The Governments of ...................., recognizing

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

(b) that, owing to the conditions in which primary commodities are produced, consumed or exchanged, this common interest may be frustrated by such difficulties as excessive short term fluctuations in prices, a tendency towards persistent disequilibrium between production and consumption, and the emergence of burdensome surpluses or serious scarcities;

(c) that the adverse effects of such difficulties on both producers and consumers, and their more widespread repercussions may jeopardise the general policies of 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, which are the objective of the General Agreement on Tariffs and Trade;

agree that they will co-operate with one another and with the CONTRACTING PARTIES to the General Agreement for the purpose of examining the extent to which they can take joint action to prevent or alleviate these special difficulties, and of taking such action where appropriate and that in taking such action, they will have regard to the desirability of
(a) achieving a reasonable degree of price stability, by restraining excessive short-term price fluctuations; and taking such measures as are practicable to facilitate those gradual movements in prices which are essential to ensure a long-term equilibrium between supply and demand consistent with the efficient allocation of productive resources in the world as a whole;

(b) encouraging so far as is practicable the expansion of consumption or production of primary commodities as a means of alleviating conditions of surplus or of shortage;

(c) providing, where production appears to be, or to be likely to be, in excess of long-term demand, machinery to give such respite as may be necessary to enable the orderly transfer of resources in producing countries into new and productive occupations including, in appropriate cases, the development of secondary industries;

(d) assuring the equitable distribution of primary commodities in short supply;

(e) maintaining and developing the natural resources of the world and protecting them from unnecessary exhaustion.

And further agree as follows:

ARTICLE I

Examination of Special Difficulties in International Trade in Primary Commodities

(1) Any Signatory or any inter-governmental organization or any body or agency of the United Nations may submit to the Standing Committee of the Signatories a statement of special difficulties which appear to exist in international trade in primary commodity or commodities and proposals for their solution. The Standing Committee, unless it decides that the case put forward in support of the submission does not warrant further action, shall forthwith make arrangements for its immediate examination by a Study Group, or a nominated Committee of Signatories or an expert or experts in accordance with the succeeding Sections of this Article. In deciding which course to adopt, the Standing Committee shall have regard to any views expressed by the submitting Government or body. If the latter is dissatisfied with the course proposed by the Standing Committee, the matter shall be remitted to the Signatories at their next session, and they shall decide by a majority vote whether and how the submission shall be examined.
(2) A Study Group shall promptly investigate the production, consumption and trade situation in regard to the commodity or commodities and shall report to the Signatories its findings and any recommendations it may have as to how best to deal with any special difficulties which exist or may be expected to arise. A Study Group, after presenting its initial report, may remain in existence for as long as its members wish for the exchange of information and views between Governments about the commodity or commodities, and shall present annual reports to the Signatories on its activities.

(3) Any Signatory may appoint representatives to a Study Group. Non-Signatory Governments and inter-governmental organizations and bodies or organizations of the United Nations may also send observers to any Study Group, who may, at the wish of the Study Group be invited to take part in its deliberations. Each Study Group shall nominate its own Chairman.

(4) Where the Standing Committee deems any subject inappropriate to a Study Group, or if a submission is accompanied by a request to that effect, the Standing Committee shall refer it to a Committee of Signatories or to an expert or experts. The terms of reference shall fix a time for a report and shall cover any matters required by the submitting Government or body. The terms of reference and, subsequently, the report, shall be promptly circulated to all Signatories.

ARTICLE II

Negotiation of Commodity Arrangements

(1) The Standing Committee shall, unless they decide otherwise by a two-thirds majority, summon a negotiating conference on behalf of the Signatories.

(a) on the recommendation of a Study Group;

(b) on the recommendation of a report issued after an examination in accordance with Article I(4), where this recommendation is supported by any Signatory.

(2) The Standing Committee may, on behalf of the Signatories, summon a negotiating conference at the request of any Signatory having specific measures to propose for inter-governmental action to deal with immediate difficulties in international trade in a single primary commodity.

(3) A negotiating conference may draw up a commodity arrangement or recommend Governments to take any other form of specific action to deal with particular difficulties which exist or are expected to arise concerning a primary commodity or a sector of the primary commodity field.
(4) Any Signatory may appoint representatives to a negotiating conference; and where a conference is summoned to draw up an agreement on a single commodity, the Signatories shall also invite representatives of any Government substantially interested in the production or consumption of, or trade in, that commodity. Otherwise, the Signatories may, at their discretion, invite representatives of any Government, inter-governmental organization or body or agency of the United Nations which may appear to them to be significantly interested in the measures in question.

ARTICLE III

General Principles Governing Commodity Arrangements

The Signatories shall observe the following principles in connection with the conclusion and operation of all types of inter-governmental commodity arrangements:

(a) The negotiation or operation of such arrangements shall be open to participation initially by any signatory; thereafter only in accordance with such provisions as may be established in the arrangement.

(b) The Signatories may invite non-Signatories to participate. All participants shall take part on the same terms.

(c) Full publicity shall be given to the intentions to conclude an arrangement, its purpose and terms, its conclusion and, from time to time, its operation.

(d) The arrangement should, as far as practicable, operate so as to afford increasing opportunities for satisfying national consumption and world market requirements from sources from which such requirements can be satisfied in the most effective and economic manner, due regard being had to the objectives of this Agreement.

(e) Every arrangement shall provide for the adequate participation both of countries substantially interested in the import and also of those substantially interested in the export of any commodities with which it is concerned. This provision shall not however be taken to prohibit the conclusion of commodity arrangement if a country substantially interested in trade in such commodities should refuse to participate.

(f) Under every arrangement there shall be equitable treatment as between participating countries and non-participating Signatories; and the treatment accorded by participating countries to non-participating Signatories shall be not less favourable than that accorded to non-participating non-signatories, due consideration being given in each case to obligations assumed and advantages conferred under the arrangement.
(g) Each arrangement shall include provision for such adjustment as the participants may decide upon in the light of the principles set out in this Agreement.

ARTICLE IV

Additional Principles Governing Certain Types of Commodity Arrangements

(1) Where any inter-governmental commodity arrangement involves the regulation of prices in international trade of any primary commodities or the regulation of production or the quantitative control of exports or imports of them, the Signatories shall observe the following principles in addition to those in Article III:

(a) Such arrangements shall be designed to promote and assure the availability of supplies adequate at all times for world demand at prices fair both to consumers and producers and, when practicable, shall provide for measures to expand world production or consumption of the commodity as appropriate.

(b) Under such arrangements, participating countries which are mainly interested in imports and consumption of the commodity concerned shall, in decision on substantive matters, have together a number of votes equal to that of exporting and producing countries. Any participating country which is interested in the commodity but which does not fall substantially under either of the above classes, shall have an appropriate voice within such classes.

(c) Where the arrangement is designed, inter alia, to afford producing countries a respite to enable an orderly transfer of resources into new and productive occupations, they shall formulate and adopt programmes of internal economic adjustment to ensure as much progress as practicable within the duration of the arrangement towards solution of the commodity problem involved.

(d) Except in the case of commodity agreements concluded in accordance with the provisions of this Article and of Article III, the precise terms of any arrangement shall be approved by the Signatories and by the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade before it is put into operation.

(2) The Signatories shall decide whether a proposed inter-governmental arrangement falls under the types covered by the provisions of this Article.
(3) Where conditions of acute shortage or burdensome surplus of a single commodity exist, or are clearly imminent, and if a negotiating conference has failed within three months to agree to the conclusion of a commodity arrangement, any Signatories who consider themselves substantially interested in the production or consumption of, or trade in, that commodity, may proceed by direct negotiation to the conclusion of an arrangement. Such an arrangement shall conform as closely as is practicable to the provisions of this Agreement and shall make provision for modification within a period of one year to bring it into full conformity. The period of one year may be extended only with the consent of the Signatories.

ARTICLE V

Administration of Commodity Arrangements

(1) Every commodity arrangement concluded after the coming into effect of this agreement shall make provision for annual reports to the Signatories on the operation of the agreement.

(2) When an arrangement is ended, the Signatories shall either take charge of the archives and statistical material relating to the agreement, or assign them to any body designated by the participating countries, reserving the right of access to them.

(3) Commodity arrangements falling within the provisions of Article IV shall, in addition to any other provisions of this Article, provide for

(a) the establishment of a governing body herein referred to as a Council which shall operate in conformity with the provisions of this Section, and on which each participating country shall have one representative. The voting power of the representatives shall be in accordance with the provisions of Article IV(1)(b);

(b) the appointment by the Signatories and by the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade of a non-voting representative to each Council and the appointment by the Signatories, at their discretion, of non-voting representatives nominated by any inter-governmental organization or body or agency of the United Nations;

(c) the appointment of a non-voting chairman who, if the Council so requests, may be nominated by the Signatories or by the Standing Committee on their behalf;
(d) such reports to the Signatories, in addition to an annual report, as they or the Council may desire.

(4) A commodity arrangement which falls within the provisions of Article IV may be excepted by the Signatories from the provision of Section (3)(a) of this Article where they are satisfied that the total volume of production of a commodity which enters into international trade other than between countries which are substantial producers of that commodity is so small as to make equal representation of consuming and producing countries on the Council unreasonable. In such a case the Signatories may specify the voting power which shall be given to producers and consumers. The Signatories may however require that in deciding upon matters of vital interest to consumers, the Council shall, on those occasions, provide for equality of voting power.
ARTICLE VI

Settlement of Disputes

(1) Each commodity arrangement concluded after the coming into force of this Agreement shall provide that

(a) any question of difference among the participants concerning the interpretation of the provisions of the arrangement or arising out of its operation shall, in the first instance, be discussed by the Council;

(b) if the question or difference cannot be resolved by the Council or by machinery established under the arrangement, it shall be referred to the Signatories;

(c) if the question or difference relates to the application of the principles of this Agreement to the arrangement, it shall be referred to the Signatories.

(2) The Signatories shall give a final ruling in the event of any such question or difference being referred to them; but if the question or difference affects the obligations of any contracting party to the General Agreement on Tariffs and Trade under the Agreement, the ruling shall not modify or reduce these obligations unless the CONTRACTING PARTIES give their consent.

(3) Where the Council of a commodity arrangement considers that the arrangement is being frustrated by the action of a non-participant Signatory the Council may, with a view to a satisfactory adjustment of the matter, make written representations or proposals to the non-participant Signatory in question and the non-participant Signatory shall give sympathetic consideration thereto.

(4) Where no satisfactory conclusion is reached as a result of such representations or proposals, the Signatories may summon a special conference of the parties concerned with the object of enabling them to reach a satisfactory conclusion by further consultation. Any Signatory may send representatives to such a conference and all shall use their best endeavours to enable a satisfactory conclusion to be achieved.

(5) Where any Signatory, not being a participant in a commodity arrangement, considers that the participants are operating in such a way as to inflict commercial injury upon it, a procedure similar to that in Sections (3) and (4) above shall be followed.
ARTICLE VII

Existing Commodity Study Groups and Agreements

(1) Existing Study Groups and Commodity Agreements conforming to the principles approved by the Economic and Social Council of the United Nations establishing an Interim Co-ordinating Committee for International Commodity Arrangements shall not, so long as the Committee exists, be affected by this Agreement. Thereafter,

(2) Existing Commodity Councils may invite the Signatories to perform in regard to them any of the functions which they shall perform in regard to commodity arrangements concluded after the coming into force of this Agreement.

(3) The Signatories may similarly perform, at the invitation of existing Commodity Study Groups any of the functions which they shall perform in regard to Study Groups set up under this agreement.

ARTICLE VIII

Initial Term, Renewal and Review of Commodity Arrangements

(1) Commodity arrangements shall be concluded for a period of not more than five years.

(2) The Signatories shall make annually and shall publish, at intervals of not more than three years, a review of the operation of each arrangement in the light of the principles set forth in this Agreement and may make recommendations for the guidance of the participants.

ARTICLE IX

Other Functions of the Signatories Collectively

(1) In addition to the functions prescribed for them elsewhere in this Agreement, the Signatories shall

(a) publish an annual report reviewing the developments in international commodity trade including inter-governmental consultation and action. The report shall be transmitted to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade for their observations. The report shall also be transmitted for information to the Economic and Social Council;
(b) transmit for information the periodic reports made by Councils of or participants in commodity arrangements to ECOCOC, and, where the commodities concerned fall within the field of food or agriculture, to the Food and Agriculture Organization of the United Nations.

(2) The Signatories shall give full consideration to any observations which the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade may make upon their annual report and shall use their best endeavours to ensure that the operation of this Agreement and of all consultations and arrangements resulting from it accord with the spirit and objectives of the General Agreement.

ARTICLE X

Exceptions to this Agreement

(1) The provisions of this Agreement shall not apply:

(a) to any bilateral inter-governmental agreement in respect of a commodity bought or sold under that agreement by a State enterprise;

(b) to any inter-governmental commodity agreement involving no more than one exporting country and no more than one importing country and not covered by sub-paragraph (a) above; provided that if, upon complaint by a non-participating Signatory, the Signatories find that the interests of that Signatory are seriously prejudiced by this agreement, the agreement shall become subject to such provisions of this Agreement as the Signatories may prescribe;

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

(d) to any inter-governmental agreement relating solely to the conservation of fisheries resources, migratory birds or wild animals, provided that such an agreement is not used to accomplish results inconsistent with the objectives of this Agreement and is given full publicity; if the signatories find, upon complaint by a non-participating Signatory, that the interests of that Signatory are seriously prejudiced by the agreement, the agreement shall become subject to such provisions of the Agreement as the Signatories may prescribe.

(2) Insert Article XXI of GATT (Security Exceptions).
ARTICLE XI

Obligations of Individual Signatories

(1) No Signatory to this Agreement shall negotiate or conclude or join a commodity arrangement except in accordance with provisions of this agreement.

(2) Each signatory shall recognize the Signatories collectively as the deciding authority in all matters of principle relating to commodity arrangements (except those provided for in Article VII) subject, as provided in Article IV, to reference to the CONTRACTING PARTIES to the GATT.

ARTICLE XII

Joint Action by the Signatories

(1) Representatives of the Signatories shall meet from time to time for the purpose of giving effect to those provisions of this Agreement which involve joint action, and in any case not less than once a year.

(2) Meetings shall be convened by the Executive Secretary to this Agreement, and the Secretariat shall be provided by the CONTRACTING PARTIES.

(3) The Signatories shall decide their own procedure.

(4) Each Signatory shall have one vote at meetings, and, except where the Agreement provides otherwise, decision of the Signatories shall be taken by a majority of the votes cast.

ARTICLE XIII

Standing Committee of the Signatories

(1) The Signatories shall at their first meeting appoint a Standing Committee of [eight] members to act on their behalf as specified in the Agreement. In appointing the members, the Signatories shall have regard to a reasonable spread of geographical representation and a reasonable balance between countries primarily interested in the export of commodities and those primarily interested in their import. A fresh Standing Committee shall be appointed each year and existing members shall be eligible for re-appointment.

(2) The Standing Committee shall decide its own procedure, subject to the approval of the Signatories, and shall elect a Chairman who shall be responsible for convening meetings of the Committee. The Secretariat of the Committee shall be provided by the CONTRACTING PARTIES to the GATT.

(3) The Signatories may modify or annul, at their meetings, any decision of the Standing Committee, but only if they decide by a two-thirds majority to do so.
ARTICLE XIV

Administrative and Financial Provisions

(1) The Special Agreement on Commodity Arrangements shall be open to any government not being an initial Signatory on terms to be agreed between the Signatories and that Government. Decisions of the Signatories under this Section shall be taken by a two-thirds majority.

(2) The Signatories shall make such contribution as may be agreed with the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade towards the administration of this Special Agreement.

(3) The Signatories shall appoint an Executive Secretary and a Secretariat in agreement with the CONTRACTING PARTIES to the General Agreement.

(4) The expenses of representatives attending meetings of the Signatories, the Standing Committee or any Study Group, negotiating conference or other committee of the Signatories shall be paid by their Governments.

ARTICLE XV

Entry into Force

This Agreement shall enter into force as among Governments which have accepted it on the 30th day after instruments of acceptance have been deposited with the Executive Secretary of the GATT by not less than 20 Governments, of which not less than 18 shall be contracting parties to the GATT.

ARTICLE XV A

Accession

Any government whose accession is approved by the Signatories may become a signatory to this Agreement.

ARTICLE XVI

Withdrawal

Any Signatory may withdraw from this Agreement. The withdrawal shall take effect six months after the day on which written notice of the withdrawal is sent to the Executive Secretary of this Agreement.

ARTICLE XVII

Territorial Application

(a) Any Signatory may at the time of signature of the present Agreement or at any time thereafter declare by notification given to the Executive Secretary that the present Agreement shall extend to any of the territories for whose international relations it is responsible and the Agreement shall from the date of the receipt of the notification extend to the territories named therein.
(b) A Signatory which has made a declaration under paragraph (a)-above extending the present Agreement to any territory for whose international relations it is responsible may at any time thereafter declare by notification given to the Executive Secretary that the Agreement shall cease to extend to any territory named in the notification. Six months from the date on which such a notification is sent from the Signatory the Agreement shall cease to extend to such a territory.

(c) Where a Signatory or non-Signatory mainly interested in the import of a commodity has one or more dependent territories mainly interested in the export of the commodity or vice versa there may at Study Groups, negotiating conferences and Councils be either joint representation for the signatory or non-Signatory and its dependent territories or, where the Signatory or non-Signatory so wishes, separate representation for such territory or territories.

ARTICLE XVIII

Definitions

For the purpose of this Agreement -

Commodity means a Primary Commodity

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 term Primary Commodity may also include, at the discretion of the Signatories, commodities closely related to a Primary Commodity as regards conditions of production or utilization.

Commodity Arrangement means an inter-governmental arrangement wholly or mainly designed to achieve some or all the objectives of this Agreement.

Signatory means a signatory to this Agreement.

Signatories means individual signatories unless preceded by "the". "The Signatories" means the Signatories collectively.

Participants or Participating Countries means countries participating in any Commodity Arrangement.