

ECONOMIC  
AND  
SOCIAL COUNCILCONSEIL  
ECONOMIQUE  
ET SOCIALRESTRICTED  
E/PC/T/B/PV/10.Corr.2.  
18 June 1947.SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE  
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENTCorrigendum to Verbatim Report of Tenth Meeting of Commission B.  
(E/PC/T/E/PU/10)Corrections to verbatim report on observations  
by Mr. Shackle (United Kingdom)Pages 35 and 36 - read:

Mr. SHACKLE (United Kingdom): Well, this proposed new subparagraph may look rather complicated, but I think when one reads it it is, in fact, fairly well self-explanatory.

It is meant to take care of a special case of difficulty which the Draft Charter has, we think, overlooked entirely. The case of difficulty is where a Member who is very much interested in exporting some commodity finds that in third markets he is being met with subsidised competition from a non-Member. That is a case, we think, which is not taken care of. The case where a Member finds himself in competition with a Member is already cared for by paragraph 2, but naturally that law does not apply to a non-Member, a non-Member is free to give subsidies and do just as he likes, and that may cause very great embarrassment to a Member in third markets.

It is no use, in a case like this, for a Member who is suffering, to take action in his own home market against a non-Member, because it is a case of third markets, and not of imports into his own market. Perhaps the case may be made most clear by an example.

Let us consider the case of a small territory which is interested in catching and exporting fish - that is the industry by which it lives. It exports its fish to a great many markets. It may find there is a non-Member which also exports fish, and is subsidising its exports very heavily. There is nothing that that small Member territory can do to help itself as the Charter now stands. It is no good its putting on some kind of duty in its own market, because the market which matters is the third market. In a case of that kind, the only remedy he can have is a counter-subsidy.

It is for that reason that we make this suggestion. In order to prevent troubles arising through the interests of other Members being affected, we have put in the last sentence which provides for consultations if troubles of that kind arise.

We do think in this case, which is an actual and very real one and not merely theoretical, that it is necessary to have a provision of this kind.

P.T.O.

Page 39: last four lines, read:-

"It would be only if the non-Member somehow had a right not to have a counter-subsidy applied against it that it would have any claim, but as ex hypothesi a non-Member cannot have any right, so I do not think there could possibly be any difficulty".

Page 40: last paragraph, read:

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I think it is quite true that if a member can counter-subsidise under this provision, possibly he might find himself met with anti-dumping duties in some territories. Article 17 gives permission for the use of anti-dumping duties but does require that they shall be applied. At the same time I rather doubt whether, in practice, this is likely to arise, because - let us take a fictitious case - let us say there will be a number of Member countries interested in exporting fish, and many of them will be consumers of fish as well. It strikes me that if they are simply consuming countries they will not, probably, bother to put on an anti-dumping duty. If they are exporting countries, they probably will have a common interest in doing something about the non-Member exporter's subsidies in any case. It seems to me that under the last sentence, they might very well decide that they should pursue some sort of common action until the difficulty would be got over. So I think that, in practice, there would not be much trouble in that way.

Page 44, five lines from top of the page, read:

"hard to see how any Member would be within its rights".

Page 48: 14th line on the page, read:

"provided that if any other Member is adversely affected" etc.

Page 51: five lines from the foot of the page, delete the word "such".

Page 54: third line, insert "has" before "existed for many years".

7th line, read: "If internal taxes are to be applied to various products after they have been imported into a country, it seems to me", etc.