

United Nations
CONFERENCE
ON
TRADE AND EMPLOYMENT

Nations Unies
CONFERENCE
DU
COMMERCE ET DE L'EMPLOI

RESTRICTED
E/CONF.2/C.3/A/W.54
18 February 1948
ORIGINAL: ENGLISH

THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE A (ARTICLES 16, 17, 18, 19)

NOTES OF THIRTY-SEVENTH MEETING

Held on Monday, 16 February 1948, 10.30 a.m.

Chairman: Dr. G. A. LAMSVELT (Netherlands)

Consideration of Draft Report to the Third Committee (E/CONF.2/C.3/A/W.52) -

Continued.

1. On the suggestion of the Cuban delegate it was agreed to refer to the Cuban amendment to paragraph 4 of Article 17 which had been referred originally to the Joint Working Party of this Sub-Committee and Sub-Committee D of the Sixth Committee, but which was now being considered by the Tripartite Working Party. The Cuban delegate reserved his position pending the outcome of the consideration of this proposal and of the Tripartite Working Party's suggestion to amend Article II of the General Agreement on Tariffs and Trade, and stated that he had been instructed by his delegation to say that this was a reservation on the Cuban delegation's whole position with respect to the acceptance of the Charter by its Government.
2. On page 8, in the General comments referring to Article 18, it was agreed, on the suggestion of the United States delegate, to delete the explanation of new paragraph 3 on the grounds that such a brief description might be misleading, and to add the words "on goods" after "internal taxes" in the fifteenth line, as suggested by the Mexican delegate.
3. On the United Kingdom delegate's suggestion it was agreed to explain that although the Norwegian proposal (page 10) received no substantial support, the Sub-Committee expressed sympathy with the objectives of this proposal.
4. On page 11, the second explanatory paragraph under paragraph 6 referring to an Irish mixing regulation was revised, at the suggestion of the delegate for Ireland, to state that the regulation in question "clearly contemplated" instead of "specifically provided for" certain changes which would not be precluded by paragraph 6 of Article 18.
5. It was agreed, on the suggestion of the United States delegate, to delete from the text of sub-paragraph 8 (b) of Article 18 the words "not inconsistent
/with the provisions

with the provisions of Section C of this Chapter" and, on the suggestion of the Mexican delegate, to add to the explanation under sub-paragraph 8 (b) on page 12, the following:

"....At the same time the Sub-Committee wishes to record its view that nothing in this sub-paragraph or elsewhere in Article 18 would override the provisions of Section C of Chapter IV."

6. The delegate for Ecuador, not a member of the Sub-Committee, proposed the following addition to paragraph 8 (a) of Article 18:

"....nor to monopoly margins or internal taxes on products subject to state monopoly, when these monopolies operate for revenue purposes."

There was no support for this amendment, but, in order to meet the point raised by Ecuador, the Sub-Committee agreed to delete paragraph 3 under Recommended Consequential Changes on page 12 and to substitute (a) an explanation regarding the charges imposed on imported products by state monopolies in Ecuador, to which, with certain modifications, the Sub-Committee considered Article 31 and not Article 18 would apply, and (b) a recommendation to the Third Committee that the following interpretative note be added to Article 31:

"The term 'maximum import duty' would cover the monopoly margin which has been negotiated or which has been published or notified to the Organization, whether or not collected at the customs as an ordinary customs duty."

The delegate for Ecuador said that he could accept this explanation and the interpretative note, but reserved his delegation's position provisionally pending action by the Third Committee.

7. The delegate for Venezuela, not a member of the Sub-Committee, explained a particular problem relating to the most-favoured-nation clause of Article 16 with which his Government was concerned. Venezuela, as a standard commercial practice for the past eighty years, had imposed a surcharge on products imported into Venezuela which had been re-exported via the Colonial Antilles and the Guianas. The Venezuelan delegate asked the Sub-Committee to consider whether or not this practice would be contrary to the provisions of Article 16.

It was agreed to consider this problem further at the next meeting.
