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

Summary of 21st Meeting of Commission A
held on 30 June 1947 at 2.30 p.m. at
Palais des Nations, Geneva.

Chairman: M. SUETENS (Belgium)

1. Continuation of Debate of Article 25:

The CHAIRMAN opened the meeting in summarising the issues raised by the amendments which had been debated in the last meeting of the Commission and opened the debate on Article 25 paragraph 2(f).

In considering the amendment of the United States in Note 13* the Delegate of CANADA felt that the words "which are not inconsistent with the provisions of Chapter V" needed clarification because they did not meet the case of monopolies which might be established; Chapter V dealt only with the regulation of existing monopolies but did not provide for the establishment of new ones.

The Delegate of the UNITED KINGDOM expressed his consent to the principle of this amendment but felt that the drafting would need further elaboration. The Commission referred this amendment as a drafting matter to the sub-committee.

* The notes referred to in this Summary apply to the consecutive numbered notes in E/PC/T/W.223.

The Delegate of CUBA explained the reasons for his amendment in Note 14 and explained that the present Charter discussions and tariff negotiations had shown that without adoption of this amendment countries such as his would not derive any benefits whatsoever from the I.T.O. Charter.

The Delegate of LEBANON directed the attention of the Commission to the fact that the issue raised by the Cuban amendment was identical with issues dealt with in the "Sub-committee on Chapter V". He suggested, therefore, centralising of the discussion on issues relating to the industrial development of under-developed countries in a joint body which should include the members of the sub-committee on Chapter IV.

The Delegate of AUSTRALIA was of the opinion that these issues were no proper subject for deliberations in the sub-committee. They raised questions of substance of the first magnitude, all involving a departure from the present balance of the Charter. These issues concerned Chapter IV as well as the sub-committee on Articles 14, 15, 15A and 24 and were bound to re-occur in the discussion of Chapter VIII. Since these were highly important substantive issues they ought to be debated and decided in the full commission or at least in a sub-committee of the whole.

The Delegates of the UNITED STATES of AMERICA, the UNITED KINGDOM and FRANCE allied themselves with the viewpoint of Australia, with the Delegate of the UNITED KINGDOM referring to a joint session which had been held this morning by the sub-committees on Chapter IV and on Articles 14, 15, 15A and 24.

The Delegate of CHINA allied himself with the Cuban

amendment and the amendment of Syria-Lebanon mentioned in Note 16 and explained that one of the principal unresolved issues was whether quantitative restrictions in furtherance of economic development should be subject to previous consultation with the I.T.O. He expressed the opposition of CHINA against the need for such previous consultation.

The CHAIRMAN ruled that all issues pertaining to restrictions in furtherance of economic development would be discussed in a plenary session of Commission A to be held on the morning of Wednesday, 2 July 1947. In this session also all the related issues dealt with by the sub-committees on Chapter IV and Articles 14, 15, 15A and 24 would be included.

The Delegate of INDIA withdrew his amendment mentioned in Note 15 in view of the fact that the Australian amendment mentioned in Note 5 was covering the same ground and had, in principle, been accepted by the Commission.

The Delegate of BRAZIL voiced his doubts whether the problem dealt with in the Indian amendment was completely covered by the Australian amendment.

2. Debate of Article 27

In discussing the amendment of the UNITED STATES OF AMERICA (Note 41) the Delegate of the UNITED KINGDOM expressed himself against adoption of this amendment. He felt that this was nothing but a further elaboration on what constituted discrimination and the best possible definition of non-discrimination was already contained in Article 27, paragraph 2(a).

The Delegates of the NETHERLANDS and of FRANCE allied themselves with the Delegate of the UNITED KINGDOM and the Delegate of CHINA requested clarification from the United States of America

Delegate whether it would be discrimination if a country were to establish quotas favouring another country, not so much on the basis of general commercial considerations as in order to get the necessary amount of exchange in the currency of the country concerned. Upon the motion of the United States Delegate this amendment, as far as it refers to Article 27:2(d) was referred to the sub-committee.

The Delegate of NEW ZEALAND was of the opinion that the United States amendment to paragraph 2(e) contained a change in substance to which he could not agree. If it were to be adopted, the drafting of paragraph 2(a) would have to be changed.

The Delegate of the UNITED KINGDOM doubted the substantive nature of the amendment; the Delegate of FRANCE held that there was a decided difference between sub-paragraphs 2(a) and 2(e) and the Delegate of CHILE explained his view that in distinction from other sub-paragraphs of the same article this sub-paragraph was far too rigid in its provisions.

In discussing the United States amendment to paragraph 3 (Note 43) the Delegate of NEW ZEALAND opposed the deletion of the proviso clause and was supported by the Delegate of the UNITED KINGDOM. After the Delegate of the NETHERLANDS pointed to the fact that the information on sources of supply was intended as confidential information from Government to Government the Delegate of NORWAY joined the Netherlands in supporting this amendment and the Delegate of the UNITED KINGDOM withdrew his objections. The Delegate of CZECHOSLOVAKIA allied himself with the view of New Zealand.

In explaining his amendment to paragraph 3(b) (Note 44), the Delegate of CZECHOSLOVAKIA stressed ^{the} danger for member countries

of the I.T.O. surrounded by non-members who would be under no similar obligations regarding the elimination of restrictive practices. He felt that without his amendment the consequences of paragraph 3(b) in its present form could be fatal for the member country.

After the Delegate of CHINA explained the motives of his amendment to paragraph 4 (Note 45), the CHAIRMAN suggested to refer Article 27 to a sub-committee to be composed of the Delegates of China, Czechoslovakia, the Netherlands, Norway, the United Kingdom and the United States of America. Upon the motion of the Delegate of CANADA, seconded by the UNITED STATES, the Delegate of Brazil was added to the members of the sub-committee.

The Delegate of CUBA moved to defer the appointment and the composition of the sub-committee until such time as the issues related to industrial development would have been discussed in the plenary meeting of Commission A.

After the Delegate of SOUTH AFRICA proposed that the Chairman at his discretion should appoint a sub-committee consisting of five members and the Delegate of the UNITED STATES allied himself with this proposal adding only, that it should be left to the Chair whether five or six members of the sub-committee should be appointed, the CHAIRMAN ruled that he was agreeable to the proposal of Cuba and consequently would appoint a sub-committee only after the close of the debate on issues of economic development in the plenary of Commission A.

3. Sub-Committee on Article 33

The CHAIRMAN announced that in view of the desire of several delegations the Delegate of Canada would be added to the present membership of this sub-committee. Since this sub-committee was to meet under the Chairmanship of M. Suetens and

M. Sustens would have to leave for several days, he proposed to appoint as the Chairman of the sub-committee in his absence the leader of the Belgian Delegation, M. Forthomme.

The Delegate of NEW ZEALAND wished the record to show that his delegation had not been consulted on the addition of Canada to the sub-committee but stressed that he did not object to this addition.

The CHAIRMAN changed the date of the meeting in plenary for the discussion of the issues relating to economic development, to Tuesday, 1 July 1947 at 3 p.m.

The meeting rose at 5.45 p.m.