of that Signatory under this Agreement as it considers appropriate in the circumstances.
ARTICLE XIII

The Assembly

1. Representatives of the Signatories, who shall constitute the Assembly, shall meet not less than once a year for the purpose of giving effect to the provisions of this Agreement. Special sessions of the Assembly may be held, as provided for in paragraph 2, to deal with problems of special urgency.

2. Except as provided in Article XIX, meetings of the Assembly shall be convened by the Executive Secretary to the Signatories, who shall convene a special session if so requested by a majority of the Signatories, or by any Signatory where, on circulation of the request to the other Signatories, it is not opposed by a majority of the Signatories. The Executive Secretary shall in any case convene within thirty days a Session of the Assembly to deal with appeals to the Assembly under paragraph 4 of Article II, and Articles VI and VII.

3. The Assembly shall elect annually from among the representatives a Chairman who shall have no vote.

4. The Assembly shall establish its rules of procedure.

5. Each Signatory shall have one vote in the Assembly, and, except where the Agreement provides otherwise, decisions of the Assembly shall be taken by a majority of the votes cast.

6. The Assembly may perform, in connection with any commodity arrangement, any functions within the provisions of the arrangement which a commodity council requests it to perform.

ARTICLE XIV

Standing Committee

1. The Assembly shall at its first meeting elect a Standing Committee to act on its behalf as provided in this Agreement. The Standing Committee shall consist of one-third of the Signatories, provided, however, that there shall always be an even number of members and not less than twelve. In electing the members, the Assembly shall give consideration to a reasonable balance between countries primarily interested in the import or consumption of commodities and those primarily interested in their export or production, and to a reasonable balance in geographical representation.
2. Each member of the Standing Committee shall be elected for a term of three years, provided, however, that initially one-third of the members shall be elected for one year, one-third for two years and the remainder for three years. Thereafter members shall be elected annually to complete the number of members specified in paragraph 1. At any election at which the total number of members is increased, one or more of the additional members may be elected for a period of less than three years. Retiring members shall be eligible for re-election.

3. The Chairman of the Assembly shall be the Chairman of the Standing Committee who shall have no vote.

4. The Standing Committee shall establish its rules of procedure, subject to the approval of the Assembly.

5. The Standing Committee shall have such powers and functions as are expressly assigned to it under this Agreement, and in addition the Assembly may by resolution delegate to the Committee such powers and functions of the Assembly as it sees fit.

ARTICLE XV

Administration and Finance

1. The Assembly shall establish a budget for the Signatories, determine the scale of contribution of each Signatory and shall appoint an Executive Secretary.

2. The Executive Secretary to the Signatories shall be responsible for the establishment of a secretariat and shall be responsible for its direction or may, with the approval of the Assembly, contract with any intergovernmental organization for the provision of the services required for the operation of this Agreement.

3. The expenses of representatives attending meetings of the Assembly, the Standing Committee or any study group, negotiating conference or other committee of the Signatories shall be paid by their governments.

4. The Assembly shall adopt rules establishing an appropriate basis for meeting the expenses of study groups and negotiating conferences convened by the Standing Committee or the Assembly.
ARTICLE XVI

Publicity and Reports

1. The Assembly shall provide that full publicity be given to the intention to conclude any commodity arrangement and to the convening of any study group or negotiating conference in connection with such an arrangement. After the conclusion of any arrangement full publicity shall be given to its purpose and terms.

2. A study group which remains in existence after presenting its report shall present annual reports to the Assembly on its activities.

3. The council of every arrangement shall make an annual report to the Assembly on the operation of the arrangement and, in addition, any reports on subjects within the competence of the council which the Assembly may desire.

4. The Assembly shall make an annual review of the operation of each arrangement in the light of the provisions and objectives of this Agreement and may make recommendations for the guidance of the participants.

5. The Assembly shall publish either itself or jointly with other intergovernmental organizations an annual report reviewing, to the extent that it considers necessary, developments in international commodity trade, including the operation of arrangements and any other intergovernmental consultation and action in the primary commodity field. The report shall be transmitted to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade for their consideration in view of the effect of the operation of this Agreement on the obligations of contracting parties under the General Agreement. The report of the Assembly shall also be transmitted to other intergovernmental bodies or agencies interested in commodity problems at their request.

ARTICLE XVII

Cooperation with other Intergovernmental Organizations

1. The Assembly shall, as soon as practicable after this Agreement comes into force, make appropriate arrangements with bodies and agencies of the United Nations having responsibilities in the field of primary commodities where it finds this desirable in order to avoid unnecessary duplication of activities. Such arrangements, where appropriate, shall include the conditions under which the Assembly will:

(a) provide for the examination in the manner described in Article II of statements of special difficulties submitted by such bodies and agencies;

(b) recognize study groups established by them as study groups for the purposes of paragraphs 2 and 3 of Article II;
(c) convene negotiating conferences at their request, recognize negotiating conferences convened by them as negotiating conferences for the purposes of Article III, or recognize commodity arrangements resulting from such a negotiating conference as complying with the provisions of Article III;

(d) invite them to send non-voting representatives or observers to attend study groups, negotiating conferences and commodity councils.

2. The Assembly may, where it considers this desirable for the same purpose, make similar arrangements with other intergovernmental organizations.

3. Notwithstanding the provisions of paragraph 1(a) of Article I, the Assembly may, on the invitation of existing study groups or of the councils of commodity arrangements, perform in regard to them any of the functions which it shall perform in regard to study groups convened, or commodity arrangements concluded after the coming into force of this Agreement.

ARTICLE XVIII

Entry into Force and Registration

1. This Agreement shall be deposited with the Executive Secretary to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade and shall be open for acceptance by signature or by deposit of an instrument of acceptance with the Executive Secretary from ... to ... . Any government which is a member of the United Nations and any contracting party to the General Agreement on Tariffs and Trade may accept the Agreement during this period. The Agreement shall enter into force as between those who have accepted it on the thirtieth day after acceptance by not less than twenty countries together representing at least two-thirds of the total world net imports and exports of all primary commodities. As soon as practicable after its entry into force the Agreement shall be deposited with the Executive Secretary to the Signatories.

2. The Secretary-General of the United Nations is authorized to register this Agreement in accordance with the provisions of Article 102 of the Charter of the United Nations.

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1 Percentage and statistical basis to be examined further at the Tenth Session.
ARTICLE XIX
First Meeting of the Assembly

As soon as practicable after this Agreement enters into force the Executive Secretary of the General Agreement on Tariffs and Trade, after consultation with the Signatories and acting on their behalf, shall convene the first meeting of the Assembly.

ARTICLE XX
Accession

Any government whose accession is approved by the Assembly may accede to this Agreement and shall thereupon become a Signatory.

ARTICLE XXI
Withdrawal

Any Signatory may withdraw from this Agreement. It shall cease to be a Signatory six months after the day on which written notice of its withdrawal is received by the Executive Secretary to the Signatories.

ARTICLE XXII
Amendments

Amendments to this Agreement shall be submitted to the Signatories for acceptance provided that they have been approved by the Assembly by a two-thirds majority. An amendment shall become effective as between the Signatories which have accepted it, upon the thirtieth day after the day on which two-thirds of the Signatories have accepted it and thereafter in respect of each Signatory on the thirtieth day after its acceptance by that Signatory. However, no Signatory which is a contracting party to the General Agreement on Tariffs and Trade shall accept any amendment which has been disapproved by the CONTRACTING PARTIES to that Agreement. No Signatory shall be bound by the terms of an amendment that it has not accepted, but the Assembly may decide that an amendment is of so fundamental a character that any Signatory unwilling to accept it shall withdraw from membership and the withdrawal of the Signatory shall take effect at a date to be determined by the Assembly which shall be not less than six months from the date on which the amendment comes into force.
ARTICLE XXIII

Territorial Application

1. Any Signatory may at the time of signature of this Agreement, or at any time thereafter, declare by notification given to the Signatories that this Agreement shall extend to or be accepted in respect of any of the territories for whose international relations it is responsible, and this Agreement shall, from the date of the receipt of the notification, apply to the territories named therein.

2. A Signatory which has made a declaration under paragraph 1 may at any time thereafter declare by notification given to the Signatories that this Agreement shall cease to apply to any territory named in the notification. Six months from the date on which such notification is sent from the Signatory this Agreement shall cease to apply to that territory.

3. Where a Signatory or a non-Signatory government mainly interested in the import or consumption of the commodity is responsible for the international relations of one or more dependent or autonomous territories mainly interested in the export or production of the commodity, or vice-versa, there may at study groups, negotiating conferences and councils be either joint representation of the Signatory or non-Signatory government and those dependent or autonomous territories or, where the Signatory or the non-Signatory government so wishes, separate representation for such territory or territories.

ARTICLE XXIV

Definitions

For the purposes of this Agreement:

1. "Signatory" means a government or a contracting party to the General Agreement on Tariffs and Trade which has accepted this Agreement or a government which has acceded to this Agreement.

2. "Commodity" or "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, and includes a related group of
such products. The term "commodity" may also include at the discretion of the Assembly, commodities closely related to a primary commodity as regards conditions of production or utilization.

3. "Commodity arrangement", or "arrangement" except for the purpose of Article XVII, means any intergovernmental agreement or arrangement designed to affect the production or consumption of, or the international trade in, a specified commodity.

4. "Participant" in relation to a negotiating conference means any country which participates in such conference, and in relation to any commodity arrangement, a country which is a party to that arrangement.

5. "Commodity council" or "council" means the governing body of an arrangement.

6. "Negotiating conference" means any conference of governments convened for the purpose of negotiating a commodity arrangement.

7. "The CONTRACTING PARTIES to the General Agreement on Tariffs and Trade" means the contracting parties to the General Agreement acting jointly pursuant to Article XXV of that Agreement.

8. "A two-thirds majority" means a majority which includes two-thirds of the votes cast, comprising the votes of at least half of all the Signatories in the case of a vote in the Assembly or at least half of all the members of the Standing Committee in the case of a vote in that Committee.