

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

Summary Record of the Second Meeting
of the
Tariff Agreement Committee

Held on Wednesday, 6 August 1947, at 10.30 a.m.
in the Palais des Nations, Geneva.

Chairman: Mr. L.D. Wilgress (Canada)

The CHAIRMAN, in calling for a resumption of the general discussion on the Report of the Tariff Negotiations Working Party (E/PC/T/135), invited Delegates to indicate whether their Governments would be prepared to sign the General Agreement on 30th September in the event of the tariff negotiations being concluded by the target date of 10th September.

M.F.GARCIA OLDINI (Chile) said that he agreed with the Chairman, who had said, at the close of the previous meeting, that certain articles in Parts I and III were characteristic of trade agreements, but his objection to their inclusion in the General Agreement was directed to the fact that they were liable to alteration in the further discussions of the Charter, and therefore it was necessary for his Delegation to reserve its position.

The CHAIRMAN then said that in order to meet the difficulties of the Delegate for Chile the general discussion of the draft Agreement should be followed by an examination of the detail of Part III, and that Parts I and II should be examined later when possibly the text of the Charter to be submitted to the World Conference might have been decided.

Mr. B.N.ADARKAR (India) said that his Government would require considerable time to study the terms of the Agreement after the completion of the tariff negotiations. If India were not mentioned in Article XXXII it appeared that the Indian Delegation could sign the Agreement without thereby committing the Government of India to give provisional effect to the Agreement, but in fact it would have to be brought provisionally into force if the tariff schedules were made known. India would prefer that the signing of the Agreement should be left until a later date as suggested by the Delegate for Australia, or alternatively, if such a course were practicable, that some of the schedules be withheld.

Mr. Adarkar then referred to paragraph 2 of the protocol of signature, and to paragraph 4 of Article XXIV, which appeared to permit definitive entry into force of the Agreement prior to the Havana Conference; he thought this was undesirable.

Mr. J.P.D.JOHNSEN (New Zealand) thought it was doubtful whether his Government could give even provisional effect to the Agreement prior to ratification by Parliament; he said that his Government would require an opportunity to examine the whole of the Agreement before signing it, and therefore he would prefer the time table proposed by the Delegate for Australia. He agreed with the view that the announcement of schedules must be arranged simultaneously in all countries,

and he mentioned that the inclusion of Articles of the Charter in the General Agreement raised the problem of the reservations to those Articles which were likely to be maintained by various Delegations.

Dr. J.E. HOLLOWAY (South Africa) said that an agreement involving the reduction of duties would require ratification by the South African Parliament which would not meet until January; meanwhile, it was proposed that the South African Delegation should sign the Agreement ad referendum.

Mr. H.E.S. MINOVSKY (Czechoslovakia) repeated a statement previously made by his Delegation that they could not sign the Agreement except with the approval of Parliament, and therefore there was no possibility of provisional application; further, if some provisions of the Agreement were not in accord with existing legislation it would not be possible to sign, and therefore his Delegation was of the opinion that the Agreement should not be brought into force until after the Havana Conference, and the discussion of the details of the draft Agreement should be postponed until the Articles of the Charter had been finally approved by the Preparatory Committee. He further stated that the proposed cancellation of prior international obligations was not acceptable to his Delegation.

Mr. R.L. FRESQUET (Cuba) said that his Government would be anxious to conform to whatever procedure might be decided upon, but he could not at present make any commitment as to the date of signature.

Mr. H. JABBARA (Syria) expressed the opinion that signature of the Agreement meant automatic acceptance of the terms of a draft Charter which were subject to change; he thought the Agreement should be purely a customs agreement and should not include articles based upon the draft Charter.

The CHAIRMAN recorded that fourteen Delegations had stated their views on the proposed time-table, and that it was clear that no conclusion could be reached at the present time; therefore, he proposed that further discussion of the time-table should be postponed until the details of Part III came up for review.

The CHAIRMAN asked Delegations to submit any amendments they wished to proposed to Part III by noon on the 11th August so that Part III could be discussed during that week, and he suggested that the remainder of the present meeting should be devoted to other general aspects of the Working Party's Report.

The Meeting agreed to this procedure.

Dr. COOMBS (Australia) said that he would like to mention several other general problems which arose from the draft Agreement, and that he would like to outline the views of his Delegation so as to provide a background to their criticism of details which should be made at subsequent meetings. The Australian Delegation had always regarded the tariff negotiations and the preparation of a Charter as closely interrelated, and he thought Delegations could not be expected to agree to tariff reductions unless they were confident that the positive parts of the Charter would be observed. Consequently, the Australian Delegation would like best to see the whole draft Charter incorporated in the Agreement, and the Agreement eventually replaced by a revised Charter after the Havana Conference; the Working Party had used the protocol of signature as an honest attempt to satisfy this view, but the plan was not very satisfactory.

Dr. Coombs proposed that the Agreement should not include any obligations which were not strictly required to protect the tariff reductions, and he mentioned by way of example that he could not agree that the inclusion of the most-favoured-nation

provisions of Article 14 was necessary. The acceptance of the most-favoured-nation provisions to replace the preferential policy would be justified for his Delegation only if the whole of the Charter were adopted. Secondly, he proposed that the supersession of the Agreement by the Charter should be automatic, unless a substantial majority of the contracting parties agreed otherwise, instead of requiring a two-thirds majority to bring about this change in the Agreement. Finally, Dr. Coombs said that some parts of the draft Agreement seemed to suggest that the Charter might never be adopted.

Mr. ADARKAR (India) said that he could not agree with the second proposal of the Delegate for Australia, as governments could not be expected to sign an agreement for three years if that agreement provided for the incorporation of a Charter the terms of which they could not foresee; he thought the Charter should not replace Part II of the Agreement unless all contracting parties adhered to the Charter. Also, he could not agree with the Delegate for Australia that Article 14 should be omitted. Finally, he referred to Article XXVII and expressed the opinion that paragraph 3 took away a right granted to contracting parties by paragraph 2.

Dr. A.B. SPEEKENBRINK (Netherlands) said that the removal of Article 14 would unbalance the whole Agreement, and that an Agreement without adequate safeguards would be unacceptable.

Mr. WINTHROP G. BROWN (United States) said that the inclusion of the most-favoured-nation principle seemed to his Delegation to be absolutely fundamental; he thought that Delegations had proceeded with their tariff negotiations on the assumption that discrimination was to be eliminated

except for the established preferences permitted under Article 14, but if that principle were now omitted it would be a great step backwards. He enquired of the Delegate for Australia whether his point were not met by the provisions of Article 14 which allowed the continuance of established preferences.

Dr. COOMBS (Australia), in reply to Mr. Brown, said that he had referred to the fact that preferences which were not the subject of negotiation at this Conference would also be bound under the terms of Article 14. He agreed that the most-favoured-nation principle was an important part of the Charter, but not more important than the maintenance of high levels of employment, and its omission from the Agreement would not prejudice the concessions agreed upon in the negotiations.

M. P.A. FORTHOMME (Belgium) said that he was in agreement with the remarks of the Delegate for the Netherlands.

The CHAIRMAN then announced that the Committee would not meet on the following day, but would hold two sessions on Monday, August 11th, in the morning and afternoon.

The Meeting rose at 12.55 a.m.