GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES
Ninth Session

Review Working Party IV on Organizational and Functional Questions

REPORT OF SUB-GROUP IV-B OR ARTICLE XX:I(h)

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 steps being taken to develop new principles relating to 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 Working Party considered 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.

"The delegation of Ceylon felt that the amended sub-paragraph did not provide for positive action on the part of the CONTRACTING PARTIES in regard to commodity agreements and the principles governing their negotiation and conclusion and reserved its position.

"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 in its Resolution of 28 March 1947, 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 is described as that establishing an 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:1(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 disapproved by them or which is itself so submitted and not disapproved;"

Insert the following Interpretative Note:

"Ad Article XX:1(h)

The exception provided for in this sub-paragraph extends to any commodity agreement which conforms to the principles approved by the Economic and Social Council in its resolution No. 30 (IV) of 28 March 1947."