DRAFT OF ARTICLE II

Examination of Difficulties in International Trade in Primary Commodities

1. Any Signatory or any other 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 Assembly 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. The Standing Committee may invite any non-Signatory government to appoint a representative. Any non-Signatory government claiming an interest in the commodity in question shall be invited to appoint a representative. Intergovernmental organizations and bodies and agencies of the United Nations may send observers to a study group. Observers may be invited by the study group to take part in its deliberations. Each study group shall select its own chairman.

4. Where the Standing Committee considers the problem inappropriate to a study group, it shall refer the problem 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.

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