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

VERBATIM REPORT

SEVENTH MEETING OF THE TARIFF AGREEMENT COMMITTEE
HELD ON MONDAY, 1 SEPTEMBER 1947, AT 2.30 P.M. IN
THE PALAIS DES NATIONS, GENEVA.

Hon. L. D. WILGRESS (Chairman) (Canada).

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Delegates are reminded that the texts of interpretations, which do not pretend to be authentic translations, are reproduced for general guidance only; corrigenda to the texts of interpretations cannot, therefore, be accepted.

CHAIRMAN: The Meeting is called to order.

As we agreed at our last meeting, we will now consider the Draft General Agreement on Tariffs and Trade, Article by Article. There has been circulated this morning, for the information of Members of the Committee, Document W/313, which summarizes the decisions reached in the course of consideration of Document W/301. Reference is made there to the Final Act. I might say that there has not been time for the Secretariat to distribute a draft of a Final Act, but they have a draft of a text already drawn up and that will be distributed to Members of the Committee tomorrow morning. It should not be necessary for us to consider that until after we come to the end of the consideration of the Articles.

The other points of Document W/313 can be dealt with as we take up the various Articles and I do not think there is any need for us to consider this document in detail, but simply use it as a reference for our consideration of the General Agreement.

There has also been distributed Document W/312 - Annotated Agenda - relating to the Draft General Agreement on Tariffs and Trade. This can be one of our working papers for the consideration of the Draft Agreement, Article by Article. It lists the various amendments which have been proposed to the various Articles and will therefore be of considerable use to us as we take up the Articles.

Finally there is Document T/189, which is a revision prepared by the Secretariat of the Draft General Agreement on Tariffs and Trade as drawn up by the Tariff Negotiations Working Party. This revision has simply been done mechanically by the Secretariat, substituting those Articles of the Charter in the latest form in which those Articles have been approved by the Preparatory Committee for the earlier drafts which the Tariff Negotiations Working Party included at the time because

the latest text had not yet been established.

This Document T/189 will be our main working paper and we will use it for the purpose of going through the Draft General Agreement Article by Article, at the same time taking account of the amendments and observations which are given in Document W/312.

I should like to add that the Secretariat have ascertained that since they prepared the revised draft of the General Agreement they have found that in Paragraph 3 of Article 2 they did not take into account the latest draft of Article 31 - the new Article 31 - of the Charter. Therefore a revision of Paragraph 3 of Article 2 has since been made and that has been given to the Documents Office and should be distributed in a few minutes. That will be another document we shall have to take into account as a correction to Document T/189.

I should also like to mention that when we come to deal with Part II, of course, the discussion will have to be confined as to whether or not the Article in question should or should not be included in the General Agreement on Tariffs and Trade. There can be no question of any amendments of substance or any drafting changes other than those which are incidental in incorporating these Articles of the Draft Agreement in the Charter: that is, we must take the text as established by the Preparatory Committee.

We will deal with these Articles paragraph by paragraph and it will be quite in order for any Member of the Committee to suggest that a paragraph should or should not be included, but it will not be correct to suggest any amendments of substance or changes in wording of the text which has been established by the Preparatory Committee.

CHAIRMAN: Unless there are any comments on the procedure which I have just outlined, I think the first point which we could take up would be the General Note given on page 1 of document E/PC/T/W/312. This Note is to the effect that the United Kingdom Delegation suggests that "contracting government" and "contracting governments" should be substituted for "contracting party" and "contracting parties" throughout the text. In this connection it will also be noted that the Czechoslovakian Delegation has expressed the view that "governments" should be changed to "states" since, in its opinion, states rather than governments are the contracting parties under International Law.

Mr. R.J. SHACKLE (United Kingdom): As regards the suggested modification, this was recommended by our Legal Adviser and I think the ground for suggesting it was that the term "contracting parties" normally connotes Heads of States: such connotation would give rise to great complication, and that was why we suggested Governments.

With regard to the suggestion that for "governments" we should say "states", I am afraid that would not be agreeable to us. It would leave the question of autonomous territories covered in the Agreement in the air and I think we should wish to have "governments".

CHAIRMAN: Are there any other comments?

The Delegate of Cuba.

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Mr. H. DORN (Cuba): I would only ask one question. If I understand well, the form which is customary in International Agreements and Treaties is "Contracting Party" and I am doubtful whether, under the conditions given in some Constitutions, it is possible to say "governments" because the governments themselves will not be able to form the contracting parties of such an Agreement if there is a necessity that the Constitutional powers have to give their consent. Therefore I am somehow doubtful if, under given Constitutional Laws in different countries, it would be possible to substitute the word "contracting party" by the word "government". "Contracting party" is more general and covers I think all constitutional conditions, but "government" in my opinion has some different meaning and I am doubtful whether really the word "government" can be substituted.

Dr. J.E. HOLLOWAY (South Africa): Mr. Chairman, I would also hope that the Delegation of Czechoslovakia and the British Delegation would withdraw their amendments. If we get into legal subtleties among a lot of people who are not lawyers, we could have very lengthy discussions arriving at nothing. I know what it means when the term "contracting party" or "contracting parties" occurs, but if the question is whether it should be "governments" or "States", I really do not know which is right, and they may both be wrong. There was a long debate in our Parliament once as to whether, if the King signed a Treaty, it had to be submitted to Parliament. Some argued that it had, and some argued that it had not. But if the Government, that is to say a Prime Minister or Minister, signed it, they said it had to be submitted to Parliament. Well, you get into all those complications by trying to be too precise, whereas if you use the neutral word, that neutral word is given the correct application for each particular Government; and that is all we can do.

CHAIRMAN: The Delegate of Czechoslovakia.

H.E. Dr. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, I would suggest that we begin the General Agreement with the words "The Commonwealth of Australia" and that we delete entirely the words "The Governments of the" because that is the normal way in which Treaties begin generally. Here I have for instance the International Convention relating to the Simplification of Customs Formalities. It begins "Austria, Belgium ..." and so on. Now, whether it is the government, or whoever it is in each country, is I think an internal matter for the respective country. So I suggest that we delete the words "Governments of the" and begin "The Commonwealth of Australia". And then we leave "contracting parties".

Mr. R.J. SHICKLE (United Kingdom): Mr. Chairman, I, a layman, am acting under instructions from my Legal Adviser in the suggestion to put "contracting governments" but I do not wish to press it very hard. I must reserve my position, in case experts have something to say about it, but I would go ahead on "contracting parties". I would, however, definitely suggest that we should not put "high contracting parties". We are not "high": there are no crowned heads.

As to the suggestion to omit "The Governments of", I think it would be better to keep it, because, after all, it will be the Governments who are responsible for working this Agreement.

CHAIRMAN: Since there apparently has been no support of the proposal of the United Kingdom Delegation that "contracting government" and "contracting governments" should be substituted for "contracting party" and "contracting parties", and since the United Kingdom Delegation have withdrawn, subject to reservation,

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their suggestion, I think we can leave that for the moment and consider the text of the Preamble.

I take it that the Czechoslovak Delegation have also withdrawn their general suggestion that "governments" should be changed to "states" and that they have substituted for that the proposal that the words "The Governments of ..." should be deleted from the Preamble.

So we can now take up paragraph 1 of the Preamble and consider first the suggestion of the Czechoslovak Delegation that the Preamble should start with the words "The Commonwealth of Australia" etc.

The Delegate of France.

M. ROYER (France) (Interpretation): Mr. Chairman, if this suggestion is adopted, I would ask that the words "the French Union" should be substituted for the words "the French Republic" which are in the text.

CHAIRMAN: That will be done as that is the wish of the French Delegation. Is there any support for the Czechoslovakian proposal that the words "The Governments of" should be deleted from the Preamble?

The Delegate of the Lebanon.

M. Moussa MOBARAK (Lebanon) (Interpretation): Mr. Chairman, I do not think we should innovate in this question. There are precedents of agreements and we should stick to them. The United Kingdom Delegate said just now that "contracting parties" had to be crowned heads; I do not agree, because contracting parties are something else in the agreement. Therefore I think the best thing we can do would be to stick to the precedent which appears in other Agreements.

Mr. R. J. SHACKLE (United Kingdom): Mr. Chairman, that is not what I said. I said we must not call ourselves "high contracting parties" - we are not entitled to that epithet.

CHAIRMAN: Do any Delegations support the suggestion of the Czechoslovak Delegate that the words "The Governments of" should be deleted from the first paragraph of the Preamble?

M. ROYER (France) (Interpretation): Mr. Chairman, I think that the suggestion just made by Mr. Augenthaler is quite a wise one because if we maintain the words "The Governments of" it may create some difficulties in certain countries and if we leave out those words we shall just have the words "The Commonwealth of Australia" and so forth, and that can apply to any case and is a formula that can be adapted to any circumstances.

Mr. R. J. SHACKLE (United Kingdom): Mr. Chairman, I am sorry to intervene again, but I do think that the omission of the words "The Governments of" will create even more serious disadvantages. The question of the Colonial Territories and so on, for instance, will not be covered in the case of the United Kingdom and Northern Ireland. And, as I said before, it is the governments who have to work this Agreement. They are the responsible parties and surely must be named.

CHAIRMAN: Are there any other objections?

There seem to be two Delegations in favour of this proposal, one against, and the others indifferent.

Mr. Winthrop BROWN (United States): Mr. Chairman, I do not see the difficulty in using the word "Governments".

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H.E. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, I think the difficulty is that the Governments are not subjects of international law: they are not contracting parties to any international agreement. It is the States who are parties to international agreements, and, of course, in each country the Governments are responsible for the execution. But if we say "the Governments", which Government do we mean - the present, the future or the past Government? If tomorrow there is another Government in a country, they may say "Well, I did not sign it".

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I think it is usual to state Governments as the parties to almost all trade agreements. It is certainly true of the United Kingdom. The position surely is that there is always a Government: the Government adheres to an Agreement. If the successors do not like the Agreement, they can withdraw from it according to the terms of the Agreement, but until then they are bound. The remarks of the Czechoslovak Delegate seem to tend to bring us to the "Heads of States" form; but I am bound to say that it would mean appalling complications in the case of the United Kingdom if we reverted to the "Heads of States" form. I very much hope we will not do it.

CHAIRMAN: Are there any other comments?

H.E. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, I am sorry that I must intervene once more, but I am afraid that if we retain the words "The Governments of the" I doubt if Czechoslovakia would be able to sign. In Czechoslovakia, only the President of the Republic has full powers, and not the Government: it is the exclusive right of the President of the Republic to have full powers for the signing of international treaties, and never the

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Government. That is why I propose the deletion of the words "The Governments of the", because I thought it wise to leave it to each country, according to its internal laws and constitutional practices, as to how the Agreement should be signed.

CHAIRMAN: The Delegate of the United States.

Mr. Winthrop BROWN (United States): As either of the two suggestions seem to cause difficulty to the Czechoslovak Delegation or the United Kingdom Delegation, and most of the other Members of the Committee would be willing to accept either solution, I wonder if it might not be well to ask those two Delegations if they could not consult with the Legal Adviser and come to a recommendation on this matter.

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I am quite prepared to discuss this with Dr. Augenthaler, but I am bound to say that I think we will get into serious difficulties if we leave out "Governments" - for example, Article XXX states "The contracting parties to this Agreement shall be understood to mean those governments..." and Article XXXI says "Governments not parties to this Agreement may adhere...". What are we going to say if we drop the word "Governments"?

CHAIRMAN: The Delegate of South Africa.

Dr. J.E. HOLLOWAY (South Africa): ~~We can get over the~~ difficulty by saying "contracting parties representing the".

Mr. R.J. SHACKLE (United Kingdom): I still feel that there is the same difficulty. To take another Article - Article XXIV, paragraph 3(a) states "Each government accepting this Agreement does

so in respect of both its metropolitan customs territory and each separate customs territory for which it has international responsibility..” That is, as far as the United Kingdom is concerned, a case where one can only say "Government". The United Kingdom as such has no authority over other territories - it is the Government of the United Kingdom, and I really do see serious difficulty about dropping this word "Governments". In fact, the word "Government" appears all over Part III of the Agreement, and I just do not see how one can do it. Giving full powers to the Head of the State does not prevent the Head of State from authorizing his Government to enter into an Agreement. I should have thought that the fact that the Head of State is given full powers did not introduce a difficulty.

CHAIRMAN: The Delegate of Cuba.

Mr. H. DORN (Cuba): Mr. Chairman, would it not be useful to have a small Working Party of jurists to look after the three Articles in question? I think that in former times there was a clear distinction drawn between administrative agreements between Governments and international treaties dealing with questions of substance. Perhaps the small working group could settle this question on the basis of existing international law.

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, if the majority of the Committee are in favour of omitting "Governments" I will refer that back to our legal experts, who are no longer here. I am afraid that until I have their views, I cannot accept this suggestion.

CHAIRMAN: Perhaps the best way we can proceed is to leave this matter for the time being, and in the meantime, the United Kingdom

Delegation will consult their legal experts, and then we can take up the matter again. I take it that the change that the French Delegation had proposed, suggesting the words "French Union" instead of "French Republic", will depend on the outcome of this question.

The Delegate of Belgium.

M. Pierre Forthomme (Belgium) (Interpretation): I only wanted to point out, Mr. Chairman, that if we suppress the word "Government" in Article XXXII, Provisional Application, considerable difficulties would ensue.

CHAIRMAN: The Delegate of France.

M. ROYER (France) (Interpretation): Mr. Chairman, I thought that we had reached agreement on the point that Article XXXII should be replaced by a Protocol, and, of course, if this Article is replaced by a Protocol, representatives of Governments can quite well sign that Protocol.

CHAIRMAN: We will leave this question for the time being and return to it at a future meeting after the United Kingdom Delegation has had an opportunity of consulting its legal experts with regard to this suggestion of the Czechoslovakian Delegation. We will now pass on to paragraph 2 of the Preamble.

Are there any comments on the second paragraph of the Preamble? There being no comments, we will pass on to the third paragraph. Are there any comments?

The fourth paragraph of the Preamble.

There being no comments, we will pass on to Article I, paragraph 1.

The Delegate of Chile.

M. F. Garcia OLDINI (Chile) (Interpretation): Mr. Chairman, I would just like to ask a question. During the discussion of the Draft Charter we made a certain number of reservations, and the main reservations apply to this Article 16. I would like to know if the reservations which we have made to the Charter are also valid in regard to the text here, or if we have to expressly formulate these reservations once again.

CHAIRMAN: The Delegate of Australia.

Dr. H.C. COOMBS (Australia): Apart from the content of this Article, we would like to suggest that it be transferred from Part I to Part II of the Agreement. Our reason for that is, as we have pointed out, that in any form this Article does represent a substantial change in many aspects of our commercial policy, and would require us to make changes in our legislation. They are not substantial changes, but there are certain changes which we have been advised would be necessary in order to adopt this, and since it is intended that Part II of the Agreement is to be adopted provisionally and within the limits of existing legislative authorities and so on, we think that any clause which requires such action should be contained therein.

CHAIRMAN: Before dealing with the proposal just made by the Delegate of Australia, I think I should endeavour to supply an answer to the Delegate of Chile to the question which he raised about reservations. The way it seems to the Chair is that the Draft Charter is one which is being presented to the World Conference at Havana, and therefore, it was in order for Delegations to submit reservations with any particular part of the Charter because they were reserving their position for further discussion at the Havana

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Conference; but that when it comes to the time for signing the Charter in its final form, as approved by the Havana Conference, it will be necessary to have no reservations. This General Agreement on Tariffs and Trade is one which is being prepared for signature, and therefore I take it that reservations would not be in order in respect of any of the provisions of the General Agreement.

MR. F. GARCIA OLDINI (Chile) (Interpretation): Mr. Chairman, I think that the objection which was raised by the Chair is quite valid if we consider bilateral agreements. It is obvious that when a state signs an agreement with another state then in the course of the discussion preceding the signature all difficulties can be eliminated to satisfy both parties, but here we have a kind of agreement which is a new type of agreement.

We started from bilateral agreements to reach a form of multilateral agreements and these multilateral agreements are based on principles which have been expressed in the Charter. If we have made reservations to the Charter, that was because we needed to safeguard certain situations corresponding, from one point of view, to questions of principle and, from another point of view, to actual situations of fact, which we had to defend for very substantial reasons.

Now, I would like to know how we could make, on the one hand, reservations to the Charter corresponding to the type of idea which I have just mentioned, and at the same time sign an agreement which specified the same principle which is laid down in almost the same form, thus not maintaining the reserves which we have made on a different occasion for the same purpose.

I think that there are two different kinds of reservations, if we consider the Charter. The first type of reservation, as pointed out quite rightly by the Chair, corresponds to a provisional situation which can be clarified and dealt with before and up to the time of the Havana Conference, but there are also substantial reservations which correspond to substantial and basic situations, and these problems could only be solved by the states concerned,

not only by just letting time elapse before the Havana Conference, but by giving satisfaction to the governments and to the countries which have made these reservations whenever and in the manner in which it is possible to give satisfaction to these countries. Then and only then will these governments be in a position to state if they are willing to withdraw their reservations and whether it is possible for them to sign the Agreement and to sign the Charter without reservations.

In fact, some agreements in the past have been signed with reservations, so that would not be a new procedure, but in the case of this Agreement here we can make reservations now until the time of signature, and it will be at the time of the final signature that a state will be able to know whether it is better for it either to withdraw its reservation or to give its final signature to the Agreement. Up to that time, I think that states ought to be free to make the reservations which they want to make, and this is quite a normal procedure.

CHAIRMAN: I think there would be no objection, during the course of our discussion in this Committee, if any delegation wishes to submit any reservations regarding any particular provisions in the draft Agreement which we are discussing, such reservations being subject to withdrawal at the time of signature.

MR. F. GARCIA OLDINI (Chile) (Interpretation): Mr. Chairman, I cannot admit the condition which you have linked with the signature of this Agreement, that is to say, that all reservations should be withdrawn at the time of the signature of the Agreement. I think that all governments can sign with reservations, but it will only be at the time of the ratification of this Agreement that

governments will have to decide then whether they withdraw their reservations and accept the Agreement finally or not, because ratification means application, and at the time of the application it will be decided whether the Agreement can be applied with reservations or not, and then the governments will decide whether they can ratify the Agreement or not. Therefore, the course which is to be followed by governments is to be decided not at the time of the signature, but at the time of the ratification of the Agreement.

CHAIRMAN: The Delegate of Chile has raised the question of the possibility of signature of the Agreement with reservations. I think that this is an important point, and it would be valuable to get the sense of the Committee on this subject. I think it should be considered both in relation to the signature of the Final Act and to the signature of the Agreement itself.

DR. H.C. COOMBS (Australia): Mr. Chairman, there cannot be any doubt about the signature of the Final Act because that is the ratification of the text, and the text includes the reservations. Therefore, what you are authenticating are the reservations along with the text.

CHAIRMAN: Then the question is one as to whether the Agreement can be signed with reservations, such reservations to be withdrawn at the time of ratification.

MR. R.J. SHACKLE (United Kingdom): Mr. Chairman, the way the question appears to me is this: Supposing that a Government signs with a reservation, when the question comes along of ratification,

it would not be admissable for it to ratify with its reservation still there, unless its reservation had been specifically accepted by all other participating governments beforehand. That would surely mean that, supposing, in fact, there were reservations left over to the Final Act of ratification, it would then be necessary to have another conference before ratification in order to decide what should happen to the reservations. Therefore, I think that it is very desirable that all reservations should be cleared before signature - otherwise, I can foresee serious complications before the procedure of ratification takes place.

CHAIRMAN: The Delegate of Czechoslovakia.

H.E. Dr. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, I think that if we look at existing international conventions and treaties, most of them have reservations. For instance, I again take the International Convention relating to the Simplification of Customs Formalities, which has a Protocol attached to it, and in this Protocol are reservations made by different states, as for ^{that} instance/in Article 6 which says: "In view of the special circumstances in which they are placed, the Governments of Spain, Finland, Poland and Portugal have stated that they reserved the right of accepting Article 10 at the time of ratification and that they will not be bound to apply the said Article until after a period of five years from this day". Then, in another place it is stated: "The other contracting States, while stating the acceptance of reserves so formulated declare that they will not be bound in any regard to States which have made the said reserves in regard to the matters to which they relate until the provisions in question are applied by the said States". I think similar reservations are in most existing agreements or treaties.

M. ROYER (France) (Interpretation): Mr. Chairman, I would like to complete the explanations which have just been given by the United Kingdom and Czechoslovak Delegates. It seems to me there is a certain confusion here.

I think the reservations in the General Agreement are of a different character from the reservations made in regard to the Charter, because the reservations made in regard to the Charter are of a unilateral character and in those regarding the General Agreement you may have two categories of reservations.

As was stated by the Czechoslovak Delegate, there are reservations made by certain countries and that has been done in many international Conventions; that is, these reservations are made by one country and they are accepted by all the other countries party to the Agreement. That is to say, if the reservations made here in the General Agreement are of this nature, they will have to be agreed by all the Delegations before September 30 and an annexed Protocol will have to be established and will have to be included in the General Agreement, mentioning these reservations and the agreement of all parties to these reservations.

But there are also unilateral reservations. That is the second category of reservations, which are not agreed upon by the other parties and which therefore cannot figure in the general text. Then the only possibility which is open to countries which make such reservations is to sign the Agreement only when the Charter has been discussed and adopted at Havana. As we know, this General Agreement is open for signature until June 1948.

Therefore the only course open to the Chilean Delegation, if it wishes to make certain reservations of this nature, is to sign the General Agreement only after the discussions at Havana and when the Chilean Delegation has decided if it is possible for it to withdraw its reservations. But, as I have stated, it is not possible to include in the Agreement here reservations of such a nature.

CHAIRMAN: The Delegate of the United States.

Mr. Winthrop G. BROWN (United States): Mr. Chairman, I fully agree with what the Delegate of France has said. It is quite clear that countries who are parties to this General Agreement will not be prepared to grant substantial concessions to other countries which have a reservation on parts of the Agreement to which the first country attaches real importance. Therefore if there are countries which have in mind a reservation with respect to any provisions of the Agreement, they must decide whether or not they are going to maintain that reservation before they sign the Agreement, unless in some cases it might be possible to get all the other parties to the Agreement to accept the reservation. If it were one of substance, I should think that would be rather doubtful.

CHAIRMAN: The Delegate of China.

H.E. Mr. WUNSZ KING (China): In this matter of reservations the position of the Chinese Delegation is quite similar to that of the Chilean Delegation and some other Delegations which have also made reservations to the Charter.

If any one of the Delegations has made some reservations,

it is certainly not only for the pleasure of making them. If we have made some reservations it is simply because the subject matter is considered to be of vital importance to the Delegation and it is also because of the fact that, in spite of all our efforts, we have not obtained satisfaction on those subject matters.

So far as China is concerned, we have an additional difficulty, which lies in the fact that the distance between Geneva and Nanking is so enormous and the Charter itself is so complicated that we have not been able to explain fully to our Government the effect of the provisions of the Charter. If we have made some reservations it is only because the Charter provisions are so interwoven and so closely inter-related that our Government has been very anxious to see the Charter in its true perspective, and our Government would like to see the whole picture before it can decide whether or not we should maintain or withdraw the particular reservations. Certainly we will not be able to do this until the document, as a whole, has reached the hands of our Government, and this will take some time.

As to the particular question whether the Committee as a whole can or cannot accept reservations to be made to the General Agreement on Tariffs and Trade, I would like to point out that no Delegation likes to be made to accept those provisions of the Charter on which it has made reservations, by the indirect way of having those very stipulations incorporated in the Agreement. Therefore I am sorry to say that the Chinese Delegation finds itself unable to accept the ruling made by the Chair.

But it seems to me there is a little confusion in this matter. We are talking about the reservations made to the Charter and of course we shall have another opportunity of joining the battle in Havana, when and where, perhaps, with the help of some Havana cigars, we might be able to find some sort of solution which would give us some satisfaction, thereby enabling us to withdraw our reservations.

Now the question is whether we can sign the Agreement with reservations, and it seems to me this question becomes acute only in respect of those Delegations which will accept the Protocol for provisional application of the Agreement. As to the Agreement itself, with the exception of the stipulations regarding provisional application of the Agreement and its Schedules, it will be open for signature until February 28 1948. By that time we shall certainly be able to see whether the reservations which we have now fortunately or unfortunately made to some of the stipulations could be withdrawn or not.

Therefore it seems to me the question does not arise in respect of those Delegations which are not in a position provisionally to put into force the Agreement and the Schedules, and the question arises only in respect of those Delegations which would apply provisionally the Agreement and the Schedules and which have also made some reservations to the Charter.

As to this, and in order to remove some of the difficulties, I would like to suggest, as I have already suggested on a previous occasion, that we might stipulate, either in the Protocol of Signature or in any other instrument - whatever it might be - that acceptance of either Part II or any other part which contains those stipulations in the Draft Charter would be made optional.

I make this suggestion because I have anticipated a great deal of difficulty with which those Delegations who have made reservations will be confronted, and, because I have a very considerable spirit of compromise - in case this suggestion is not agreeable to the Committee - I would suggest, instead, that in the Protocol of Signature, for the purpose of provisional application of the Agreement and the Schedules, that there should be some such stipulation as follows - I am quoting a statement made by the Chairman on August 27, given on Page 3 of Document E/PC/T/TAC/PV.5 - that "the signature of the Agreement does not prejudice the stand which the other Delegates wish to take at the Havana Conference."

If it is agreeable to the Committee and if some such formula is adopted, I think that would at once have the happy effect of removing all the difficulties; it would simplify our procedure and task and would enable us to include in this Agreement any Article of the Charter plus the necessary amendments.

CHAIRMAN: The Delegate of Syria.

M. Hassan JABBARA (Syria) (Interpretation): I think the more we discuss, Mr. Chairman, the more we find difficulties. In fact, what we want here is to include in the Agreement certain Articles which have been drafted in the Draft Charter, but the Draft Charter itself is only a provisional draft at the moment and there has not been general agreement to adopt this text. Therefore I think that if certain countries in this discussion want to present certain definite reservations, it means that those countries do not want to apply certain provisions of the Agreement; and that therefore certain countries parties to the Agreement will have certain disadvantages if the other countries do not apply these provisions. Therefore if certain countries want to maintain certain reservations it is quite obvious that the other countries parties to this Agreement must agree for those reservations to be maintained.

However, if we consider the proposal which has already been made of automatic supersession of the Articles of the Charter when this Charter will be drafted, I think that the difficulty will be avoided, because the Charter will be signed in Havana; at that time the countries parties to the Charter will have to sign without any reservations, they will sign or they will not sign, but at that/^{time}the Articles of the Charter will take definitive form. I think this is the only means which would satisfy all the Delegations and also is the most practical means.

I think then, in that case, if we adopted this principle, the reservations would have only a provisional character and would be maintained and in Havana these reservations would be discussed again, certain would be suppressed, others would be amended, and the General Agreement would be consequently modified.

My Delegation is ready to sign this Agreement only if we admit the principle of the automatic substitution of the Articles of the Charter for the Articles of the Agreement.

CHAIRMAN: The Delegate of Cuba.

Mr. H. DORN (Cuba): Mr. Chairman, I only want to say a few words about the legal aspect as I see it, and perhaps a practical proposal.

First, as to the legal situation, I think it is quite true that ratifications with reservations exist, but we have to face here the special situation of this Agreement and that is not so much of a ratification but an accepting of the Agreement in Article XXIV. That seems to be something which is not quite identical with ratification, because a ratification seems to be another form in order to make it easier in a formal way.

I see, as a colleague of China, that there is a different legal situation between the key countries on the one side who sign the Protocol and the other countries who sign the Final Act.

As for the first ones, there will be a necessity to have the definite wording of the Agreement if there is not acceptance of a general proposal such as the Delegate of Syria made before.

For the other ones, there is the question whether the Final Act could not contain the reservations, because this Final Act does not definitely bind the Governments to accept the text.

I see the situation difficult only as for the wording of those Articles which are under reserves, and I think if there is no general desire to substitute the wording of the Agreement by the definite wording of the Charter, then it would be useful at least to substitute automatically those Articles which are under reserves after the definite decision of Havana. And I think if those Articles would be substituted automatically, then the main

difficulties would be done away with and all the rest could remain in the original form. But there would be a possibility to solve the problems of the reservations at Havana and the definite wording of the Charter would be substituted, in regard to these Articles, for the wording of the Agreement. Because all countries concerned necessarily would have accepted the wording of the Charter, I do not see in practice any difficulty in substituting those Articles also for the Agreement. That would perhaps be a way between the two extreme solutions, and leave the possibility to maintain the reservations up to the moment when it is quite sure what the wording of the Charter in the decisive Articles will be.

CHAIRMAN: The Delegate of the United States.

Mr. Winthrop BROWN (United States): Mr. Chairman, I should just like to say that my Delegation would be entirely agreeable to see the adoption of the second of the two suggestions made by the Delegate of China. There would certainly be no difficulty in making it perfectly clear in the text of the Protocol, which I think we all agree, that the signing of the General Agreement would not prejudice the position which a country might wish to take on the Article in question in the Charter discussions at Havana.

On the matter of the automatic supersession, I think that the views of my Delegation were made quite clear at the last discussion.

CHAIRMAN: The Delegate of South Africa.

Dr. J.E. HOLLOWAY (South Africa): Mr. Chairman, in intervening in the Debate I want to start by pointing out that the South African Delegation has no reservations and I am really intervening to see if we can help progress by doing a bit of sorting out.

There are two broad ways open to us to proceed. The one is to establish the text of the General Agreement, which will be a text for all the countries here to make up their minds on, and to do that at this Session. That means that the question of reservations comes up immediately. It also means that we have got to decide what we are going to do about possible changes at Havana.

Now I will touch on the latter subject first, because the data has already been circulated, various suggestions have been made, and one, namely automatic substitution, has had a certain amount of support here. I do not think we will get very far with automatic substitution because I do not think that you can expect the Governments of countries to commit themselves in advance to take certain texts which they do not know. It just puts them politically in an impossible position to have to go and ask their Parliaments to accept texts which are coming out of a Conference which will be held some time in the future and which will take some form they do not know. So, realising that we are committing Ministers who have to defend themselves in Parliaments, I think we had better forget all about automatic substitution.

There are, of course, other suggestions which have been made but that problem is one which we would have to face if we established a final text for everybody now.

Now I come to the other difficulty, the one which has raised considerable discussion, namely reservations. It seems to me there can be four methods of dealing with it.

The first is that there are no reservations: that everybody has to sign the same Articles.

The second is that there can be reservations unanimously agreed to, the stress being on the word "unanimously".

The third, on the principle that each dog is entitled to bite a person once before you call him savage: that we would give to each Delegation at least one reservation.

The fourth is that you can give each Delegation what reservations they want.

The fourth is obviously out of the question, because nobody will agree to binding himself to all the others, when one of the countries can do what it likes.

The third I think is obviously out of the question, because if you can make a pick, I think it is quite likely the Most-Favoured-Nation clause will be picked, or the right to do what you like with regard to preferences, and that will knock the bottom out of the whole thing.

So we come down to two possibilities: one "unanimously agreed to" and the other that there should be no reservations.

I would suggest, Mr. Chairman, if we do go forward on the procedure of establishing a text now with all the nations here, that the matter should be taken up at the moment when a particular country has a reservation which it wants to have included. At that stage that country must say "This is my reservation" and see if it can get unanimous agreement. If it cannot get unanimous agreement, it falls away. And, if all of them have fallen away you get the first alternative, or if any of them have had no objections here they go into the Schedule where you allow those reservations because they are unanimously agreed to.

Now all that is on the assumption that we establish a final text for the seventeen countries here.

I would like to draw attention again to an alternative way in which we might get over the difficulties of the countries which have reservations - an alternative to which I drew attention last week on account of the difficulties of those countries, and I repeat that my own is not one of those. We must just see if we can get over the thing which is holding us up here.

The key countries have, as far as I can see, very few reservations, and the probability is that those reservations will all fall away in the course of this discussion. If then you establish a text to the General Agreement now for the key countries, and you establish the text for the rest of the countries here represented after we know the Havana text, you may get over the difficulties of all the countries having reservations straight away, without any damage. You have got the further advantage that for the key countries the problem of handling reservations is very much easier than for the other countries.

There is just one other point as to the stage at which a reservation should be made. Obviously, if any reservation is made at any stage except the final stage - that is, ratification - all that it means is that that country tells the others that it still has qualms of conscience about that particular Article. It is not necessary to put that into the Final Act. We know it. It is in the record. For the country concerned, the important thing is going to be whether, if it cannot get the text that it wants, that particular thing is so important that it will, on account of that, refuse to sign it. Well, the country knows that. It is not necessary to put that into the document.

CHAIRMAN: I have on my list the Delegates of Brazil and Australia. I am proposing to close the debate after calling on

them to speak.

Mr. R.J. SHACKLE (United Kingdom): There are just one or two very short remarks I would like to make if there is an opportunity.

CHAIRMAN: I propose that after these two Delegates have spoken, we close the debate on the subject of reservations.

M. F. Garcia OLDINI (Chile) (Interpretation): I should also like an opportunity to speak.

CHAIRMAN: The Chilean Delegate has also asked for the floor.

The Delegate of Brazil.

M. O. PARANAGUA (Brazil): Mr. Chairman, I can understand the spirit in which you are inclined to refuse reservations in this Convention. We have the example of many conventions in the former League of Nations, where some conventions could not be implemented because of the reservations. I can quote one - the Convention for the Abolition of Prohibition for Imports and Exports. But, on the other hand, we are always assuming that there will be a Charter.

I am not at all sure if we are having a Charter, and if we put the main provisions of a future Charter in this Convention and we have no Charter (because some special circumstances can prevent us from having an International Trade Organization and even a Charter), I wonder what would be the result? It would mean that in signing a Convention we accepted a Charter. This Charter had reservations, and the reservations were dropped because they applied to a Convention and we were bound by a Charter. I notice that in London, when we spoke about the

convention, there was a little note referring to provisions, and it was written that it was contemplated that the Convention would contain Schedules of tariff concessions and would incorporate certain of the provisions of Chapter IV of the Charter, and some examples like the Most-Favoured-Nation treatment, national treatment on internal taxation and regulation, quantitative restrictions etc.

Now, we are having a Convention where the main provisions are the provisions of a future Charter, and, therefore, I wonder if a Convention overloaded with such an amount of provisions does not put us into the position of accepting a Charter which we are still discussing. We have not only formulated reservations, but have mental reservations about the Charter. The result would be that we were accepting the Geneva Charter instead of a Convention - we would be bound by a Charter.

For this reason, I prefer not to have provisions frozen without any reservation, but to allow countries to have reservations. If the contracting parties do not agree with those reservations, that means the country is no longer a contracting party. I am not assuming at all that it is certain that we are having a Charter.

CHAIRMAN: The Delegate of Australia.

Dr. H.C. COOMBS (Australia): Mr. Chairman, I think it is very important in this discussion that we differentiate between signature of records and signatures which are in essence agreements to do things. As I said earlier, there does not seem to me to be any doubt as far as the Final Act is concerned, since that is merely an authentication of a text.. That text is not incorporating any reservations which have been made by

countries here and the signature will be an authentication inter alia of the fact that those reservations are accurately recorded. But no action is called for from the parties signing that Final Act, at any rate, in relation to the commitments embodied in the General Agreement or in the Draft Charter.

The next stage is that a protocol will be signed by certain countries, by which they undertake to give effect to the provisions of the General Agreement provisionally, and to introduce tariff changes embodied in the schedules, also provisionally. Now, it seems to me that that is quite a different matter. The countries are undertaking to grant certain privileges and to take certain action, and it does not seem to me to be reasonable that they should give that undertaking unless they know what the other parties are, in fact, going to do. Therefore, it appears to me that the only reservations which could be incorporated or attached to the protocol of provisional acceptance would be reservations which have been accepted by all the parties. In the protocol of provisional acceptance, there can be no reservations, as I see it, except ones that are generally accepted by all the parties to that provisional acceptance.

The same does apply, as I see it, to the Agreement itself when that comes to be ratified and accepted. In relation to it, too, the only reservations which could be incorporated would be reservations which all the parties were agreeable to have included. If a country wishes to make reservations on either of those two Documents, and it cannot get general acceptance of those reservations, then it seems to me the only alternative open to it is not to sign the protocol of provisional acceptance or not to sign the Agreement.

However, I have been interested in the comments on the influence on willingness to sign a protocol (particularly the protocol of provisional acceptance) of whether the General Agreement will incorporate automatically the provisions of the Charter when it is finally agreed upon. I think a number of Delegates have pointed out that it would assist them considerably in giving acceptance to the protocol for provisional acceptance if they knew that the provisions of the General Agreement would be replaced automatically by the Charter when it is finally agreed upon.

Now, the Delegate for South Africa has very soundly pointed out that there are real difficulties about that because, to some extent at any rate, it means that in so signing you are signing a blank cheque. Of course, unlike signing a blank cheque, in this case you can stop payment, but you have not got time to stop payment before the man gets to the bank with the cheque, so it is not quite as bad, although I agree that there are difficulties.

On the other hand, if you sign the provisional acceptance without an understanding that the provisions of the General Agreement will be replaced by those of the Draft Charter, then I think it is clear that two consequences follow. The first is that, to some extent, whatever may be the former position, your freedom of action in relation to the Charter is limited - you have already agreed to accept something, however provisionally, and your position in seeking to have it altered is that much weakened. Furthermore, you are forced into a position subsequently of having to object to something which you have substantially agreed to.

Another difficulty is that, by agreeing to the inclusion of these clauses without any such provision for automatic replacement, you have given them an apparent permanence of status, which makes the whole provisional acceptance much more difficult, because if you are accepting something which, in the absence of action to the contrary, is going to continue on a permanent basis, you have a much better obligation to justify that acceptance to your legislature than if what you are accepting is so clearly provisional that it is automatically going to be replaced, by which your parliament would consequently have an opportunity to examine and reject it if they do not like it.

So, for that reason, we feel, as I have indicated before, some concern about this point and we would wish for some automatic provision to be made. I was interested in the United States suggestion last week that it might be done by giving at least an appearance of automatic replacement by providing that the Articles of the Agreement would be replaced by those of the Charter unless a specific number objected. I think that perhaps that is the answer, in part, to the South African Delegate's objection.

The only question that I have got to ask is what happens if such objections are raised? Now, if what happens is that, in the event of anybody objecting, what is in the Agreement stands, then I think that is purely a formal change and does not really mean anything, but if what happens next is that, if anybody objects, the parties meet and confer and decide what will go in, so that the whole thing is open and everybody is on an equal footing and there are not priorities, either for what is in the Charter or for what was previously in the General Agreement, then I believe that the position would be entirely different. In fact, we would be prepared to say that the provisions of the General Agreement will be replaced automatically by those of the Charter unless any of the contracting parties object, and if any of the contracting parties object the contracting parties would confer and decide what should go in.

The result of that would be, when the contracting parties conferred, if there were only one objector to say: "Well, we are quite satisfied with what is being put in here out of the Charter, and the thing for you to do is to make up your mind whether you are going to accept it, or, if you cannot accept it, withdraw from the General Agreement". On the other hand, if there were a substantial number, and if the objection were

a significant one, it would be up to the contracting parties to resolve the difficulties, but no one group would be able to claim priority for the things which they favour, whether it was what was in the Agreement or what was in the Charter. We think that that would keep the position quite open and leave complete freedom for the contracting parties to remain in to conclude an Agreement with which they are fully satisfied.

I do not feel that it is fair for parties to an Agreement to feel, at any stage, that they are being obliged to accept something which they do not think is what they want signed. What we are anxious to do is to keep the position as to what is in the General Agreement open, so that if what comes out of the World Conference in relation to the Charter is satisfactory then that takes its place unless anybody objects, and if they object, they have got every opportunity to state what in their opinion ought to be the content of the Agreement, without having any claims made that they have been previously committed or that either what is already in the Agreement or in the Charter has in any sense an absolute priority.

I feel, Mr. Chairman, that if we could agree upon something of that sort, those people who will be signing or who would wish to sign, a Protocol of provisional agreement would feel much happier, because it would be clear to them that their signature of that document was in every sense essentially provisional and that they would have two opportunities subsequently - first, at the World Conference, when it is decided what should be in the Charter - to influence the nature of what they were going to commit themselves to finally. If they were not satisfied with that, they would

again have the opportunity of conferring with the other contracting parties as to what, if anything, could take the place of the Charter. If they could not get agreement there, then they would have complete freedom not to conclude the General Agreement, but to terminate their provisional acceptance of it.

I believe, Mr. Chairman, that that would simplify this problem of reservations in that it would be less difficult for a country to accept the Protocol of provisional acceptance without reservations if they were quite confident that by so doing they were not imperilling the attitude which they would wish to take at later stages.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I have very little to add to what Dr. Coombs has said. It seems to me he has made a very constructive suggestion, on the question of the automatic supersession, with the understanding that, if a proportion of the parties have objections, then all the parties will meet to consider the situation. They will be able to do that in the light of the knowledge of the circumstances which exist at the time. In that case it may be possible for a large number of the reservations not to be put in at this stage. If that is not possible, then one must hope that they will be able to withdraw them before the Havana Conference. If they cannot do that, the only thing would be to wait until the Havana Conference and perhaps the changes made at Havana would meet their case. If they are working on the General Agreement, then their case is met. If not, it will be for the authority set up to administer the Agreement to admit their reservations, if it is willing to do so. If it is not willing to admit them, then I am afraid their only recourse is for them not to become parties to the General Agreement. That is how the matter appears to me.

CHAIRMAN: The Delegate of Chile.

Mr. F. Garcia OLDINI (Chile) (Interpretation): Mr. Chairman, as the Syrian Delegate has pointed out, we have become involved here in difficulties which seem really considerable. That is due to the fact that we have followed no logical path in

drafting the text and that we have not given precedence to one text or the other. The logical way would have been first to agree to the Charter, in which we have tried to establish standards for international trade, and then to devise the practical steps which we want to have embodied in the General Agreement. The General Agreement should then only have come to life after the approval of the Charter.

That would have been the course to follow if we had followed reason; that is, I think, in accordance with the law of nature. But, for reasons which I do not know, we have followed a different way and, as the Syrian Delegate mentioned last week, we have tried to give life to the son before the mother was born and the result is that we have here something which is a monstrosity.

The difficulties do not come from the reservations which have been made by our Delegation and which we want to see embodied in the Agreement, but from those Delegations who wanted us to come to an agreement on principles which have not been approved in the Charter. Therefore it would be right for us to ask concessions from those who are at the bottom of the difficulties which now face us.

We have made reservations as regards a non-existing mother and it is quite normal for us to transfer these reservations to the son which we want to see born here. We have been answered that it is quite impossible. I may accept that answer, but, nevertheless, if we want to find a compromise I think the best solution would be to follow the suggestion just made by Dr. Coombs; that is, that Part II of the Agreement, or the whole of the Agreement, should be replaced automatically once the

final text of the Charter is adopted; that is to say, that these Articles of the Agreement should be replaced by the corresponding Articles of the Charter. If that were done, then I think many of the difficulties which now confront us would be eliminated.

Of course, that would not prevent us, in the course of the discussion of the General Agreement, from expressing certain reservations which we have made regarding the Charter and, as I have stated, we shall express the reservations, if need be, at the time when we sign the Final Act.

As regards another question: the French Delegate mentioned just now the date of June 1948 as being the date up to which the signature of the Agreement would be open to the contracting parties, but it seems to me ----- here I would like to take up an expression which was used by our Belgian colleague last week, when he said that since coming to Geneva he had had the impression of being a sleep-walker.

I think that in the course of our discussions last week we decided on a procedure to be followed for the signature of the General Agreement. Now the French Delegate points out that this Agreement can be open for signature up to June 1948, and our Chinese colleague mentioned the date of February 1948.

I think that, in the case of Delegations which made reservations, these reservations are usually made because they correspond to essential needs of the countries concerned. Therefore it must be established clearly that the Final Act is only a record of what has been decided here and that, on the other hand, we ought to establish clearly also only the date on which the Agreement will be open for signature. Then the various Governments will know how much time they have in which to study the advantages and disadvantages of the Agreement;

they will be able to weigh these advantages and disadvantages in the scales and decide whether it is better for them to withdraw their reservations or not to sign the Agreement.

But if we want to build up here a homogeneous body of provisions, and, on the other hand, if the various Delegations wish to take into consideration not only their own interests but also the general interests of all the nations, then they ought to know the date up to which they are allowed to join in the Agreement.

Therefore, Mr. Chairman, I would be extremely grateful to you, if, before adjourning this debate, you would give an answer to that question.

CHAIRMAN: Before answering the question which has just been raised by the Delegate of Chile, I would like to call upon the Delegate for Belgium, who has asked for permission to speak. But, as I said I would close the debate after the Chilean Delegate had spoken, I would like to have the unanimous consent of the Committee before calling upon the Delegate for Belgium.

(No dissent)

The Delegate for Belgium.

M. Pierre FORTHOMME (Belgium) (Interpretation): Mr. Chairman, first of all I would like to thank the Committee for allowing me to speak. I think we have listened with great care to what Dr. Coombs said but in our opinion Dr. Coombs neglects one important question in this question of automatic substitution, that is the essential link which exists between this General Agreement and the Tariff Concessions. If one applies the principle of automatic substitution, and if the General Agreement were to be qualified by this principle, then that would prevent the provisional application of the Agreement, I am afraid, because in fact, here, in regard to these Tariff concessions, the countries need a firm basis to measure the sacrifices they have made and to weigh in comparison the award they are getting, and on the other hand they need security, and they need security in regard to the granting of tariff concessions. And if the basis of the Agreement is to be modified within a short period, and if the rule of one-third majority is allowed to play here, then the party which has made the tariff concessions may object to applying the General Agreement straightaway, because it will not know if, within a short time, this concession may not be hindered or nullified by the Charter. Therefore this Party would, it seems to me, be making undertakings beyond the terms to which it has agreed here.

It seemed to me that the will of the countries which first decided to join in an Agreement was to establish conditions for international trade such as would enable them to grant tariff concessions, and this will meant that the conditions would be maintained whatever future steps might be taken, and that the countries did not seek on the other hand to impose the same conditions on other countries if the countries were not willing to make the same undertakings; but nevertheless that between the countries which agreed to those conditions there was a will to

establish such conditions. If such conditions were established between these countries, then, if other countries wanted to join the Agreement, it would be possible for those other countries, but only of their own will.

Now we have something quite different; we are speaking of automatic substitution and we are speaking of the General Agreement being part of the Charter and that in order to become part of the General Agreement one had also to become part of the Charter Agreement. Therefore it seems to me that, if the basis is changed, a Member would only have one solution in certain cases, that would be to withdraw altogether from the Agreement, because if the Charter does not provide the basis for this Agreement which this Member was expecting when he granted the Tariff Concessions, then therefore he could not withdraw those concessions and the only possible solution would be for him to withdraw from the Agreement, and therefore to find himself with an inferior statute, which of course was not at all what was intended.

Therefore it seems to me that the conception which was outlined by Dr. Coombs was somewhat erroneous and does not correspond to the conception which we had when we first opened these debates.

CHAIRMAN: Well we seem to have had a very full debate on this subject of reservations. It started off by a discussion as to what reservations should or should not be attached to signature, and ended up, like so many of our discussions, in the question of supersession of Part II of the Agreement by the Charter.

I think Dr. Coombs was quite correct in pointing out the importance of this question of supersession of Part II by the Charter in connection with reservations, because it does have a great deal of bearing for those countries which have reservations, particularly reservations to the Charter, to consider whether or

not they should maintain those reservations in considering the General Articles of Agreement. But we can only perhaps deal with this question of supersession of Part II by the Charter when we come to consider Article XXVII, for paragraph 1 of that Article does provide for the supersession of Part II by the Charter.

We were advised at our last meeting that the United States Delegation are submitting an amendment to the first paragraph of Article XXVII along the lines which Mr. Brown outlined at our last meeting. I do not think we can consider the question of supersession of Part II by the Charter until we come to Article XXVII because it is necessary for us, first of all, to decide, or to have a clear picture of, what Articles are going to be in Part II. Therefore I think we should maintain our procedure and go through the Articles one by one, so that when we do come to Article XXVII we shall have a clear idea as to what Part II is or is not to contain.

The question of reservations can therefore be left in abeyance until that time.

I think that this discussion has shown that a number of Delegations are of the view that the only reservations which could be admitted at time of signature would be those which have the unanimous consent of all the other countries parties to the Agreement.

I feel now I could answer the question which was raised by the Delegate of Chile in regard to the date on which the Agreement closes for signature. Members of the Committee will recall that in our subsequent discussion a suggestion was thrown out that the closing date for signature might be one month after the termination of the World Conference. The Delegate of

Norway suggested that two months might be better. The Secretariat, in drawing up this table, had to strike a date midway between the two, so they suggested 28 February, and that is the date that was referred to by the Delegate of China and mentioned by the Delegate of Chile. The Delegate of France, I understand, mentioned the date of 30 June. Possibly that was because he has had the privilege, as I have, of seeing an amendment which a certain Delegation proposes to introduce to Article XXIV, the Article providing for definitive entry into force, and in that amendment the date of 30 June was mentioned. There again I do not think we can obtain a clear picture until we come to Article XXIV and discuss this question. But the date is fluid: the earliest date which we have before us is February 28; the latest date which we have, when this amendment is submitted, is 30 June. So the date we have to take in our considerations is some date between 28 February and 30 June.

If there are no comments on the procedure I have outlined, I suggest that we revert to Article I. Before we commenced discussion on the question of reservations, the Delegate of Australia had suggested that Article I might be transferred to Part II. Therefore I would suggest that we devote our discussion to the suggestion of the Australian Delegate.

The Delegate of the United States.

Mr. F. GARCIA OLDINI (Chile) (Interpretation): Mr. Chairman, I would like just to ask a question. I think I understood rightly when you said that the question regarding reservations was not solved. Was that a correct interpretation?

CHAIRMAN: Yes. I think what I said was that a number of Delegations had expressed the view that the only reservations

which would be acceptable at time of signature would be those which were unanimously agreed to by all contracting parties. But I also pointed out the relation of this question of reservations to Article XXVII, and therefore I said we should leave the question of reservations for the time being and revert to it again when we came to Article XXVII.

The Delegate of the United States.

Mr. Winthrop BROWN (U.S.A.): Mr. Chairman, Article I was suggested by the Tariff Working Party for inclusion in Part I of the General Agreement, because it was considered by them to be a very fundamental Article, and I should think there would have to be strong reasons for moving it into Part II.

The Delegate of Australia indicated that the reason underlying his suggestion was that Article I would require some changes in his legislation, but that those changes were not particularly important ones. I wonder if he would be willing to elaborate some of those reasons, and perhaps we might find out from other Delegations present whether they find similar difficulties in connection with Article I. I would like to know more about that before forming any opinion upon the suggestion of the Australian Delegate.

CHAIRMAN: The Delegate of Australia.

Dr. H.C. COOMBS (Australia): Mr. Chairman, we have expressed our general attitude on this Article. We believe that it, together with certain other Articles in the Draft Agreement, embodies a general principle which constitutes for Australia a very important change in the general commercial policy, and we believe, therefore, that the proper place for such a change to be accepted - if it is to be accepted - is as part of the Agreement embodied in the Charter as a whole; but our particular reason for asking for it to be shifted to Part II is, as I said, that we wish this Agreement at this stage to be accepted provisionally and that any acceptance should not involve legislative action by our Government.

I understand that we have a provision in our Customs law by which we grant, in respect of valuation for duty, a certain privileged position to the Dominion of Canada in relation to the way in which we deal with transport charges. I have forgotten the precise details of the provision, but it is as to what proportion of the inland transport charges shall be incorporated in the total for valuation for duty. Quite apart from the merits or demerits of that particular arrangement, it is clearly an infringement of the general legislative treatment as embodied in Article 1. It could not be altered, as far as we are concerned, by administrative action and we would, therefore, in accepting Article 1 be undertaking to present to Parliament an alteration on that. I give that as an example of which we happen to be aware. I do not doubt that there are other provisions affecting imports and import charges which may infringe this also. I cannot recall any offhand, but there may be such examples both for us and for other countries.

Now, the essential understanding which we have of the whole position of provisional acceptance is that we will not be called upon to undertake legislative changes, and it seems to us that there is no difference in substance in transferring this Article from the first part to the second part, except that it means that if to give effect to this, along with the rest of the Articles in Part II, would involve legislative action, then you are not required to take legislative action during the period in which the Agreement is provisionally operative.

I do not want to discuss our attitude towards the Article generally at this stage, Mr. Chairman, since I reserve that for when we are discussing the content of the Article. My point is that there is no difference between this Article and the other Articles in Part II in that it may and in our case does, require legislative action which we should not be called upon to take during the period of provisional operation.

CHAIRMAN: Are there any other Delegations represented on the Committee that would have any difficulty in applying the provisions of Article 1 provisionally without legislative changes?

M. ROYER (France) (Interpretation): Mr. Chairman, as the question was raised by the United States Delegate, I must point out that the French Government would have here a small difficulty to apply completely Article 1 in the period of provisional application of the Agreement. The problem relates here to the country of origin of the goods and to some super-taxes which are imposed in certain cases, and regarding the problem of the country of origin of the goods imported into France, the legislation would have to be modified to put it in accordance with Article 1.

We do not ask that Article 1 should be transferred from the first part to the second part of the Agreement, but nevertheless we should ask that this Article should not be applied one hundred per cent by the French Government before the Agreement is ratified. Of course, this is only a minor problem involving two or three points of detail.

CHAIRMAN: Are there any other Delegates in the same position? Well, as it is now six o'clock, I suggest we now adjourn and we can take up this discussion tomorrow. The meeting will take place tomorrow in this room at 2.30 p.m.

The meeting is adjourned.

(The meeting adjourned at six o'clock).