In the report by the Chairman of the Sub-Group, dated 15 December 1954, it was intimated that, in the event of the CONTRACTING PARTIES deciding to pursue the approach outlined therein, it would be necessary for consideration to be given to the amendment of Article XX:I(h). The Sub-Group has accordingly considered the question and submits the following for incorporation in the report of Working Party IV.

"The Working Party felt that, in view of the approach being pursued by the CONTRACTING PARTIES to develop new principles which might govern the conclusion of commodity agreements, Article XX:I(h) required amendment. Accordingly, the Working Party recommends the deletion of the existing sub-paragraph of the Article and the insertion of the text contained in the annex to this document. The delegation of Ceylon felt that the amended sub-paragraph did not provide for the positive establishment of criteria to be approved by the CONTRACTING PARTIES and reserved its position. However, the Working Party considers that Article XX:I(h) does not itself establish principles for the conclusion of commodity agreements, but stipulates conditions under which measures taken pursuant to commodity agreements may be excepted from the provisions of the General Agreement.

In order that the exception provided for in the present article XX:I(h) might continue to apply to commodity agreements concluded or which may be concluded, in accordance with the principles approved by the Economic and Social Council, the Working Party recommends that an Interpretative Note be added to the amended article. The text of the Note is contained in the annex."

In the existing Article XX:I(h), the resolution of the Economic and Social Council dated 28 March 1947 is described as that establishing and Interim Co-ordinating Committee for International Commodity Arrangements. The change which describes the resolution by number is in conformity with the current practice of the Economic and Social Council itself.
ANNEX

Article XX:I(h) shall be amended to read as follows:

"(h) undertaken in pursuance of obligations under any intergovernmental commodity agreement which conforms to criteria submitted to the CONTRACTING PARTIES and not disapprove by them or which is itself so submitted and not disapproved;"

Insert the following Interpretative Note:

"Ad Article XX:I(h)

It is intended that the exception provided for in this Sub-paragraph extend to any commodity agreement which conforms to the principle provided by the Economic and Social Council in its resolution No.30 (IV) of 28 March 1947."