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

CHAPTER V - ARTICLE 30.

AMENDMENT PROPOSED BY THE AUSTRALIAN DELEGATION.

PARAGRAPH 3.

A system for the stabilization of the domestic price or of returns the return to domestic producers of a primary product which results over a period in the sale of the product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market shall be determined not to involve a subsidy on exportation under the terms of paragraph 2 of this Article, if provision is made for the maintenance at fixed levels of prices for domestic consumption irrespective of the movement of export prices and because of such provision the system has resulted or may result, over a period, in the sale of the product for export at a price higher than the comparable price charged for the like product to domestic buyers and if the system is sooperated, either because of the effective limitation of production, or because the export price is held below current comparable representative export prices, or otherwise, as not to stimulate exports unduly or otherwise seriously prejudice the interest of other members.

COMMENT.

This amendment is designed to clarify the requirements which domestic price stabilization schemes must satisfy before they may be removed from the application of Paragraph 2. It is felt that the present text does not quite convey the intentions of the First Session of the Preparatory Committee; in particular, that it does not cover new arrangements, where movements in prices have perhaps not had time to meet the condition that export prices have actually been higher than domestic prices.