

JOINT SUB-COMMITTEE OF COMMITTEES II AND III ON TARIFF PREFERENCES

NOTES OF TWELFTH MEETING

Held at Havana on Saturday, 5 March 1948 at 10.30 a.m.

Chairman: M. Jean ROYER (France)

Article 15

Discussion of Article 15 as approved by the Co-ordinating Committee (E/CONF.2/45/Rev.1) was continued.

Paragraph 4.

Further discussion took place on the preamble to paragraph 4. This was approved subject to revision of the French text.

Paragraph 5

The informal Working Group set up at the Eleventh Meeting, to clarify the text of this paragraph, recommended that no change be made. The paragraph was approved subject to minor drafting changes in the French text. Two delegations wished their view recorded that margins of preferences approved by the Organization under the terms of the paragraph would be regarded as bound. Other delegations express contrary views.

Paragraph 6

Sub-paragraph (a) was approved subject to replacement of the words "injure substantially the interests of Members not parties" by "cause substantial injury to the external trade of a Member not party".

Sub-paragraph (b) was approved subject to replacement of the phrase "the Members contemplating the agreement may enter" by "the Organization shall inform the interested Members of its finding and shall require Members contemplating the agreement to enter". It was agreed to insert a note in the Sub-Committee's Report to the effect that the compensation provided for in sub-paragraph (b) might be of either a negative or positive character; that is to say, the Organization might, in appropriate circumstances, allow compensation to take the form of withdrawal of concessions by an injured Member, and not only of the establishment of new concessions in favour of such Member.

Sub-paragraph (c) was approved.

Sub-paragraph (d) was approved subject to replacement of the word
/"procedure" by

"procedure" by "provisions". It was agreed to add a note in the Sub-Committee's Report to explain that this change had been made in order to make it clear that the provisions of sub-paragraph (c) were not applicable to sub-paragraph (d). The delegation of Iraq had proposed deletion of the last sentence of sub-paragraph (d). An alternative proposal was discussed by which the "substantial injury" provisions of this sentence would be limited to Members having most-favoured-nation treaties with the parties to the proposed agreement. Neither proposal, however, was acceptable to the Sub-Committee, the latter proposal being supported by three members and opposed by five with several abstentions. The representative of Iraq reserved his right to re-open the question in Committee.

Interpretative Notes

The interpretative notes on paragraphs 4 (a) and 6 (d) were approved.

Consequential amendment of Article 13

The consequential amendment of Article 13 recommended by the Co-ordinating Committee received the support of the Sub-Committee after considerable discussion.

General Reservations

The delegations of Haiti and Turkey reserved their position on Article 15 pending a final decision on Article 16.