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DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

SUB-COMMITTEE ON TARIFF NEGOTIATIONS

SUGGESTED AMENDMENTS TO THE DRAFT GENERAL AGREEMENT SUBMITTED BY THE DELEGATE FOR THE UNITED STATES AND THE DRAFT DECLARATION SUBMITTED BY THE DELEGATE FOR THE UNITED KINGDOM

PREPARED BY THE SECRETARIAT

Preamble

The governments in respect of which this Agreement is signed:

THE GOVERNMENTS OF Australia, Belgium-Luxembourg, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon*, Netherlands, New Zealand, Norway, Union of South Africa, United States and United Kingdom (hereinafter referred to as the signatory governments)

Having been appointed by the Economic and Social Council of the United Nations as members of a Preparatory Committee charged with the preparation, inter alia, for the consideration of the draft Charter for an International Trade Organization of the United Nations, the text of which is set forth in the Report of the Preparatory Committee to the Economic and Social Council;

Having as the Preparatory Committee for the Conference, in fulfillment of this function, prepared and recommended to the Conference the provisions of such a draft Charter for an International Trade Organization of the United Nations (hereinafter referred to as the Charter and the Organization respectively, the text of which is set forth in the Report of the Preparatory Committee to the Economic and Social Council;

* If, as expected, Syria also participates in the negotiations, it would have to be included.

Being
Being desirous of asssisting the attainment of the objectives of the Conference by providing the taking of such action prior to the Conference as would serve as an example to all other governments of concrete achievement capable of generalization to all countries on equitable terms universal application

HAVING for this purpose undertaken successfully among themselves the negotiations referred to in Articles 24 and 32 and 33 of the Charter which relate to negotiations for the reduction of tariffs and the elimination of tariff preferences and for parallel action by state-trading enterprises respectively

AND HAVING to the same end decided to bring into effect among themselves the provisions of all those parts of Chapter V (General Commercial Policy) of the Charter as are applicable at this stage

HAVE HEREBY, THROUGH THEIR RESPECTIVE PLENUM POTENTIARIES, AGREE AS FOLLOWS:

Article XX

1. The Interim Trade Committee shall consist of one representative from each of the signatory governments.

2. The Committee is authorized to perform such functions as are specifically provided for in the other provisions of this Agreement, to provide a mechanism for the settlement of disputes concerning the interpretation of this Agreement or arising out of its operation and generally shall perform any other functions which may be appropriate or necessary for the full implementation of this Agreement and of its accompanying Declaration.

3. Each representative on the Committee shall have one vote.

4. Subject to the provisions of paragraph 1, decisions of the Committee shall be taken by a majority of the representatives present and voting.

2. The Committee may, by a vote of two-thirds of its members, adopt criteria and procedures for waiving, in exceptional circumstances, obligations incurred under this Agreement.

* The insertion of these two paragraphs and the drafting of the appended Declaration would mean that Article VII of the Agreement becomes unnecessary.
5.6. The seat of the Committee shall be established at the seat of the United Nations.

7. The Secretary-General of the United Nations shall provide such staff and administrative services as are required by the Committee.

8. Subject to the provisions of this Article the Committee shall establish its own rules of procedure.

5.7.2. The Committee shall cease to exist upon the establishment of the International Trade Organization as soon as the Organization has been established and is in a position to exercise its functions. At which that time all the functions of the Committee provided for in the preceding Articles of this Agreement shall be transferred to the Organization. Provided that if at the time of the establishment of the Organization that time any contracting state signatory government or governments should not also be Members of the Organization, the other signatory governments shall consult together and with the Organization with a view to assuring an appropriate voice on matters arising under this Agreement to the signatory government in question.

Article XXI

1. This Agreement shall be subject to revision, in the light of the provisions of the Charter for an International Trade Organization as approved by the International Conference on Trade and Employment when such Charter shall have entered into force if the Conference makes such amendments or additions to or deletions from the provisions of the Charter as make revision desirable. The Committee shall consider whether or not revision is necessary or desirable and make appropriate recommendations to the signatory governments.

/2. This Agreement
2. This Agreement may be amended at the request of any signatory government. Any request for amendment shall be made to the Committee which shall recommend to the signatory governments whether the amendment proposed should be made.

3. Amendments to this Agreement pursuant to paragraph 1 or otherwise respectively shall become effective upon receiving the approval of two-thirds of the contracting states' signatory governments provided that revisions or those amendments which involve new obligations on the part of contracting states' signatory governments shall take effect upon acceptance on the part of two-thirds of the contracting states' signatory governments for each contracting state's signatory government accepting the revision or the amendments, and thereafter for each remaining contracting state's signatory government upon acceptance by it.

4. The Committee may determine that any contracting state's signatory government which has not accepted a revision or an amendment within a period specified by the Committee shall thereupon be obliged to withdraw from the Agreement. In the absence of a determination that a contracting state's signatory government not accepting the revision or an amendment shall be obliged to withdraw from the Agreement, such contracting state's signatory government shall, notwithstanding the provisions of Article XXII, be free to withdraw from the Agreement upon the expiration of six months from the day on which written notice of such withdrawal is received by the Secretary-General of the United Nations.

Article XXIII

Interpretation and Settlement of Disputes

1. The Chinese, English, French and Spanish texts of this Agreement shall be regarded as equally authoritative.
2. Any dispute arising out of the interpretation or operation of this Agreement shall be referred in the first place to the Committee which shall either rule upon the dispute itself or refer it, with the consent of the parties, to arbitration upon such terms as may be agreed by the parties.

3. Any party dissatisfied with a ruling of the Committee under this Article may, subject to such procedures as the Committee may establish, refer the matter to the International Court of Justice. The signatory governments accept the jurisdiction of the Court in respect of any dispute so referred.

**Article XXII/XXIII**

Entry into Force and Withdrawal/ and Termination/

1.

2. Each government accepting/signatory to this Agreement shall deposit an instrument of acceptance/ratification with the Secretary-General of the United Nations who will inform all interested/governments whose invitation to the Conference has been recommended of the date of deposit of each instrument of acceptance/ratification and of the date on which this Agreement enters into force under paragraph 3.

2. This Agreement shall enter into force on the thirtieth day following the day on which instruments of acceptance/ratification have been deposited with the Secretary-General of the United Nations on behalf of a stated number of the governments represented on the Preparatory Committee of the International Conference on Trade and Employment/signatory governments.

4. Each government accepting/signing this Agreement and its accompanying Declaration does so in respect of its metropolitan territory and of the overseas territories for which it has international responsibility with the exception of those territories which are self-governing in respect of matters provided for in the this Agreement and its accompanying Declaration.
Declaration. Each accepting government party to this Agreement shall notify the Secretary-General of the United Nations of its acceptance adherence to the Agreement and the Declaration on behalf of any such self-governing territory willing to undertake the obligations of the Agreement in respect of which the requirements of Article XXIV have been satisfied. Upon the date specified in such notification the provisions of this Agreement shall become applicable to that territory.

6. Each contracting state signatory government shall take such reasonable measures as may be available to it to assure the observance of the provisions of this Agreement and of its accompanying Declaration by subsidiary governments within its territory jurisdiction.

6. Any contracting state signatory government may withdraw from this Agreement, either on its own behalf or on behalf of an overseas territory which is self-governing in the respect mentioned in paragraph (h) of Article XXIII, after the expiration of three calendar years from the day on which this Agreement enters into force of its entry into force by written notification addressed to the Secretary-General of the United Nations. Upon the receipt of such notification the Secretary-General shall promptly inform all interested governments. The withdrawal shall take effect six months from the date of the receipt of the notification by the Secretary-General.

Article XXIII/XXIV

The Committee may make arrangements under which governments not members of the Preparatory Committee of the International Conference on Trade and Employment may accept this Agreement on terms to be agreed between such governments and the Committee.

Governments which, being eligible to become Members of the Organization, desire to adhere to this Agreement and its accompanying Declaration may do so by carrying out to the satisfaction of the Committee either the negotiations mentioned in Article 24 or in Articles 31 and 32 of the Charter with such of the signatory governments as indicate a desire to negotiate.

/DECLARATION
DECLARATION TO BE APPENDED TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

At the moment of signing the General Agreement on Tariffs and Trade the undersigned plenipotentiaries of the Governments on behalf of whom the said Agreement has been signed, duly authorized to that effect, declare on behalf of their respective Governments as follows:

1. The Governments parties to the General Agreement on Tariffs and Trade, The signatory governments intend, for so long as each such Government remains party to that Agreement, the General Agreement on Tariffs and Trade, to be guided in their mutual relations, within the scope of the authority of each such Government, by the principles embodied in the undermentioned Chapters of the Draft Charter of the International Trade Organization, as recommended this day by the Preparatory Committee to the Economic and Social Council:

   Chapter III - Employment
   Chapter IV - Economic Development
   Chapter VI - Restrictive Business Practices
   Chapter VII - Inter-Governmental Commodity Arrangements

In the event of questions arising between any of the said Governments as to the application of the above-mentioned principles, the matter shall form the subject of consultation between them, and, if necessary, between all the Governments parties to the present Declaration, through the provisional international agency referred to in Article I (2) of the General Agreement on Tariffs and Trade.*

2. The signatory governments stand ready and willing to undertake, upon the request of any government not party to the General Agreement on Tariffs and Trade which is eligible to become a Member of the Organization, such negotiations as are necessary for and appropriate to the adherence of such government to the said Agreement and to this Declaration.

* If Article XVII of the draft Agreement proposed by the Delegate for the United States is accepted, it seems that this paragraph would be superfluous.