PART I
Text of Articles Accepted by the Drafting Committee at Second Reading

Article 44
Continued Effectiveness of Domestic Measures Against Restrictive Business Practices

Any act or failure to act on the part of the Organization shall not preclude any Member from enforcing any national statute or decree directed towards preventing monopoly or restraint of trade.

Article 45

Exceptions to the Provisions of this Chapter

1. The undertakings expressed in this chapter shall not apply to
   (a) inter-governmental commodity arrangements meeting the requirements of Chapter VII;
   (b) the international arrangements excepted in Article 59.

2. Notwithstanding the foregoing the Organization may in its discretion make recommendations to Members and to appropriate inter-governmental organizations concerning any features of the arrangements referred to in sub-paragraph 1 (b) of this Article which may have the effect described in paragraph 1 of Article 39.
CHAPTER VII

Inter-Governmental Commodity Arrangements

Section A - General Considerations

Article 46

General Statement on Difficulties Relating to Primary Commodities

Members recognize that the relationship between production and consumption of some primary commodities may present special difficulties. These special difficulties are different in character from those which manufactured goods present generally. They arise out of such conditions as the disequilibrium between production and consumption, the accumulation of burdensome stocks and pronounced fluctuations in prices. They may have serious adverse effects on the interests of producers and consumers, as well as widespread repercussions jeopardizing general policies of economic expansion.

Article 47

Objectives of Inter-Governmental Commodity Arrangements

Inter-governmental commodity arrangements may be employed to enable countries to overcome the special difficulties referred to in Article 46 without resorting to action inconsistent with the purposes of the Charter, by achieving the following objectives:

(a) To prevent or alleviate the serious economic problems which may arise when production adjustments cannot be effected by the free play of market forces as rapidly as the circumstances require.
(b) To provide, during the period which may be necessary, a framework for the consideration and development of measures which will have as their purpose economic adjustments designed to promote the expansion of consumption or a shift of resources and manpower out of over-expanded industries into new and productive occupations.
(c) To moderate pronounced fluctuations in the price of a primary commodity above and below the level which expresses the long term equilibrium between the forces of supply and demand. In order to achieve a reasonable degree of stability on the basis of remunerative prices
to efficient producers without unfairness to consumers.

(a) To maintain and develop the natural resources of the world and protect them from unnecessary exhaustion.

(e) To provide for expansion in the production of a primary commodity which is in such short supply as seriously to prejudice the interests of consumers.

Article 48
Special Commodity Studies

1. A Member or Members substantially interested in the production, consumption or trade of a particular primary commodity shall be entitled, if they consider that special difficulties exist or are expected to arise regarding the commodity, to ask that a study of that commodity be made.

2. Unless it resolves that a prima facie case has not been established, the Organization shall promptly invite the Members substantially interested in the production, consumption or trade of the commodity to appoint representatives to a Study Group to make a study of the commodity. Non-Members having a similar interest may also be invited.

3. The Study Group shall, in the light of an investigation of the root causes of the problem, promptly report its findings regarding the production, consumption and trade situation for the commodity. If the Study Group finds that special difficulties exist or are expected to arise it shall make recommendations to the Organization as to how best to deal with such difficulties. The Organization shall transmit promptly to Members any such findings and recommendations.

Article 49
Commodity Conferences

1. On the basis of the recommendations of the Study Group or on the basis of information about the root causes of the problem agreed to be adequate by the Members substantially interested in the production, consumption or trade of a particular primary commodity, the Organization shall promptly at the request of a Member having a substantial interest,
or may, on its own initiative, convene an inter-governmental conference for the purpose of discussing measures designed to meet the special difficulties which have been found to exist or are expected to arise.

2. Any Member having a substantial interest in the production, consumption or trade of the commodity shall be entitled to participate in the Conference, and non-Members having a similar interest may be invited by the Organization to participate.

Article 30

Relations with Specialized Agencies

1. Competent specialized agencies, such as the Food and Agriculture Organization, shall be entitled
   (a) to submit to the Organization any relevant study of a primary commodity;
   (b) to ask that a study of a primary commodity be made.

2. The Organization may request any specialized agency, which it deems to be competent, to attend or take part in the work of a Study Group or of a Commodity Conference.

Article 51

General Principles of Inter-Governmental Commodity Arrangements

Members undertake to adhere to the following principles governing the operation of all types of inter-governmental commodity arrangements:

1. Such arrangements shall be open initially to participation by any Member on terms no less favourable than those accorded to any other country and thereafter upon such terms as may be approved by the Organization.

2. Non-Members may be invited by the Organization to participate in such arrangements and the provisions of paragraph 1 applying to Members shall apply to any non-Member so invited.

3. Under such arrangements participating countries shall arrange for equitable treatment as between non-participating Members and participating countries.
4. Participating countries shall, in matters the subject of such arrangements, afford non-participating Member countries treatment no less favourable than that accorded to any non-Member country which does not participate in the arrangement.

5. Such arrangements shall include provision for adequate participation of countries substantially interested in the importation or consumption of the commodity as well as those substantially interested in its exportation or production.

6. Such arrangement shall provide, where practicable, for measures designed to expand world consumption of the commodity.

7. Full publicity shall be given to any inter-governmental commodity arrangements proposed or concluded, to the statements of considerations and objectives advanced by the proposing Members, to the nature and development of measures adopted to correct the underlying situation which gave rise to the arrangement and periodically to the operation of the arrangements.

PART II

Reservations and Alternative Texts

General Reservations to Chapter VI

The Delegates for Brazil, Chile and Czechoslovakia maintained the reservation their delegations had made at the First Session regarding the registration of restrictive business practices. The Delegate for Brazil also maintained the point of view of his delegation at the First Session that the register of restrictive business practices should be published.

Article 46

It was agreed that those of the amendments proposed by the Secretariat to Article 46 in document E/FC/T/C.6/W.50 which were purely of a drafting nature should be referred to the Legal Drafting Sub-Committee.
It was agreed that it should be stated in the Report that some delegates doubted the necessity of including sub-paragraphs (d) and (e) in Article 47. These delegates preferred that these sub-paragraphs should be deleted.

The Delegate for Canada reserved, for the time being, the position of his government, concerning the transfer of paragraph 2 of Article 53 of the London Report to paragraph 3 of Article 51.

General Reservation to Chapter VII

The Delegate for Brazil stated that he reserved the position of his Government on the whole of Chapter VII, insofar as it interfered with the production of primary commodities for home consumption.