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

Summary Record of the Sixth Meeting of  
the Tariff Agreement Committee held on  
Thursday, 28 August 1947, at 2.30 p.m.  
in the Palais des Nations, Geneva.

Chairman: Hon. L.D. WILGRESS (Canada)

5. Inclusion in the Agreement of the Articles of the Charter  
which are reproduced in Part II; and
6. Effect of the Charter on the Agreement upon the Entry into  
force of the former.

(Continuation of the discussion).

Mr. COUILLARD (Canada) supported the view that Part II was an essential part of the General Agreement and that the Articles contained in it should be taken from the Geneva Draft Charter. Canada had conducted her tariff negotiations on the assumption that those Articles would be an integral part of the Agreement. If this were not to be the case, she would have to reconsider her position. The great majority of the provisions concerned already formed part of existing bilateral trade agreements. On the relation of Part II to a possible revision of the corresponding provisions of the Charter, he thought the two-thirds majority laid down in Article XXVII together with the right of withdrawal was a fair requirement.

He could not agree with an automatic supersession by the revised Charter provisions, particularly without right of withdrawal. His country could not in advance accept provisions which may be different from those on which the concessions had been granted.

Mr. BROWN (United States) thought that the Agreement contained those basic provisions customary in trade procedure. These should include provisions with respect to Most-Favoured-Nation treatment, internal taxes and regulations, quantitative restrictions and State trading. He would be content with the inclusion of these basic provisions which were absolutely essential, although there were one or two others like those for consultation, general exceptions, etc..

He hoped that the provisions of Part II would be superseded by those of the Charter when the Charter came into force. But he could not agree to their automatic supersession now when the Charter provisions were not yet known. He felt that the present requirement of a two-thirds majority vote was desirable. However, since it was intended that the Charter should supersede Part II unless there was strong reason to the contrary, he felt it would be appropriate to draft the Agreement so that the relevant provisions of the Charter should supersede those of the Agreement automatically unless objections were raised by one-third of the signatories. Furthermore, there should be a provision that in this latter case consultation should immediately take place to determine future action and that countries not then satisfied could withdraw.

Mr. SHACKLE (United Kingdom) stated that his position was similar to that of Canada and the United States. He thought there should be certain essential provisions to safeguard the concessions, though some of the minor provisions might be omitted. Supersession should not be purely automatic and the United States suggestion for consultation, if one-third of the parties objected, seemed to him reasonable.

M. BARADUC (France) stated his position was similar to that of the United Kingdom. His Government was prepared to sign Part II with some minor modification, but he could

not say what the position of his Government would be if a larger part of the Governments represented would refuse to accept the Agreement.

Mr. JOHNSEN (New Zealand) pointed out that even provisional application was not envisaged until 1 January 1948 and doubted therefore whether the inclusion of Part II would have any significance. It seemed more practicable to include a minimum of provisions to safeguard the concessions and reconsider the position when the Charter was completed.

Mr. WUNSZ KING (China) stated that he favoured the deletion of Part II. The adoption of provisions on which there were a number of reservations . . . prejudice those countries which had made the reservations at the World Conference. He suggested, if Part II had to be maintained, two alternative solutions: either it should, as a whole, be made optional, or only absolutely essential provisions should be maintained and the rest dropped.

Mr. FORTHOMME (Belgium) thought that the Agreement should have an independent existence from the Charter and its provisions should not automatically be substituted by those of the Charter. If the Trade Agreement were to be put into force provisionally, Part II should be clearly transitory. He suggested deleting Articles IV to IX; Articles X to XIII which should be replaced by an Article corresponding to paragraph 1 of Article 20, paragraph 3 of Article 31 and paragraph 1 of Article 22 and paragraph 1 (a) of Article 23; Articles XIV to XVII; Article XIX; Article XXI; and to transfer Article I to Part II.

Dr. SPEEKENERINK (Netherlands) thought there ought to be certain safeguards but in general he shared the view of the Delegate for Belgium. It was not certain that after Havana there would be agreement on the Articles corresponding to Part II and these ought therefore to be considered carefully.

Mr. ADARKER (India) stated that he was not prepared to accept automatic supersession of Part II. He regarded certain provisions among them like the Most-Favoured-Nation treatment as essential, but had doubts regarding some others. He suggested substituting for Part II a general undertaking by Members not to nullify the tariff concessions, or, alternatively, to make Part II optional. He supported the view that the final adoption of Part II should be delayed until after the World Conference.

Mr. BROWN (United States) thought that the objections to two different sets of rules being enforced at the same time would be solved by a suggestion that the Charter provisions should supersede the Articles of the Agreement unless opposed by one-third of the countries.

Mr. JABBARA (Syria) stated that in principle he would agree to the inclusion of Part II, if it were superseded automatically by the corresponding Charter provisions.

The CHAIRMAN, summing up, stated that the majority was not in favour of including Part II, but that several countries accounting for a considerable part of the trade attached great importance to the inclusion of certain Articles in Part II; several Delegates had already suggested that certain Articles in Part II could be omitted.

The CHAIRMAN asked the Secretariat to produce an analysis of the agreement reached so far, also a draft of the Final Act, and lastly a new Draft Agreement incorporating the final text of the Draft Charter. He also requested the Delegate for the United States to submit, in the sense of their proposal, an amendment of Paragraph 1 of Article XXVII and also a Draft Protocol.

Dr. AUGENTHALER (Czechoslovakia) remarked that there seemed to be two groups of countries prepared to grant tariff concessions, the one on light conditions and the other on heavy conditions. If these could not agree, either the former would have to implement the negotiations in bilateral treaties or there would have to be double schedules, of which one could come into force immediately between the first group, and the second only if there would be agreement later.

7. Implementation of Charter Provisions in addition to those appearing in Part II of the Agreement.

The CHAIRMAN summed up the position of the Delegates in so far as it had been made clear already.

Dr. COOMBS (Australia) requested Delegates to inform him as to how their Governments would interpret the undertaking to observe the principles of the Charter as it was now embodied in the Protocol.

Mr. MELANDER (Norway) suggested to transfer the first three Paragraphs of the Protocol to the Preamble and to delete the last Paragraph.

Mr. SHACKLE (United Kingdom) thought there was enough administrative flexibility to allow Governments scope in interpreting the general undertaking of the Protocol to observe the principles of the Charter.

The general debate was closed and it was agreed to discuss at the next meeting the General Agreement article by article.

The meeting rose at 5.50 p.m.

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