

PROPOSALS OF THE INTERNATIONAL CHAMBER OF COMMERCE

CHAPTER II - EMPLOYMENT AND ECONOMIC ACTIVITY

Article 7

Should be deleted.

Reasons: By virtue of Article 7 countries faced with depression abroad and a decline in their exports caused by such a depression can radically restrict their imports (instead of using the means of action provided elsewhere by the Charter and by the International Monetary Fund), thereby causing further considerable shrinkage in international trade. In this manner the depression would be merely further aggravated. (see paragraphs 36 and 37 of document E/CONF.2/8).

CHAPTER III - ECONOMIC DEVELOPMENT

Article 12

The last sentence of sub-paragraph 2 (a) should be deleted.

The points (i), (ii), (iii) and (iv) should equally be deleted.

The fourth paragraph of the footnote to paragraph 2 of Article 12 should be deleted.

Reasons: The text, the deletion of which is proposed, can only have the effect of discouraging new foreign investments from taking place. They stand therefore in contradiction with the proposals outlined in Chapter III. (see paragraphs 46 and 47 of document E/CONF.2/8).

Article 13, paragraph 4 (b)

The language of this sub-paragraph is very vague and the criterion suggested unlikely to be applicable in practice. The sub-paragraph should therefore be redrafted. (see paragraph 42, sub-paragraph 1 of document E/CONF.2/8).

CHAPTER IV - COMMERCIAL POLICY

Article 21, paragraph 3

As a new sub-paragraph (d), this paragraph should include the following provision:

"The organization shall report at regular intervals on quantitative restrictions which are imposed in the circumstances envisaged in sub-paragraph (b); any such report should have regard to the way in which the undertakings in sub-paragraph (c) have been carried out by the member applying the restrictions". (see paragraph 54 of document E/CONF.2/8).

/Article 21

Article 21, paragraph 3 (b) (1)

Should be deleted.

Reasons: This sub-paragraph stands in contradiction with Article 5, paragraph 1, and would tend to encourage Members of the International Trade Organization in policies which are destructive of the balance of payments equilibrium. (see paragraph 54 of document E/CONF.2/8).

Article 21, paragraph 4

The first two sentences of sub-paragraph (c) should be replaced as follows:

"Except under circumstances of urgency due to an acute crisis, any member who wished to maintain, intensify or institute restrictions under this article shall obtain prior approval of the organization". (see paragraph 56 of document E/CONF.2/8).

Article 22, paragraph 2

The opening sentence of this paragraph should be redrafted; as worded at present it offers a criterion not susceptible of practical implementation. (see paragraph 61 of document E/CONF.2/8).

Articles 25 and 26

Should be reversed in sequence, thus placing Article 26, which contains the general anti-subsidy rule, ahead of Article 25. (see paragraph 67 of document E/CONF.2/8).

Article 28

The provision that "no Member shall grant any subsidy on the exportation of any product which has the effect of acquiring for that Member a share of world trade in that product in excess of the share which it had during a previous representative period....." should logically follow paragraph 1 of Article 26. (see paragraph 68 of document E/CONF.2/8).

CHAPTER V - RESTRICTIVE BUSINESS PRACTICES

Article 44, paragraph 3 (g)

Should be redrafted as follows:

"any similar practices which the Conference by a two-thirds majority may from time to time decide are restrictive business practices". (see paragraph 80 of document E/CONF.2/8).

CHAPTER VI - INTER-GOVERNMENTAL COMMODITY AGREEMENTS

Article 53, paragraph 3

Should be deleted.

Reasons: As it stands paragraph 3 would seem to open the door for inter-governmental commodity agreements with respect to manufactured goods, thereby entering into conflict with basic ideas underlying Chapter V, on Restrictive Business Practices. (see paragraph 82 of document E/CONF.2/8).

/Article 62, paragraph 1

Article 62, paragraph 1

A statement should be included emphasizing that the Commodity Control Agreements are temporary Agreements to deal with short term market maladjustments. The paragraph as at present drafted might open the door to semi-permanent agreements capable of breeding new maladjustments in addition to curing old ones. (see paragraph 85 of document E/CONF.2/8).

CHAPTER IX - GENERAL PROVISIONS

Article 96

The following redraft is proposed:

"The Conference shall convene a special session for the purpose of reviewing the provisions of this Charter before the end of the third and sixth year after its entry into force and thereafter in five year periods." (see paragraph 88 of document E/CONF.2/8).
