

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENTCorrigendum to Verbatim Report of Twenty-seventh
Meeting of Commission A (E/PC/T/A/PV/27)

The following texts should be substituted for the remarks made by the Delegate of the United States appearing on the pages listed below:

Page 5:

Mr. George BRONZ (United States of America): The amendments proposed by the United States to Paragraph 1 involve two points. The use of the words "The Members" at the beginning of the Article gives the impression that quantitative restrictions for balance-of-payments reasons are expected to be the normal procedure. We did not think that was the intention of the Article and we felt it could be clarified by using the words "some Members", with appropriate other changes in the text. There are other possible ways of meeting the same difficulty. You could say "A Member may need to use import restrictions" and have the entire paragraph changed accordingly.

The second suggestion is to introduce the word "temporarily", again to emphasize the fact which we felt was clearly understood though imperfectly expressed in the paragraph, that quantitative restrictions are not to be used as a permanent procedure for permanent balance-of-payments difficulties, or at least that we did not foresee permanent balance-of-payments

difficulties necessitating permanent quantitative restrictions or the continuing use of quantitative restrictions, but they are designed as a temporary expedient to meet difficult problems which a country may encounter for a temporary period.

Pages 20, 21 and 22:

Mr. BRONZ (United States of America): Mr. Chairman, with reference to the last point of the Delegate of Czechoslovakia, we were aware of the inconsistency of having a provision in Article 28, which article is entitled "Exceptions from the Rule of Non-Discrimination", which in effect constitutes either an exception or an explanation of a restriction that would be an exception to the entire section. It is for that reason that we proposed that the provision be moved from Article 28 to Article 29 and be clearly worded as an exchange provision, rather than as being tied to the quantitative restrictions on imports. Our Amendment in this regard is contained in the Agenda as Note 59. It was our opinion that such a provision was really not necessary at all; that the restriction is purely an exchange restriction requiring exporters to take only specific currencies, and permitting exports for any kind of exchange which the country might not want to accept. But in order to remove any ambiguity we left in London, we now suggest it would be made even clearer by removing the provision to Article 29.

I think that will meet the problem that the Czechoslovak Delegate has in mind.

I fear that the language proposed by Czechoslovakia in Article 26 would have very much broader implications and might possibly open an entirely new field of quantitative restrictions which would seriously as a result change the character of these provisions.

With respect to the other Amendments proposed: as to the French Amendment we join with many other Delegations in saying that we think the language of Section 2(a) could possibly be further clarified to meet the objective of the French Delegation, and without undertaking to support the precise words submitted by the French Delegation, we think that language can be worked out in Sub-Committee.

Likewise we feel that the Australian proposal in general is acceptable, subject to possible rewording of the language.

I am a little disturbed by Mr. Helmore's objections to my proposal to include the word "temporarily". Mr. Helmore has told you that in the United Kingdom the word "temporarily" does not necessarily have a very limiting effect, and I might testify that on the other side of the ocean the word has been sometimes extended too. For example, I am now near the end of my fourteenth year in the service of my Government, and have only held "temporary" positions during all that time.

We have always looked at paragraph 1 of Article 26 as, in effect, the preamble to the remainder of the Article. It sets forth the general principles and purposes of the remaining language of the Article, but the precise tests are included in paragraph 2 and in the following paragraphs. If we felt that the language of Paragraph 1 were a precise test on which to justify quantitative restrictions we would have considerable doubt about the breadth of the language itself.

If we accept the word "temporarily" - a word looking the other way - it would not necessarily mean that that word would constitute a precise test, except to indicate in a general sort of way the objective to be borne in mind in working out the meaning of the much more precise language in Paragraph 2(a).

We feel it is quite important in this Article, in setting forth the general principles, that we should emphasize the notion which we felt was implicit in the London Draft, that quantitative restrictions are not regarded in this Charter as a permissible permanent policy of a Government. The general prohibition in Article 25 has been generally agreed to. Article 26 provides an exception for balance-of-payments difficulties. We hope that no Government proposes as a permanent policy to remain in balance-of-payments difficulties for ever. It would therefore seem to be entirely in keeping with the spirit of this portion of the Charter to use the word "temporarily" without intending that that word should cover a period of one year, two years or three years, or any other precise time; that is, that restrictions of this character should be temporary and their duration should be measured by the duration of the need for them, as set forth in Paragraph 2(a) and elsewhere in the Article.