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PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

COMMITTEE III

REVISION OF ARTICLE 34 OF UNITED STATES DRAFT CHARTER
PROPOSED BY THE BRAZILIAN DELEGATION

To the Secretary, Committee III.

The Brazilian delegate, after examining the new draft of Article 34 and its sub-sections, submitted by the Canadian delegate, Mr. MCGREGOR:

1. expresses his approval of the new text of paragraph 1;
2. is also in agreement with the draft of paragraph 2; with the exception of the final phrase ("shall be subject to investigation if they appear to have such harmful effects"). On this point, Brazil considers well-founded the conclusions drawn by the delegates of Norway and Lebanon, who considered it would be of use to name the organization responsible for such investigation and to define the action which should be taken to eliminate practices which have been declared harmful;
3. proposes the following amendments:
 - (a) to incorporate in the text of paragraph 3, sub-paragraph (a) the words: "and particularly dealing with the practice of dumping." Brazil advances the following arguments in support of this proposal:— It would be of use to make express reference to dumping among the practices mentioned in paragraph 3. If dumping is to be condemned even when carried out by single firms (which is the exception) it seems evident that it is much more dangerous when carried out by combinations of firms. Such express reference moreover would have the advantage of

emphasizing that dumping runs counter to the spirit of the Charter we are about to adopt. This would be a valuable declaration since the United States Suggested Charter, although it mentioned dumping, does not in so many words condemn it. The Charter deals with dumping only in relation to the measures which may be taken against it and the extent to which these measures can be considered legitimate, which might be interpreted as a tacit admission of the legality of dumping;

(b) to incorporate in paragraph 3, a further item, (g), to read as follows:- "resulting directly or indirectly in the obstruction or delay of economic development in countries in the process of industrialization".

Brazil proposed that this question be dealt with under paragraph 1 (c) in the agenda (See Doc. E/FC/T/C.III/4). In view of the opinions expressed by the United Kingdom delegate, in the committee meeting held on Wednesday, 30 October, it was agreed to incorporate this point in the text of Article 34 and its sub-sections, where its inclusion seems more appropriate.

Monteiro de Barros.