SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE UNITED
NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

Draft Charter

The Delegation of the United States of America submit
the following proposals for amendment of Article 30 of the
Draft Charter:

SECTION D. SUBSIDIES

Article 30

General undertaking regarding subsidies -- Elimination of
export subsidies -- Exceptions

1.

2. (a) No Member shall grant, directly or indirectly,
any subsidy on the exportation of any product, or establish
or maintain any other system, which results in the sale of
such product for export at a price lower than the comparable
price charged for the like product to buyers in the domestic
market, due allowance being made for differences in the
conditions and terms of sale, for differences in taxation,
and for other differences affecting price comparability,
Provided that this sub-paragraph shall not prevent any Member
from exempting exported products from duties or taxes im-
posed in respect of like products when consumed domestically,
from remitting such duties or taxes which have occurred, or
from using the proceeds of such duties or taxes to make
payments to domestic producers;

COMMENT: The proposed addition is to make quite
clear that the proviso does not exempt subsidies paid out of the proceeds of
processing taxes from the requirements of paragraph 1. The New York Drafting
P.T.O.
Committee considered this clear and deleted the reference to paragraph 1 that had been in the proviso. The proposed revision should remove any doubt.

(b)

3.

4. (a) In any case of subsidization of a primary commodity, if a Member considers that its interests are seriously prejudiced by the subsidy or if the Member granting the subsidy considers itself unable to comply with the provisions of paragraph 2 of this Article within the time limit laid down therein, the Member may have resort to the procedures of the difficulty may be determined to be a special difficulty of the kind referred to in Chapter VII, and in that event the procedure laid down in that Chapter shall be followed;

COMMENT: The procedure of Chapter VII requires the determination by a study group or a commodity conference that there is a special difficulty.

(b)

5.

6. Any determination required by or appropriate to the operation of this Article shall be made through under procedures established by the Organization by consultation among the Members substantially interested in the product concerned in accordance with paragraph 4 of Article 66.

COMMENT: The revised paragraph would incorporate the provisions of Article 66, paragraph 4, thus eliminating the cross reference.