

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.Proposed Statement for Inclusion in the Chairman's Speech
at the Final Meeting of the Preparatory Committee.

The Tariff Negotiations Working Party has decided to recommend the inclusion of the following statement in the Chairman's speech at the final meeting of the Preparatory Committee; it is intended that this statement should be included verbatim in the record of that meeting. If members of the Tariff Agreement Committee have not submitted comments by noon on October 14, it will be assumed that they have no objection either to the statement or to the course of action proposed.

"The question has been raised whether there is any provision in the General Agreement on Tariffs and Trade whereby it can be ensured that all contracting parties make tariff concessions of equivalent value. The point arises particularly in relation to the concessions to be made by new adherents and whether they will be equivalent to those made by the original contracting parties. Moreover, the same question will probably arise from time to time, as the process of lowering trade barriers goes forward, in respect of the original contracting parties."

"This problem was, of course, foreseen in the draft Charter, and the Preparatory Committee has recommended in Article 17 (new numbering) provisions which we all consider adequate to meet the case. Reference may be made especially to the introductory words in paragraph 1 (which commit Members to negotiate about tariffs and preferences), to paragraph 1 (c) (which says that concessions made

in previous negotiations shall be taken into account), to paragraph 1 (d) (which says that the results of such negotiations shall be incorporated into the General Agreement on Tariffs and Trade) and to paragraph 2 (which gives the International Trade Organization certain rights as to the implementation of Members' undertakings in paragraph 1)".

"Thus, it can be stated with some confidence that the question of the contributions to be made to the objective of reducing trade barriers by Members, new or old, from time to time, will be adequately covered when the Charter comes into force. If, unhappily, the Charter does not come into force, or if there is long delay, the question of having provisions equivalent to those of Article 17 of the Draft Charter will inevitably be one of those which the contracting parties will have to take into consideration in accordance with the provisions of paragraph 4 of Article XXIX of the General Agreement on Tariffs and Trade."