

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENTSummary Record of the Eighth Meeting of
the Tariff Agreement Committee held on
Tuesday, 2 September 1947, at 2.30 p.m.
in the Palais des Nations, Geneva.

Chairman: Hon. L.D. WILGROSS (Canada)

The CHAIRMAN opened the meeting recalling that the previous meeting had been adjourned while the Australian suggestion to transfer Article I to Part II was being discussed.

Mr. DORN (Cuba) stated that his country also had difficulties as legislation was required before Article I could be applied. This was also the case in respect of the tariff rates.

Mr. JABBARA (Syria) remarked that also in his country new legislation was required.

Mr. JOHNSEN (New Zealand) stated that his Government could not sign such a provision which represented an important concession before it could assess whether it would receive adequate compensation under the whole of the Agreement provisions.

Mr. BROWN (United States) declared that his country would not sign a trade agreement without the essential provision of Article I and that it should be in Part I where it would not be subject to supersession. He thought that the exceptions contained in Article I took account of the difficulties mentioned by the Delegates for Australia and France; it had already been recognised that France would not be expected to make all required corrections immediately. In Cuba legislation

in respect of the Agreement could be enacted together with that required for the tariff rates.

Commenting on the Australian proposal to make supersession automatic unless objected to by any of the contracting parties, he said that the United States would prefer the Agreement to stand on its own feet. But he was prepared to accept the Australian suggestion and to have the relevant provisions of the Charter to supersede Part II, unless one of the contracting parties objected.

The CHAIRMAN requested the Delegates for Australia and the United States to submit in due course a re-draft of Paragraph 1 of Article XXVII.

Mr. HOBARAK (Lebanon) said that any statement on this matter made by either the Lebanese or the Syrian Delegates will also be on behalf of the other country since their constitutions were similar.

Mr. MELANDER (Norway) welcomed the statement of the United States Delegate. He could not state his position immediately but thought that in principle it seemed to offer a solution.

Mr. JOHNSEN (New Zealand) remarked that at the time of signature the Charter might not be effective and a country might not be able to define its position.

Mr. COUILLARD (Canada) associated himself with the Australian and the United States proposal.

Dr. HOLLOWAY (South Africa) asked what would be the procedure to arrive at a decision when a country objected.

Dr. COOMBS (Australia) thought that there were three possibilities: all parties might agree with the objection and make an appropriate change; or they would wish to maintain the new text and then the objecting country would have to choose between accepting the Charter provisions and withdrawing from the Agreement; or the parties might agree upon a compromise text. In each case there would have to be unanimity amongst those adhering to the Agreement.

Mr. ROUX (France) thanked the Delegate for the United States for his interpretation regarding the provisional application of Article I by the French Government, which he took to be the view of the Committee. He welcomed the consent of the United States to the proposal first made by Australia though he could not yet express a final view.

Dr. SPEERENBRINK (Netherlands) associated himself with this statement.

Mr. SHACKLE (United Kingdom) stated that the suggestion also appealed to him but thought that it ought not to be elaborated too much at the moment. It was time to deal with its implications when the case would arise.

The CHAIRMAN stated that the question of supersession would come up again in the discussion of Article XVII and he invited further comment on the Australian suggestion to transfer Article I to Part II.

Mr. FAIVOVICH (Chile) supported the suggestion.

Mr. MELANDER (Norway) stated that his delegation would have no objection to the transfer..

Mr. JABBARA (Syria) seconded the suggestion for the transfer.

Mr. COUILLARD (Canada) stated that he could not accept the suggested transfer.

Mr. SHACKLE (United Kingdom) said that it would be regrettable to transfer Article I, an essential part of the foundation and structure of the Agreement, to Part II. He suggested to leave it in Part I and to give time to amend legislation to those Governments who were required to do so.

Dr. SPEEKENBRINK (Netherlands) saw no objection to keeping Article I in Part I because if a better clause was found it could always be substituted.

Dr. AUGENTHALER (Czechoslovakia) supported the suggestion of the Delegate for the United Kingdom to leave Article I in Part I and to take into account the difficulties of some countries to adjust their legislation immediately.

Dr. COOMBS (Australia) stated that in view of the statement made, he would withdraw his opposition to the Article remaining in Part I, but stressed that thereby the problem became much more difficult for his Government.

Paragraph 1 of Article 1 was approved.

On paragraph 2, Dr. COOMBS (Australia) suggested that paragraph 2 should be amended to read: "the provisions of paragraph 1 of this Article shall not affect any preferences in respect of import duties or charges not described in the Schedules to this Agreement, or which do not exceed the levels provided for in paragraph 3 of this Article and which fall within the following descriptions: . . ." and, as a consequence to delete from paragraph 3 all words after "or if no preferential rate is scheduled".

Mr. COUILLARD (Canada) thought that this would mean that margins of preference could be widened and that probably tariff negotiations would have to be reopened.

Mr. BROWN (United States) declared that he could not accept the Australian amendment.

Dr. COOMBS (Australia) pointed out that when the Charter would be signed his country intended to apply the Most-Favoured-Nation treatment generally. But here they were only concerned with requests.

Mr. JOHNSON (New Zealand) supported the Australian amendment.

The CHAIRMAN suggested to leave the proposal in abeyance to take it up later when further progress had been made with the tariff negotiations.

Mr. ADARKAR (India) opposed the Australian amendment stating that his Delegation had conducted the tariff negotiations on the basis of the old Articles 14 and 24.

Mr. JABBARA (Syria) associated himself with the remark made by the Indian Delegate. He asked whether Article I referred also to other than key nations, when it would come into force for such nations, and whether it would be possible to revise it.

The CHAIRMAN thought the Article would have effect for any country giving provisional application from the date of the provisional application; for other countries when the Agreement came into effect for those countries. Being included in Part I, Article I would not be subject to change, except under the general amendment procedure contained in the Agreement.

Mr. SHACKLE (United Kingdom), raising the question of notes to the Charter provisions, suggested that these notes should be attached to the relevant Articles in the Agreement.

Mr. FAIVOVICH (Chile), Dr. HOLLOWAY (South Africa) and Mr. DORN (Cuba) also thought that such notes should be included in the Agreement.

Dr. AUGENTHALER (Czechoslovakia) suggested to include them in a Protocol to the Agreement. He was supported by Mr. BROWN (United States), Mr. DORN (Cuba) and M. ROUX (France).

Mr. JOHNSEN (New Zealand) felt it would be better to put them at the foot of the respective Articles.

Mr. SHACKLE (United Kingdom) consented to assembling all notes in a Protocol, which was agreed.

The CHAIRMAN asked the Secretariat to prepare a draft Protocol giving these interpretative notes.

Mr. DORN (Cuba) returning to the question of reservations asked if reservations should be mentioned in the discussion of each Article.

The CHAIRMAN ruled that this was not necessary and that reservations would be dealt with after discussing Article XXIV.

The debate on Article II having been opened, Paragraph 1 was approved.

M. ROUX (France), commenting on the French amendment (E/PC/T/W/312) to Paragraph 2, explained the reasons for this amendment as given in document E/PC/T/W/287.

Mr. BROWN (United States) thought that whilst agreeing with the objective of the French amendment it seemed covered by paragraphs 1 and 2 of Article II together with the Schedule as drafted in document E/PC/T/153.

M. ROUX (France) stated that he thought the provisions ought to be contained in the Agreement itself and not in comments to the Schedules.

The CHAIRMAN suggested to leave the question in abeyance until the Schedules would be examined.

M. ROUX (France) thought that the provisions appearing in various places in the Schedules ought to be gathered in Article II, but agreed to examine this question at a later stage.

The meeting was adjourned, Paragraph 3 of Article II to be taken up at the next session.