

JOINT SUB-COMMITTEE OF COMMITTEES II AND VI

NINTH MEETING

Held at the Capitol, Havana, Cuba,
Friday, 2 January 1948, 4.00 p.m.

Chairman: Mr. H. C. COOMBS (Australia)

1. The Report of Working Party No. 2 on Preamble of Paragraph 1 and Sub-Paragraph (b) of Paragraph 1 of the New Article 12A proposed by Colombia and on the Additional Paragraph to Article 12 proposed by Costa Rica concerning double taxation (E/CONF.2/C.2&6/A/W.3) was further discussed. It was debated whether to approve the text of the report with the inclusion of the words "or discriminatory taxation" in paragraph 2 and of the words "and discriminatory tax burdens" in sub-paragraph (11) of the new text paragraph 3 of Article 11, or to refer the problem of "discriminatory tax burdens" to the Sub-Committee on Article 12. Certain delegations were of the opinion that as the problem of discriminatory tax burdens was not discussed in the Sub-Committee, it could not be included within the text proposed by the Working Party. Other delegations felt that the problem of discriminatory taxation was just as relevant to the free flow of capital as double taxation; as Article 11 dealt with impediments to the free flow of capital the inclusion of discriminatory taxation would therefore be warranted. It was decided:

(a) to approve the report of the Working Party with the deletion of the words "or discriminatory taxation" in paragraph (2) of the report and of the words "discriminatory tax burdens" in the text of Sub-Paragraph (11) of the new paragraph 3.

(b) to put the problem of discriminatory taxation on the agenda of the Joint Sub-Committee and to discuss it after the Sub-Committee on Article 12 has finished its work and taking account of the decisions reached in that Committee. The subject could then be reopened by any Member who so desired.

2. The discussion of the Report of Working Party No. 1 on Preamble to Paragraph 1 and Sub-Paragraph (a) of Paragraph 1 of New Article 12A proposed by Colombia (E/CONF.2/C.2&6/A/W.3) was reopened. It was pointed

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out that the text of paragraph 2 of Article 10 as redrafted by the working party departed needlessly from the Geneva text by the omission:

- (a) of a reference to advice by the Organization concerning the financing of programmes for economic development;
- (b) of the last sentence of Article 10.

It was decided to refer the text back to the Working Party. The Working Party was instructed to take account of the discussion on the subject and to adhere as closely as possible to the Geneva text.

3. The Chairman nominated the delegates for Australia, Mexico and the United States to form Working Party No. 3 to review the tentative texts put forward in respect of amendments.
