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

VERBATIM REPORT

THIRTIETH MEETING OF COMMISSION A

HELD ON WEDNESDAY, 16 JULY 1947, AT 2.30 P.M. IN THE  
PALAIS DES NATIONS, GENEVA

Mr. ERIC COLBAN (Chairman) (Norway)

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CHAIRMAN: The meeting is called to order.

To begin with, I would remind the Commission that we have referred a certain number of points either to the Legal Drafting Committee or to other Committees. I do not need to go through it now, but I would just note that they refer to the drafting of articles 16, 19, 20 and 22. These are drafting questions and I would ask the Secretariat to kindly draw the attention of the Legal Drafting Committee to these points.

Then, we have a point referred to the sub-committee on Articles 34, 35 and 38. That was the question concerning where to place article 36. I would therefore ask the Secretariat, if it has not already been done, to approach the respective sub-committee or, if necessary, the Steering Committee.

Finally, we adopted at our last meeting the American proposal to transfer certain of the sub-paragraphs of Article 57 to some place at the end of the Charter so as to make the exceptions mentioned in these sub-paragraphs exceptions not only from Chapter V, but from the whole of the Charter. We approved that, as I say, and it will now have to go, when the drafting of the last chapter of the Charter has been finished, before the Preparatory Committee.

This was only to remind you of some loose ends.

We had hoped to have been able today to go through article 18 on Customs Values, but I have been informed by the representative of Australia, who had asked for a certain postponement, that unfortunately he has not yet got his instructions, and he has asked us to hold this question over for another week, and I think that we should fall in with that wish.

MR. G.B. URQUHART (Canada): Mr. Chairman, I wonder if there is any indication that we will be able to discuss article 18 in another week?

CHAIRMAN: Well, the position is that we have now given a fortnight, and if we give another week my intention would then be, if there is any question of further postponement, to say that unfortunately we cannot grant further postponement, and if the Australian Delegate finds it impossible to fall in with the views of the rest of the Commission, he cannot do anything but reserve his position and hope that, before the question finally comes before the full Preparatory Committee, he will be able to withdraw his reservation.

We pass on now to the next point, that is, the examination of the New Zealand proposal for an addition to article 21, paragraph 5. You will find it in document E/PC/T/103 on pages 34 and 35. There you have the text of the new paragraph 5, which has been unanimously agreed to by the members of the sub-committee, and you will remember that the New Zealand Delegation suggested an addition: "Nothing in this paragraph shall require the elimination or substitution of existing procedures which conform fully to the principles of this paragraph". There was an objection to this that it left the door wide open for different procedures from what is intended by the text of paragraph 3, and we then suggested that the New Zealand Delegate should get into touch with one Delegate, that is, the Delegate of the United States, who objected to the New Zealand proposal, in order that they might work out some text that might be acceptable to all of us. I would ask the Delegate of New Zealand whether he is now able to submit such a text?

CHAIRMAN: The Delegate of New Zealand.

Mr. J.P.D. JOHNSON (New Zealand): Mr. Chairman, in accordance with the suggestion made at the last meeting, I have conferred with the Delegate of the United States, also other Delegates who have an interest in the matter, and a text has now been prepared, copies of which have been circulated this afternoon, which outlines the provision which would be acceptable to the Delegations concerned.

The effect of it is that the existing paragraph 3 would be made sub-paragraph (a) and that there would be a new sub-paragraph (b) reading as follows:-

"The provisions of sub-paragraph (a) of this paragraph shall not require the elimination or substitution of procedures in force in a Member country on the day of the signature of this Charter which in fact provide for an objective review of administrative action, even though such procedures are not fully or formally independent of the agencies entrusted with administrative enforcement. Any Member employing such procedures shall, upon request, furnish the Organization with full information thereon, in order that the Organization may determine whether such procedures conform to the requirements of this sub-Paragraph."

It will be noted that the matter is brought under the purview of the Organization, and we thought that would be satisfactory in the circumstances.

CHAIRMAN: You have heard the text suggested by the Delegate of New Zealand. As far as I can see, it is entirely satisfactory and I would like to know whether any Delegate has any objection.

No objection? It is agreed.

We now pass on to certain questions concerning Article 37. The first is brought up by a suggestion by the Delegate of the United Kingdom to insert a new sub-paragraph; "undertaken in

pursuance of obligations under inter-governmental commodity agreements concluded in accordance with the provisions of Chapter VII." I would, in connection with this United Kingdom proposal, draw your attention to what is contained in Document W/228. On page 8 of that document it is said that the sub-Committee recommends, and I can add that Commission B agree, that "agreements falling under Chapter VII should be classed as an exception to Chapter V...with the consequential deletion of sub-paragraph (d) of paragraph 2 of Article 25".

Does the Delegate of the United Kingdom want to speak on this proposal?

Mr. G. IMMS (United Kingdom): No, I do not wish to add any remarks.

CHAIRMAN: The Delegate of the United States.

Mr. H.M. CATUDAL (United States): Mr. Chairman, I believe it was at the request of the United States Delegation that this matter was raised last time. I wish to state that we are prepared to accept the wording that is proposed here.

Are there any further remarks on this proposal ? I would remind you that it has already been approved by Commission B.

Any remarks ?

(Adopted).

We have a further point on Article 37, also connected with the report of the Sub-committee on Chapter VII and passed by Commission B. You will find it on page 8 of Document W.228; "Pursuant to its decisions to bring conservation agreements partly within the provisions of Chapter VII (see Article 62), the Sub-committee further recommends acceptance of the proposal made to the Working Party on Technical Articles (E/PC/T/103, page 47) to delete, in Sub-paragraph (j) of Article 37, the words 'are taken pursuant to international agreements or' ".

I would remind you that the same suggestion was made on another occasion.

MR. E.L. RODRIGUES (Brazil): I would call your attention to Document W/239 page 5 where it states that Commission B adopted the proposal to delete the words "are taken pursuant to international agreements or" from Sub-paragraph (j) which now reads as follows:

"(j) Relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption:"

CHAIRMAN: The question has been so well treated that it is in different documents in the same sense.

Is Commission A in agreement with the Brazilian suggestion to delete the words from Sub-paragraph (j) "are taken pursuant to international agreements or" ?

(Agreed).

If you will now turn to document W/228, page 19, you will

find a further note of interest. There is a footnote referring to Sub-paragraph (d) on the same page: "A proposal has been made for the deletion of this sub-paragraph in the light of an amendment to be considered by Commission A regarding the exclusion of such agreements from the whole Charter."

We have had to deal with these different sub-paragraphs in Commission A and we agreed that they should be inserted in one of the last Articles of the Charter so as to make them applicable to the whole of the Charter. For that reason I take it that Sub-paragraph (d) of Article 62 of Chapter VII will, as suggested by Commission B, disappear. It is simply a repetition of what is contained in a number of Sub-paragraphs of Article 37 which now goes over to the end of the Charter. I take it we have no decision to take on this question; we should simply ask the Secretariat to draw the attention of the Drafting Committee to the fact that there is no objection on our part to the striking out of Sub-paragraph (d).

I now come to a most delicate question. You will remember that after a very long and difficult discussion, we arrived at the text for paragraph (b) of Article 37 "necessary to protect human, animal or plant life or health, provided that corresponding safeguards are applied in the importing country if similar conditions exist in that country". The Secretariat and I were asked at our last meeting whether we could not make this text somewhat clearer by an explanatory note.

We have tried to do so. I do not know whether such an explanation needs to go into the Charter as an explanatory note to the Charter; but my own construction of the text of Sub-Commission I is this, that if a country decides to restrict the importation of goods in order to protect its human, animal or plant life or health, it should be able to prove that it would itself take measures which correspond to those it would take if similar conditions should prevail in the importing country.

This simply means that it is not enough if Norway wants to stop the import of certain goods from, say, Great Britain, to say, "Well, we do it to protect life or health". They should be able to prove that <sup>should</sup> similar conditions prevail in Norway as in Great Britain - conditions against which Norway tries to protect herself by import prohibition - then Norway would apply quite a string of restrictive measures inside its own doors, and not only let the exporting country bear the full burden of the unfortunate occurrence of some animal disease, or something of the kind.

It is not a very good drafting as it stands in the Draft Charter, and no explanation can make it better; but I hope that what I have said will bear out what it is intended to say.

I repeat, that we should show a kind of collective interest in preventing the spread of diseases, and we cannot simply say, "No, we won't have any of your goods, because there is such and such a disease in your country". No, we must have a system for protection against such diseases as would be satisfactory, and on the level which is, in modern science, considered a reasonable precaution to take.

I do not think it can mean anything but that.

The Delegate of the United States.

Mr. CANTUDAL (United States): Mr. Chairman, I believe that the formulation of this Note in specific terms shows how difficult it is to attempt to explain a provision which was arrived at after long attempts to get language that would be satisfactory to different interests involved.

You will recall the long problems we had in New York and here which were both on this provision; but without going into my specific objections to the note, I wonder whether the Commission would agree simply to leave the language as it stands in the text, without an explanatory Note.

I just make that suggestion.

CHAIRMAN: The Delegate of South Africa.

Mr. CHERRY (South Africa): I should like to support that suggestion by the United States Delegate. We have been considerably puzzled as to how exactly a country will provide proof that it would take steps, if say someone should say a particular disease did exist in a country when, in fact, that particular disease does not exist in the country.

We thought the only proof that could be produced would be to say the Disease "A" does not exist in the importing country; but they might also produce the proof that they have a perfectly efficient Health Department or Agricultural Department, which is at the moment taking steps internally on Disease "B", which, as it happens, does exist in the country, and they might do the same thing in Disease "A".

CHAIRMAN: The Delegate of Belgium.

Baron P. de GAIFFIER (Belgium): Mr. Chairman, the Belgian Delegation is of the opinion that this Explanatory Note is useful, important and interesting. Therefore we would support the inclusion of these comments in the Report of the Preparatory Committee.

CHAIRMAN: The Delegate of France.

M. ROUX (France) (Interpretation): I am inclined, Mr. Chairman, to go even further than the Delegate of Belgium goes. It seems to me that the Explanatory Note is not only well drafted but, if anything, it is better drafted than the subparagraph itself. In those circumstances I suggest that we might very well revise the paragraph in question. In that case subparagraph (b) would include two sentences; the first would be "Necessary for the purpose of protecting human, animal or plant life or health," which is part of the actual text. Then we would go on and insert a second sentence based on the Explanatory Note, which would run approximately as follows: "When a country decides, in implementation of this provision, to restrict imports of certain goods, this country shall adopt internal measures of protection corresponding to those which it takes with regard to importations, if conditions analagous to those which have justified these measures of protection exist also on its own territory."

You will remark, Mr. Chairman, that my proposal is essentially based on the Explanatory Note, with one exception, however; that I have not inserted the obligation to furnish the proof.

CHAIRMAN: We have the proposal of the Delegation of France. It simply comes to this: not to have any

Explanatory Note but to try to ameliorate the text of the subparagraph itself. Would that be agreeable to the Belgian Delegate?

Baron P. de GAIFFIER (Belgium): Quite agreeable, Mr. Chairman.

CHAIRMAN: And to the Delegate of the United States?

Mr. H.M. CANTUDAL (United States): When we re-open this paragraph, I would like to suggest that it should be "necessary to protect human, animal and plant life or health." It seems to me the protection you would get by the additional phrase is worded in such a peculiar fashion that no one knows exactly what it means. What is the corresponding safeguard? The safeguard we take at the time of importation? If you are trying to protect yourself, say, from bubonic plague, it is to exclude any article that may give rise to bubonic plague. What corresponding safeguard is there to exclusion?

As for the protection needed for exporting countries, to see that this is not abused, it seems to me that is afforded one by the headnote to the Article, which reads, in some detail: ". . . such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade . . ."

Then there is a provision in the first paragraph of Article 35 which provides that countries may make representations regarding the application of sanitary laws and regulations, and that the other country must furnish full information regarding any such representations in order that a full and fair appraisal

of the situation may be made. For those reasons, it seems to me that if you use the term "measures necessary to protect human, animal or plant life or health" you add nothing whatsoever but confusion, if you attempt to add either the language which we have now, which is provided in the proposed Explanatory Note, or that which is proposed by the Delegate of France.

Mr. J.G. CHERRY (South Africa): Mr. Chairman, we think that the statement made by the United States Delegate is a particularly able one, in our opinion, and we would like to support it.

CHAIRMAN: We have got the proposal of the United States Delegation, that we should re-draft sub-paragraph (b) so as to read simply "Necessary to protect human, animal or plant life or health".

I would like to say that, at an earlier opportunity, I myself found the present text not clear and practically impossible to explain in a satisfactory way. So, unless there are strong objections on the part of any delegate, I would perhaps suggest that we accept the proposal of the United States Delegation.

M. ROUX (France) (Interpretation): Mr. Chairman, in view of the misuses which have been made in the past of sanitary regulations, and of damages caused in this way to exporting countries, it would be regrettable if we were bound to renounce any clarification of the provisions of sub-paragraph (b). However, the discussion which was raised here shows clearly that this Commission is against any possibility of this provision being used as a measure of protection in disguise. In these circumstances, we might follow the advice of the United States Delegate, but at least I should like to insist that we maintain the text, which was, to my understanding, the French translation of the English text; that is to say, the maintenance of the word "necessary". The sentence would read: "...measures necessary for the protection of human, animal or plant life or health".

CHAIRMAN (Interpretation): I wish to thank the Delegate of France for his statement, and I may assure him that we have adopted the word "necessary" to replace the word which can be found in the previous French text. Any other observations?

Baron P. de GAIFFIER (Belgium) (Interpretation): Mr. Chairman, on behalf of my Delegation, I regret to tell you that we have taken the decision to suppress the sentence in sub-paragraph (b) which begins with the reserve. I agree with the representative of the United States, that the introductory sentence to Article 37 covers, more or less, the same reserve which was formulated in sub-paragraph (b). Therefore, it seems much clearer/<sup>not</sup> to repeat it, and if we are all agreed that the three lines in sub-paragraph (b) have the same aim as the introductory sentence to Article 37, then we can omit them as well, and if the majority of the Commission are of the same opinion as I am, I would urge that we take out the three lines in sub-paragraph (b), which were there in the original text.

CHAIRMAN: You have heard the Delegate of Belgium say that if that is the opinion of the majority of the Committee he will accept the American suggestion, but he expresses the hope that the majority of the Committee will maintain the previous text.

Is there any Delegate who wishes to speak in support of the Belgian proposal?

The Delegate for the Netherlands.

DR. S. KORTEWEG (Netherlands): Mr. Chairman, I fully agree with all the arguments which are against adding the words "Necessary to protect human, animal or plant life or health". Against all those texts you can say what the Delegate of the United States has said - they are not clear, and it is difficult to understand them if you have not followed all the discussion on them. Nevertheless, I think everyone will catch the idea, and I should like to stress this more than only at the beginning of this Article. Therefore, I think I must support the provision of the Belgian Delegate.

CHAIRMAN: Are there any further remarks in support of the Belgian proposal?

M. ROUX (France) (Interpretation): I am also in favour of the Belgian proposal.

CHAIRMAN: Well, I must not be guided by my personal preference so I must give the other Delegates an opportunity of expressing their views, but if nobody else wants to speak in support of the Belgian proposal, I have come to the conclusion that the great majority of the Commission prefers the new drafting: "Necessary to protect human, animal or plant life or health". Is that agreed?

Agreed.

The Delegate for Australia.

DR. H.C. COOMBS (Australia): There are two issues, Mr. Chairman, which I would like to raise in connection with Article 37, and I apologise for raising them here but one of them, at any rate, is a policy issue <sup>it</sup> which I suggest may have been difficult to give adequate consideration in the technical discussion on this Article before.

I want to refer, first of all, to Article 37(c), which relates to fissionable materials. This is a most difficult question, Mr. Chairman, and I do not want to indicate definitely what our views are as to what the provision finally would be, but I want to raise certain quite difficult issues which, I think, suggest that we ought to consult elsewhere before we finally decide upon the content of this exception.

Fissionable materials, of course, are most popularly associated with atomic bombs, but it is clear also that they may become quite quickly a major source of industrial power. That may be an even more important consequence than the discovery relating to them and their destructive effects.

I only want to point out, Mr. Chairman, that the inclusion of Article 37(c) in its present form would, in the event of atomic energy becoming a major or a most important source of industrial energy, enable countries which had, for instance, exclusive supplies of those materials to impose any restrictions they liked upon their export, and in that way reserve for themselves the benefits of scientific change in a way which would be quite contrary to the general spirit of the Charter.

Now, I quite agree that the relationship of these things to security matters does raise very difficult problems, but, so far

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as we are concerned, we are a trade organization, and it would appear to me that our aim in relation to these materials would be to ensure that they are available on commercial terms to any country which needed them for trade purposes. It may not be possible to do that and take care of security measures, but security measures, I suggest, are not our concern. However, obviously one cannot ignore security measures, and I would like to suggest, Mr. Chairman, before we agree finally to the inclusion of Article 37(c) in this Article, that we should perhaps for the time being put it into square brackets, and should advise whatever is the appropriate international organization that there are trade problems associated with fissionable materials. They cannot be divorced from security and other measures and we should ask advice, <sup>from</sup> or for the opportunity for consultation with, whatever is the most appropriate international body regarding the way in which this item should be treated.

CHAIRMAN: The Delegate of Australia.

Dr. H.C. COOMBS (Australia): The other point I wish to raise, Mr. Chairman, relates to Article 37 (j). I say that we are in general sympathy with both the object of including this exception and of the purpose of the limitations which are placed upon it.

We have some little concern, however, about the proviso relating to whatever the restrictions imposed on exhaustible natural resources are - that they should be associated with restrictions on domestic production or consumption. As I say, we agree with the purpose of that. For instance, it should not be possible to impose export quotas or prohibition while domestic use is freely permitted. We are a little concerned, however, that there may be cases where the rate of domestic consumption is extremely conservative for technical reasons apart from the imposition of any restrictions, and we would not wish it to be necessary to impose further limitations on an exploitation of these resources which was conservative in the sense intended here, but where in the absence of any forms of restrictions the exploitation would tend to exhaustion.

I have no specific propositions to put forward, Mr. Chairman. On this, as on the previous Article to which I referred, my purpose in raising these points here is to ensure that we have a little time to give further thought to both these questions, in order that when our ideas do become clearer, we can submit them either to a sub-Committee, if you appoint one, or, if not, it would be possible for us to return to this at a later date, before the end of the Conference Session.

CHAIRMAN: You have heard the two suggestions of the

Australian representative. Let us first settle the question of sub-paragraph (c) relating to fissionable materials. The Delegate of Australia suggests that we should arrange for this question of the commercial importance of fissionable materials to be submitted to the competent organ.

Any remarks?

The Delegate of the United States.

Mr. H.M. CATUDAL (United States): Mr. Chairman, I am caught a little short-handed by the introduction of these two matters, which I did not know were coming up today. However, it seems to me that the point of the Australian Delegate in respect of fissionable materials is to have a little time. It seems to me, with regard to that point, that that will be taken care of automatically, because all that this Commission has decided to do is to transfer this (c) and several other items to an appropriate place in the end of the Charter, so as to make it applicable to all the Charter.

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Now it is my understanding in connection with the United States proposal for a re-arrangement of certain Articles - including the question of where these particular security exceptions should appear - that they will all be discussed by Commission B. It seems to me therefore that at that time this question of fissionable materials should once again be raised.

CHAIRMAN: If nobody else wishes to speak on this point I would like to say that of course we can gain time by sending it on or by maintaining the position already taken that this one point should be submitted to the Preparatory Committee, which will decide whether or not it should be transferred from Chapter V into one of the final Articles of the Charter. But in view of the statement of the Australian Delegate it would, I think, be only fair that, when the Secretariat submits these Sub-paragraphs to the Preparatory Committee for a decision on inclusion in one of the last Articles of the Charter, it should draw attention to the observations made by the Australian Delegate.

Does the Australian Delegate agree to that ?

MR. H. HEKES (Australia) Yes.

CHAIRMAN: Is that agreed ?

(Agreed).

We pass on to the second observation of the Australian Delegate relating to Sub-paragraph (j). On this question also, the Australian delegate confined himself to asking for time and for consideration of his arguments. He did not propose any re-drafting in this Sub-paragraph and I think we can stand by it. Before the question goes up to be finally passed by the Preparatory Committee we shall all have had time to think it over and the Australian Delegate will have had time to formulate, if necessary,

an amendment or reservation.

Is that also agreed ?

MR. H. HEYES (Australia): I will report the matter to my Delegation, Mr. Chairman, if it is the wish of the Commission. I do not think we can go beyond that, but I take it that we shall have an opportunity to bring the matter up before the Commission again.

CHAIRMAN: I would also mention that we are going to have a further meeting as Mr. Morton has told me that he is quite prepared to discuss Article 18 at any time agreed upon. At that meeting, or subsequently, the Australian delegate would be able to present an amendment on Sub-paragraph (j) if he desired to do so.

MR. H. HEYES (Australia): We are waiting until advice has been received from our Government, and in order to be able to study it and perhaps give other Delegations advice, we would like the matter brought up again before the Commission, say, early next week if that is agreeable. We would also welcome the opportunity to raise this other question.

CHAIRMAN: We pass now to the last item. It is not on our Agenda but you will all have received this morning document W/245. It is a paper by the Secretariat and paragraph 2 contains a proposal for a new paragraph to Article 37. I hope you have all read it. It is not twenty-four hours since it has been in our hands, but there has been sufficient time to read it and I think we may proceed to an examination of it even if we do not come to a decision.

CHAIRMAN: Any objections?

Then it is agreed we go through this proposal.

"During the discussion on Article 15 in the Sub-Committee dealing with articles 14, 15 and 24 it was proposed that the use of differential internal taxes for the purpose of giving effect to price controls maintained by a country undergoing shortages subsequent to the war should be permitted for a transitional period. Therefore, the Sub-Committee has suggested that paragraph 2 (a) of Article 25, which now permits the use of quantitative restrictions for various transitional purposes, should be moved to Article 37 (general exceptions) and should be broadened to cover all measures otherwise proscribed by Chapter V. The effect of this would be to permit, during the postwar transitional period, the use of differential internal taxes and internal mixing regulations as well as quantitative restrictions in order to distribute goods in short supply, to give effect to price controls based on shortages and to liquidate surplus stocks or uneconomic industries carried over from the war period."

That was the suggestion of the Sub-Committee dealing with Article 15, and that Sub-Committee referred the proposal to the Sub-Committee on Articles 25 and 27, and that second Sub-Committee has agreed in principle to the removal of paragraph 2 (a) from Article 25, without any commitment as to its applicability to measures other than quantitative restrictions or as to the precise text.

You will then see that the Sub-Committee on Article 15 proposes that the contents of paragraph 2 (a) of Article 25 be transferred only to Article 37, and the other Sub-Committee

consulted by the first one said that as far as they are concerned (that is as far as quantitative restrictions are concerned) they have no objection.

The Sub-Committee on Article 15 considered it right that the new Article should follow not only quantitative restrictions but also differential internal taxes and internal mixing regulations; and then the first Sub-Committee has not presented any text but simply said, "Take paragraph (a) of Article 25 and place it in Article 37," and the Secretariat has drafted a text which you will find on page 2 of Document 245.

I have gone through that text. It is very much like the original text of paragraph 2 (a) of Article 25, and I do not think it would be worth our while to go through it word for word. We should try to come to a decision as to whether in principle we accept the Recommendation of these two Sub-Committees and are willing to recommend to the Preparatory Committee the inclusion in the Draft Charter of a new paragraph to Article 37.

We must also decide whether that new paragraph should remain in Chapter V, which I think is the right thing, or whether it should be sent over to the end of the Charter.

With regard to the Draft presented by the Secretariat, it formulates the new proposal as paragraph 2 of Article 37; but it contains three sub-paragraphs, and, of course, there is nothing to prevent us from adding each one of these paragraphs to other paragraphs of Article 37; but that is a question of drafting we can settle at our next meeting.

I now put it to the Delegates kindly to speak on the question of principle.

CHAIRMAN: The Delegate of South Africa.

Mr. J.G.CHERRY (South Africa): Mr. Chairman, there is only one point to which I wish to refer here. It may be considered a drafting point, but I would like to be certain on this point.

Referring to your remarks as to whether this should be a second paragraph or merely three headings added to the existing Article, I understand that this was put in as a second paragraph owing to the temporary nature of these three exceptions. We would like to be certain that the proviso at the beginning of Article 37, starting with the words "Subject to the requirement that such measures" down to the words "international trade", would apply with equal force to those three exceptions as to the headings already in the text of Article 37.

That proviso, if I remember rightly, Mr. Chairman, was inserted during the Church House discussions and it seems to be just as necessary with the three new headings as with the existing headings. We have no objection in principle to the transfer of this sub-paragraph in Article 25 to Article 37.

CHAIRMAN: Are there any further remarks?

You will have seen, on Page 1 of Document W.245, in the last line but one, "should be permitted for a transitional period", and you know that the original text of Article 25, paragraph 2(a) expressly speaks about "the early post-war transitional period." So I take it that if it is decided to accept the suggestion of the Sub-committee on Article 15, we must also, in the text we add to Article 37, give expression to that idea.

Would not the point of the South African Delegate be covered if we start the new paragraph 2 with something like the beginning of the old Article 37, "Subject to the requirement. . .", mentioned in Paragraph 1, or something of the kind, just to make it quite clear that this new sub-paragraph, or this Paragraph 2, would be covered by the general proviso of the Article?

Mr. J.G.CHERRY (South Africa): Yes, Mr. Chairman, I think it would. Failing that, it would, I presume, be possible to start Paragraph 1 with the word "Nothing"; that is to say, "Subject to the requirement" down to "international trade" would be a preamble to the Article; then Paragraph 1 would start and the new Paragraph 2 would follow on.

CHAIRMAN: May I ask whether there are any further remarks on the question of principle; whether we shall insert in Article 37 clauses corresponding to the old Article 25, Paragraph 2 (a)?

The Delegate of the United Kingdom.

Mr. G. IMMS (United Kingdom): Mr. Chairman, these three new exceptions seem to us to be of an entirely different type from those which are already in Article 37, and the effect of transferring them to Article 37 and widening the exceptions from quantitative restrictions which they at present enjoy under Article 25 seems to us to require rather more examination than we have had time to give this paper. I should like to suggest therefore that we continue this discussion at some later time, when we have had an opportunity to consider the consequences of this inclusion.

CHAIRMAN: The Delegate of Norway.

Mr. J. MELLINDER (Norway): Mr. Chairman, the Norwegian Delegation agree in principle to this transfer of the substance of Paragraph 2 (a) of Article 25 to Article 37, and we further agree with the Delegate of the United Kingdom that these exceptions are quite different in character from the existing ones. They are of a temporary character, whilst the others are permanent, and they are also very limited and very clearly defined. We are therefore also in some doubt as to whether the general introduction in Article 37 ought to apply directly to this new paragraph.

On the other hand, we felt it ought to be a new and separate paragraph, in order to distinguish between the permanent exceptions and these temporary exceptions.

On the other hand, there are some questions relating to the text itself which we agree with the Delegate of the United Kingdom it might be useful to study at a later date, when we have seen, in all the appropriate sub-committees, the effects of the internal taxes and quantitative restrictions on these particular exceptions. It may be that we shall need to alter the text here and there, and we certainly agree with the Delegate of the United Kingdom that it will require some further consideration.

Mr. H.M. CATUDAL (United States): Mr. Chairman, we are agreeable to the principle of transferring the dispositions of Article 25 to Article 37.

Baron P. de GAIFFIER (Belgium): Mr. Chairman, the Belgian Delegation in this Commission has already approved the transfer of this disposition to Article 37. I think there is no reason why we should not be consistent in this as well.

CHAIRMAN: Could we not then decide that we prepare for the next discussion on the supposition that it will be finally agreed to accept the suggestion made by the Sub-Committee on Article 15, and incorporate these points in Article 37? That will be the basis on which we are going to discuss this next time.

If there are no other remarks, we have terminated our agenda today, and I hope that, at our next meeting, we shall be able to terminate the remaining Articles, and in particular Article 18.

The meeting is adjourned.

The meeting rose at 6.10 p.m.