

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

COMMITTEE II

Eleventh Meeting
held on Wednesday, 20 November 1946 at 3 p.m.

Chairman : Dr. COOMBS (Australia)

1. Continuation of Consideration of the Provisions of the Report
of the Technical Sub-Committee.

Article 9 (continued)

The CHAIRMAN stated that the Secretariat had consulted the Rapporteur of the Procedures Sub-Committee with respect to the wording of paragraph 5. It had been amended to accord with the decision of the Procedures Sub-Committee, and might be adopted without further change.

Article 9 was adopted.

Article 10

Mr. MORTON (Australia) stated that his Delegation had submitted comments with respect to paragraph 6. The fact that he made no verbal objections was not to be construed to mean that he had none.

The CHAIRMAN said that comments such as those to which Mr. MORTON had referred would be forwarded with the Report of the Technical Sub-Committee to the Drafting Committee.

Article 10 was adopted.

Article 11

Mr. Van KLEFFENS (Netherlands) suggested that the following clause be added to the end of paragraph 1:

"including margins corresponding with subsidies granted in accordance with or pursuant to Article 25, paragraph 5 of this Charter."

Corresponding wording should be added to paragraph 2.

In response to a point raised by the Delegate of France, he said that his suggestion was put forward in connection with arrangements made in relation to commodity agreements.

Mr. LAWRENCE (New Zealand) indicated that paragraph (b) of the report relating to paragraph 1 of the Article would not be satisfactory to the New Zealand Delegation.

He felt that paragraph 2 of the Article should contain some reference to shipping or freight concessions.

He was submitting comments on those subjects.

Article 11 was adopted.

Article 12

Mr. MORTON (Australia) called attention to a typographical error in paragraph 2 (c) (page 19 of E/PC/T/C.11354). The words "rates of exchange either one or more than one rate for each dual- or multiple-" should precede the words "rate currency may be so fixed." in the last line of the paragraph.

The CHAIRMAN said the correction would be made.

Article 12 was adopted.

Article 13

Mr. RHYDDERCH (United Kingdom) said that paragraph (c) of the comments regarding paragraph 3 of the Article did not accurately reflect the views of the Sub-Committee. It had been agreed by all but the Delegate of the United States that the final sentence of paragraph 3 should be deleted.

Article 13 was adopted.

Article 14

Mr. MORTON (Australia) suggested that, in paragraph (a) of the comments regarding paragraph 3 of the Article, the reference to "Australia, New Zealand and South Africa and others" be changed to read "Australia, New Zealand, South Africa and the majority of other Delegations", since a large number of Delegations had supported the comment.

Mr. LAWRENCE (New Zealand) said that the New Zealand Delegation would submit comments on paragraph 3 with particular reference to the term "serious inconvenience".

He would also submit a statement with regard to geographical marks of origin.

Article 14 was adopted.

Article 15

Article 15 was adopted.

Article 16

Article 16 was adopted.

Article 17

Mr. TUNG (China) withdrew the comment in paragraph (d) (page 32).

Mr. DIMSCHKIE (Lebanon) wished the comment of his Delegation (paragraph (e)) to read:

"Boycotts are not usually carried out for economic, but for political reasons. Therefore, they do not fall within the competence of the Preparatory Committee.

The article should be deleted."

Article 17 was adopted.

Article 32

Mr. OPTEDAL (Norway) referred to the statement, on page 53, that the amendment had been accepted "subject to later review of its precise wording". Would it be desirable to submit precise wording now?

The CHAIRMAN suggested that the wording should not be discussed. Any written proposal submitted would, of course, be passed on to the Drafting Committee.

Article 32 was adopted.

Concluding Remarks

Adopted

The CHAIRMAN stated that, subject to the corrections made and the comments submitted by various Delegations, the report of the Technical Sub-Committee was adopted.

He thanked the Sub-Committee, its Chairman and Rapporteurs, for the valuable work done in studying the difficult and complex problems presented to them.

2. Message to Committee II from Joint Committee on Industrial Development

The CHAIRMAN read the following message from the Joint Committee on Industrial Development:

"In the light of recommendations regarding industrial and general economic development which the Joint Committee is making to the Preparatory Committee, the Joint Committee requests Committee II to make a provision in Article 18 of the Chapter dealing with Commercial Policy, so that the Organization and other Members should, when considering the contribution which a Member can make to a

reduction in tariffs, take into account the height of the tariff of that member, and the need, if any, of that member to use protective measures in order to promote industrial and general economic development.

"The Joint Committee also requests that in Article 20 provision should be made to cover the position of a member who, as a result of its plans for industrial development or reconstruction, anticipates that its accruing international monetary resources will be inadequate to finance the needed imports of goods, for example, capital goods, for the carrying out of such plans unless it imposes regulations restricting the import of certain classes of goods, for example, consumer goods."

It was agreed to refer the first paragraph of the message to the Procedures Sub-Committee, and the second paragraph to the Sub-Committee on Quantitative Restrictions and Exchange Control, and to ask the two Sub-Committees to take the requests into account in their deliberations, and to report to Committee II on the action taken.

Mr. NEHRU (India) asked whether any method of determining the height of tariffs had been suggested. If not, the phrase was worthless.

The CHAIRMAN said the point would properly be dealt with by the Sub-Committee on Procedure. The attention of the Sub-Committee would be drawn to it.

3. Quantitative Restrictions

Mr. VIDELA (Chile) suggested consideration of the question of a truce to quantitative restrictions.

The CHAIRMAN thought the point was one for the Sub-Committee on Quantitative Restrictions in the first instance.

It was agreed to refer the suggestion to the Sub-Committee on Quantitative Restrictions for consideration and report back to the Committee.

4. Suggestion for Immediate Consideration of the Report of the Procedures Sub-Committee

Mr. KUNOSI (Czechoslovakia) suggested that the committee should begin its consideration immediately of the report of the Procedures Sub-Committee. It was an important and lengthy report, which should receive full

consideration by all Delegations before they left London on the conclusion of the Preparatory Committee's Session. He had seen a copy of the Sub-Committee's draft report, which was in process of being completed. Would it not expedite the work of Committee II, and avoid duplication of the discussion which must take place, if the full Committee began its discussion there and then, rather than wait until the Sub-Committee's report had been brought to finality?

Mr. SPEEKENBRINK (Netherlands), Chairman of the Procedures Sub-Committee, explained that the Sub-Committee was discussing the memorandum relating to tariff negotiations, and that observers from all Delegations had been invited to attend the meetings of the Sub-Committee. He felt it would be unwise to submit the Sub-Committee's report in draft form, since substantive changes were in the process of being made. The report of the Sub-Committee was in two parts, one relating to the draft Articles referred to it for consideration, and the other a memorandum relating to the tariff negotiations in the Spring.

It was agreed that the first part of the report should be completed by the Sub-Committee, and should be available for distribution by 7.30 p.m. on Wednesday, 20 November, as Document No. E/PC/T/C.II/57. The memorandum to be distributed on the following day (Thursday, 21 November). Both the report and the memorandum to be considered by the full Committee at its meetings on Friday, 22 November, beginning at 10.30 a.m.

The meeting rose at 5 p.m.
