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

Summary Record

Fourteenth Meeting in Executive Session held on
Monday, 9 June 1947, at 2.30 p.m. in the Palais
des Nations, Geneva.

Chairman: The Hon. L. D. Wilgress (Canada)

1. Progress of Tariff Negotiations

The CHAIRMAN, in his capacity of Chairman of the Tariff Negotiations Working Party, referred to document E/PC/T/86 in which was presented the Working Party's recommendation that a questionnaire be addressed to Delegations fortnightly in order that the Working Party might obtain a clear indication of the progress being made in respect of the various tariff negotiations.

Subject to the deletion of the word "satisfactory" from the proposed second question of the questionnaire, the Report was adopted.

2. Statement by the Delegate of Belgium

Mr. FORTHOMME (Belgium) read a statement on the general policy of the Committee with regard to the Charter. He mentioned the purposes laid down in the original draft of the Charter and he stated that the Belgium-Luxembourg Economic Union had accepted membership of the Preparatory Committee on the understanding that its debates and activities would serve to perfect a Charter as an instrument of economic liberation.

In the discussions of the Committee, however, there was evident a trend in the direction of confirming each and every privilege simply because it exists and of condoning every form of restriction merely because it has become a habit; at the same time there was a general refusal to face the fact that the protection gained by these practices would have to be paid for many times over by the disastrous consequences they entail. He said that these developments were a cause of great anxiety to the Belgium-Luxembourg Delegation; a status of privilege is being given to state-trading countries, to countries which give and receive preferences, to under-developed countries etc. But from these special provisions the Belgium-Luxembourg Union would gain no advantage.

Mr. Forthomme continued by declaring that the Belgium-Luxembourg Union had always been cautious in matters of protection and, together with the Netherlands, had again shown moderation in the new common tariff which is the basis of the present negotiations; they would have resort to the exceptions allowed by the Charter only in the last extremity and unfortunately the development of the Charter was such that it might soon threaten disaster for a country such as Belgium which would be bereft of means of action while other countries were fortified by exceptions and privileges.

Consequently, Mr. Forthomme declared that the Charter would be the death sentence of the Belgium-Luxembourg Union unless there was a return to the original spirit of freedom and a striving for ever freer trade; the sacrifices of each Member should be proportionate to their economic power and to the special privileges they enjoy, and a greater measure

of equality should be established in the means of action and defence available to each Member while general prosperity should be sought in orderly and balanced developments.

Dr. SPERKENBRINK (Netherlands) said that his Delegation fully shared the feelings of their Belgian colleague on many matters, but on certain problems they differed somewhat in opinion; for example the Netherlands had established some degree of state-trading in agricultural products and were interested in the development of certain areas such as the East Indies.

Mr. FAIVOVICK (Chile) suggested that there should be a special meeting of the Executive Committee for a discussion of the statement made by the Belgian Delegate and of the general position of this Conference with regard to the main principles laid down in the Charter.

Mr. MARTINS (Brazil) said that the principles expressed in the Belgian statement were acceptable in general but he wished to mention that one of the purposes of the Charter should be to harmonize the relations between developed and undeveloped countries; the Charter, he said, must reflect existing differences in the level of industry.

Mr. AUGENTHALEF (Czechoslovakia) agreed that a special meeting should be held to discuss the Belgian statement.

On the proposal of the CHAIRMAN it was agreed that a special meeting of the Preparatory Committee in Executive Session should be arranged by the Executive Secretary.

The meeting closed at 3.35 p.m.