

THIRD COMMITTEE: COMMERCIAL POLICY

SUMMARY RECORD OF THE THIRTY-NINTH MEETING

Held on Wednesday, 18 February 1948, at 4.00 p.m.

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

CONSIDERATION OF THE REPORT OF SUB-COMMITTEE A ON ARTICLES 16, 17, 18 AND 19 (E/CONF.2/C.3/59)

Mr. LAMSVELT (Netherlands), as Chairman of Sub-Committee A, presented the Report.

ARTICLE 16

Mr. CORIAT (Venezuela) provisionally reserved his position on Article 16 pending the presentation of the Report of the Study Group on the Venezuelan proposal.

Paragraph 1

Mr. MULLER (Chile) maintained provisionally his reservation until a decision had been taken on the text of Article 15 to which the delegation of Chile had presented an amendment which might necessitate a change in paragraph 1 of Article 16.

Mr. SCARPATI (Argentina) reserved his position on paragraph 1 of Article 16 pending a decision on the final text of the whole Article and other Articles relating to preferences.

Mr. KUNTER (Turkey) and Mr. HAIDER (Iraq), reserved their positions on paragraph 1 of Article 16 pending the submission of the Report of the Joint Sub-Committee of the Second and Third Committees, particularly regarding the Ottoman Empire Clause.

Mr. JIMENEZ (El Salvador) also reserved his position on paragraph 1 of Article 16 pending the Report of the Joint Sub-Committee.

The CHAIRMAN pointed out that in dealing with paragraph 1 of Article 16 they were in no way prejudicing the Third Committee's consideration of the Report of the Joint Sub-Committee of the Second and Third Committees which was dealing with amendments relating to new preferential arrangements.

Paragraph 1 was approved on second reading.

New Sub-Paragraph 2 (c) bis

Mr. LLORENTE (Philippines) referred to the transferal of the reference
/to the Republic

to the Republic of the Philippines from Annex D to paragraph 2 of Article 16. Sub-Committee A had accepted the Philippine proposal in this regard.

The representative of the Philippines also drew attention to the Notes of the Seventh Meeting of Sub-Committee A, 22 December 1947, in which it was stated that the Philippine proposal to insert the word "gradual" before the phrase "elimination of the preferences referred to in paragraph 2 of Article 15" in paragraph 1 was discussed and substantial agreement reached that there are no exceptions to the obligation to enter into negotiations directed to the elimination of the preferences referred to in paragraph 2 of Article 16; however, the present text of Article 17 should not be construed to mean that such preferences must necessarily be eliminated abruptly.

The Third Committee concurred in the conclusions reached by Sub-Committee A referred to by the representative of the Philippines.

New Sub-Paragraph 2 (c) bis was approved.

New Paragraph 4

The CHAIRMAN pointed out that the substance of paragraph 4 had previously been contained in Annexes A and D.

Mr. CHAVEZ (Peru) maintained his reservation on paragraphs 2, 3 and 4 and the Interpretative Note to Article 16 pending a decision on the text of Article 15.

Paragraph 4 was approved.

Paragraph 5

The CHAIRMAN recalled that at the Thirty-First Meeting of the Third Committee on 4 February, it had been decided that paragraph 5, recommended by Sub-Committee C, should be inserted in Article 16 instead of in Article 35, and Sub-Committee A had been instructed accordingly.

Mr. STUCKI (Switzerland) commented that Switzerland had a very limited tobacco cultivation, and with her local product combined with imported tobacco manufactured a cigar which only the poorer people smoked. It was unfair that the people who could afford the best imported cigars should pay little more for them than the price paid for a Swiss cigar of poor quality.

Supposing Switzerland required a large sum of money to carry out an extensive scheme of social insurance, the scheme might have to be paid for by those people who indulged in the luxury of smoking good quality cigars. Would it be prohibited for a State in the situation sketched to impose higher duties upon certain imported products for the reasons given?

/If paragraph 5

If paragraph 5 precluded that, the Swiss delegation wished to reserve its position. It would be fairer, in his view, to change a specific tariff to an ad valorem tariff in such cases.

Mr. GUERRA (Cuba) supported by Mr. LAMSVELT (Netherlands) stated that paragraph 5 was a recognition by Members that they should not discriminate by means of tariff classifications based on regional or geographical names. If the classification were based on general criteria such as price brackets, then more expensive cigars such as "Havana" would bear a higher duty. Such general criteria would not be contrary to paragraph 5.

Mr. LEDDY (United States) asked if the Committee would be prepared to reverse its decision regarding the location of paragraph 5. If retained in Article 16 it might be construed to limit the scope of the most-favoured-nation clause in paragraph 1, rather than to supplement it, and he would wish to propose the addition of a phrase such as: "Nothing in this paragraph shall be construed to qualify the provisions of paragraph 1 of this Article."

The representatives of the NETHERLANDS and the UNITED KINGDOM agreed.

In answer to Mr. FORTHOMME (Belgium), the representative of the UNITED STATES said that in his view, tariff descriptions which provided a lower rate of duty for products which can be produced only in one geographical area or which mention a particular regional name would be contrary to the most-favoured-nation clause. If paragraph 5 were retained in Article 16, paragraph 1 might be construed as permitting a tariff concession on, say, "Havana" cigars as distinct from, say, cigars valued at so much per thousand.

Mr. McCARTHY (Australia) preferred that paragraph 5 be deleted for the reasons put forward by the representative of the United States, but if it were incorporated into the Charter, Article 35 was the appropriate place.

Mr. STUCKI (Switzerland) said that in the event the paragraph was retained, he would have to reserve the position of his delegation.

Mr. LECUYER (France) pointed out that his delegation had originally made a reservation in Sub-Committee regarding paragraph 5, but had withdrawn it in order that a compromise solution might be reached. If other delegations, however, reserved their positions vis-a-vis the paragraph, then the French delegation would have to maintain its reservation.

/Paragraph 5

Paragraph 5 was approved, the delegations of Switzerland and France reserving their positions.

It was decided that paragraph 5 should be transferred to Article 35.

Article 16 was approved on second reading.

Mr. GUTIERREZ (Bolivia) said his delegation reserved its position regarding Article 16 pending the report of the Joint Sub-Committee which was studying the question of preferences. He felt it would be difficult to say that Article 16, as presented in the Report of Sub-Committee A, had been adopted by the Third Committee as there had been such a large number of reservations.

The CHAIRMAN pointed out that the Third Committee had only approved on second reading those aspects of Article 16 which were within the terms of reference of Sub-Committee A. The question of existing preferential arrangements came under paragraphs 2 and 3 which were within the terms of reference of the Joint Sub-Committee of Committees II and III.

Interpretative Note

Mr. CHAVEZ (Peru) said his delegation maintained its reservation regarding the Interpretative Note until a final decision had been reached regarding Article 15.

The Interpretative Note was approved.

ANNEX A - List of territories referred to in Paragraph 2 (a) of Article 16

Mr. ALMEIDA (Brazil) said that his delegation maintained its reservation regarding paragraph 5 (b) of Article 23 relating to Annex A pending the report of the Joint Sub-Committee of Committees II and III on preferences.

Mr. CHOUY TERRA (Uruguay) also maintained provisionally his delegation's reservation regarding Annex A.

Mr. NARAGHI (Iran) provisionally reserved the position of his delegation regarding Annex A pending a final decision on Article 15 and on paragraphs 2 and 3 of Article 16.

Mr. USMANI (Pakistan) suggested that the word "Pakistan" should be inserted in the list of territories appearing in Annex A after the word "Newfoundland".

The CHAIRMAN pointed out that the proposal made by the representative of Pakistan would involve the deletion of the words "as at 10 April 1947" which appeared in parentheses after the word "India".

/Mr. LEDDY

Mr. LEDDY (United States of America) felt that this proposal might raise a legal question, namely whether this change would require the complete elimination of all preferences between Pakistan and the other territories listed in Annex A.

Mr. ADARKAR (India) said that as paragraph 3 of Article 15 fixed the margin of preference on any product in respect of which a preference is permitted under paragraph 2 as of a prescribed date, the Committee would have to consider, at the time that paragraphs 2 and 3 were discussed, whether the change proposed by the representative of Pakistan would give rise to any difficulties in this connection.

The proposal to add Pakistan to the list of territories in Annex A and to delete the words "as at 10 April 1947" was approved provisionally, subject to examination by the Joint Sub-Committee of Committees II and III in connection with paragraphs 2 and 3.

Mr. SCARPATI (Argentina) said that his delegation wished to reserve its position regarding Annex A until a decision had been reached regarding new preferential agreements.

The CHAIRMAN pointed out that Annex A as a whole had not been referred to Sub-Committee A. That Sub-Committee had simply to take into account those passages of the Annex which dealt with the imposition of a margin of tariff preference to replace a margin of preference in certain existing internal taxes or to replace certain preferential quantitative arrangements described therein. Therefore the Annex, except for the last two paragraphs, was within the terms of reference of the Joint Sub-Committee of Committees II and III. The Third Committee would have an opportunity of considering the remainder of Annex A when it dealt with the Report of the Joint Sub-Committee.

The last two paragraphs of Annex A were approved.

ANNEX D - List of Territories of the United States of America referred to in paragraph 2 (b) of Article 16.

The CHAIRMAN pointed out that two changes had been made in Annex D; the first was the deletion of the reference to the Republic of the Philippines, and the second was the removal of the provision relating to margins of preference in internal taxes. The latter change was within the terms of reference of Sub-Committee A, and the Sub-Committee had also recommended the former.

/Annex D was

Annex D was approved without comment.

Recommended Consequential Change in Sub-Paragraph 5 (b) of Article 23

The change recommended in paragraph 5 (b) of Article 23 was approved, and it was agreed to bring it to the attention of the Sub-Committee dealing with Article 23.

Article 17 - Reduction of Tariffs and Elimination of Preferences
Paragraph 1

Mr. HAIDER (Iraq) asked whether the phrase "substantial reduction of the general levels of tariffs" would apply to tariffs which were already low.

Mr. LEDDY (United States of America) felt that it was clear that the phrase referred to was a broad and general one. It did not mean that each country, no matter how low its tariffs might be, must nevertheless bring about a substantial reduction in the general level of those tariffs.

Mr. STUCKI (Switzerland) said his delegation fully supported the principles underlying Article 17, but considered that the wording of paragraph 1 needed clarification. It should be made clear that mutual tariff reductions were expected only between countries granting each other like facilities regarding the import and export of goods, particularly with respect to import restrictions, etc.

Mr. LAMSVELT (Netherlands) agreed with the remarks of the representative of the United States of America. He also drew the attention of the representative of Switzerland to the phrase in paragraph 4 of Article 17 beginning "having regard to all relevant circumstances, etc.", which he felt was broad enough to cover the point mentioned by the Swiss delegate.

Mr. BURGESS (United Kingdom) considered that the point raised by the representative of Switzerland was covered by the phrase in paragraph 1 referring to the reduction of tariffs and elimination of preferences on a "reciprocal and mutually advantageous basis."

Mr. LA ROSA (Italy) stated that during the first reading of Article 17 he had pointed out that his Government reserved the right to establish a new customs tariff to replace the existing one in force since 1921. The new customs tariff would be adjusted in accordance with the level of protection existing before the currency depreciation of 1936.

/Mr. GOMEZ ROBLES

Mr. GOMEZ ROBLES (Guatemala) said his country was also reviewing its customs legislation, and, therefore, his delegation wished to reserve provisionally its position regarding Article 17.

Mr. LLERAS (Colombia) said that although his country was also carrying out a revision of its tariffs, his delegation did not consider it necessary to make any reservation, since Article 17 and the interpretative note to sub-paragraph 2 (d) clearly contemplated that countries had the right to adjust their tariffs.

Mr. CHOUHY TERRA (Uruguay) stated that in tariff negotiations countries had different points of departure. Some proceeded from high tariff levels, among them being the more highly industrialized countries. Among the less developed countries were those like Uruguay which had not readjusted their tariffs to the new par value of their currencies resulting from devaluation. This devaluation was effected in view of the war and subsequent events, but had had little practical effect owing to the impossibility of importation. Now, however, Uruguay must conduct tariff negotiations which must proceed on the basis of readjusted rates. This claim was all the more justified when it was considered that certain countries' tariffs were based on the gold value of their currencies. When such currencies were devalued, readjustment of tariffs took place automatically, which was not the case with Uruguay. He considered, however, that the point was adequately covered by sub-paragraph 2 (d) which must be interpreted as referring to readjusted values.

Mr. STUCKI (Switzerland) said unless the Committee considered that the term "mutually advantageous" was to be construed as covering both tariffs and other related matters, he would be compelled to reserve the position of his delegation regarding Article 17.

Mr. HAIDER (Iraq) said the tariff system of his country was based on specific duties which had been in force since 1931; and it would therefore be necessary to adjust some of those duties before entering into negotiations.

Paragraph 1 was approved.

/Paragraph 2 (a)

Paragraphs 2 (a), (b) and (c) ((i) (ii) (iii) (iv)): approved without comment.

Paragraph 2 (d).

Mr. HAIDER (Iraq) suggested adding, after the phrase "duty free treatment", the phrase "or the undertaking not to raise them above a specified higher level".

Mr. LAMSVELT (Netherlands) pointed out that sub-paragraph 2 (d) dealt only with concessions which could be considered as equivalent in nature to substantial reductions in tariffs and thought it would be inadvisable to extend that meaning to an undertaking not to raise tariffs above a specified higher level.

Mr. HAIDER (Iraq) said the reason for his proposal was to cover the readjustment of specific duties in order to re-store the protective incidence reduced through a rise in prices prior to tariff negotiations.

Mr. GOMEZ-ROBLES (Guatemala) said the problem was one of specific as opposed to ad valorem tariffs. There seemed to be nothing in sub-paragraph 2 (b) which justified the previous statements of the representatives of Colombia and Uruguay with respect to a revision of tariff levels. If their interpretation was correct, he wished to have it noted particularly with respect to the position of countries like Iraq and Guatemala.

The CHAIRMAN called attention to the interpretative note to sub-paragraph 2 (d), to Sub-Committee A's interpretation given at the top of page 4 of its Report, and to the following excerpt from the notes of the meeting of Sub-Committee A held 27 December 1947 (E/CONF.2/C.3/A/W.18/Rev.2, page 2): "The Sub-Committee reached substantial agreement that it was not necessary to write the Mexican proposal into Article 17 because nothing in this Article would preclude the conversion of specific into ad valorem duties prior to negotiations."

Mr. LLERAS (Colombia) felt that the position was made clear by the interpretative note to sub-paragraph 2 (d) and the Sub-Committee's interpretation mentioned by the Chairman.

Mr. HAIDER (Iraq) then suggested that his proposed amendment to sub-paragraph (d) be added to the interpretative note to sub-paragraph 2 (d).

Mr. GUERRA (Cuba) pointed out that there was nothing in the Charter to prevent countries readjusting tariffs on unbound items for the purposes mentioned by the representatives of Guatemala and Iraq; specific reference to readjustment might imply that it was precluded.

/Mr. LEDDY

Mr. LEDDY (United States) felt that the Iraq amendment to the interpretative note or to sub-paragraph (d) would be undesirable since it would imply that substantial reductions in high duties should be forthcoming in return for an undertaking not to increase low duties above any specified higher level. He suggested that paragraph 2 (d) might be amended to read: "The binding of duties at low levels or of duty-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high duties." He believed this would meet the point raised by the delegate of Iraq.

Mr. HAIDER (Iraq) replied that his point was whether a Member could raise a duty which was artificially low due to a rise in prices before binding it as in sub-paragraph 2 (d).

Mr. BURGESS (United Kingdom) suggested that the points raised by the representatives of Guatemala and Iraq would be met by the proposed United States amendment plus including in the summary record the Sub-Committee's interpretation set forth on page 4 of the Report of Sub-Committee A, as follows:

"....(a) prior to negotiations, a Member would be free to increase the specific duty on any unbound item since Article 17 does not provide for a general binding of all items."

Mr. HAIDER (Iraq) said that that passage appeared to relate to currency devaluation, not to price inflation, and that only unbound items could be increased.

Mr. LEDDY (United States) stated that there was no provision in the Charter for the binding against increase of any rate of duty - the freedom to increase a duty on any individual item was dependent upon instruments other than the Charter. A Member, after accepting the ITO Charter, would be free to increase its tariffs prior to signing the General Agreement, unless bound in existing bilateral agreements. However, increasing tariffs to enhance one's bargaining position might well be challenged in negotiations; but changing from specific to ad valorem duties or adjusting tariffs to compensate for a rise in prices or currency devaluation would be taken into account during negotiations. Therefore, no change in Article 17 was required, in his view.

Mr. GOMEZ-ROBLES (Guatemala) indicated that he was satisfied with the explanation given by members of the Sub-Committee and in the Sub-Committee's Report and could accept the paragraph if this explanation was included in the summary record.

/Mr. LAMSVELT

Mr. IAMSVELT (Netherlands) pointed out that Article II, paragraph 6 (a) of the General Agreement permitted the readjustment of specific duties on bound items to take account of devaluation, as noted on page 4 of the Report of Sub-Committee A.

Mr. HAIDER (Iraq) expressed his satisfaction with the explanation given, provided that devaluation could also be interpreted to cover a rise in prices.

Mr. GUERRA (Cuba) reiterated that if a country raised its tariffs, other countries would take the reasons for doing so into consideration at the time of negotiations, but that in no way limited the right to raise tariffs.

Paragraph 2 (d) was approved.

The Interpretative Note to Sub-Paragraph 2 (d) was approved.

Paragraph 2 (e): approved without comment.

Paragraph 3

The CHAIRMAN called attention to the Sub-Committee's suggestion, on page 6 of its Report, that the best method of eliminating any difficulties arising from a possible conflict between the provisions of the Charter and the general provisions of the General Agreement on Tariffs and Trade would be for the Governments that signed the Final Act at Geneva to hold a meeting before the signing of the Final Act of this Conference "in order to agree with respect to the supersession of the general provisions of the General Agreement by the corresponding provisions of the Charter", so that "Members of the Conference would then be in a position to know the provisions of the final text of the General Agreement, referred to in paragraph 3 of Article 17, prior to signing the Final Act in Havana". The Sub-Committee had suggested further that the desirability of amending the unanimity requirement with respect to agreement on the terms of accession to the General Agreement might also be considered at such a meeting.

In accordance with paragraph 2 of Article XXV of the General Agreement, the Secretary-General of the United Nations had called a formal meeting of the Contracting Parties to the General Agreement, to be held in Havana on 28 February 1948. A meeting had also been arranged of the signatories to the Final Act at Havana, at which time the suggestions of the Sub-Committee would be taken into consideration.

Mr. SAENZ (Mexico) reserved his position, pro forma, on paragraph 3 until the definitive text of the General Agreement was known.

/Mr. MacLIAM

Mr. MacLIAM (Ireland) asked for a clarification of the second sentence of paragraph 3.

Mr. LEDDY (United States) said the purpose of the sentence was to make it clear that the concessions resulting from negotiations under Article 17 would be incorporated into the General Agreement. A schedule of concessions granted by each new Member negotiating under Article 17 would be added to those already contained in the General Agreement, with appropriate amendments in the existing schedules to provide for the concessions granted to the new Member. Bilateral agreements were not precluded by Article 17, although they would not be considered as giving effect to the obligations of Article 17, and should be governed by paragraph 2 (c) insofar as they related to the reduction of a margin of preference by negotiation.

Mr. USMANI (Pakistan) asked how a meeting of Contracting Parties on 28 February to agree on supersession was consistent with the right of Contracting Parties to object to such supersession within sixty days after the Trade Conference, including signatories which might become contracting parties within that sixty-day period.

Mr. LEDDY (United States) replied that the Sub-Committee had been aware of that problem and had contemplated an arrangement whereby all signatories of the Final Act in Geneva entitled to become contracting parties would agree not to object within the allotted time period to the supersession of the general provisions of the G.A.T.T. by the relevant parts of the Charter, so that the countries signing the Final Act of this Conference would know when they did so the situation with respect to the G.A.T.T.

Mr. MacLIAM (Ireland) asked: (1) if a country not a party to the General Agreement concluded negotiations with a contracting party, would it be required to approach all the other parties to the General Agreement before the results were incorporated and to negotiate with them; (2) if so, could the other parties to the General Agreement request it to make further concessions, especially on products on which concessions had already been granted; (3) could a party to the General Agreement refuse to make any further concessions than it had initially made in order to become a contracting party, and, if so, could a complaint be brought against it under paragraph 4?

Mr. LEDDY (United States) replied: (1) the present text of the General Agreement required unanimous agreement by the Contracting Parties to the accession of a new Member, but an amendment requiring only a two-thirds
/majority

majority had been proposed. Although it was to be expected that negotiations under Article 17 would ordinarily take place with all or almost all the parties, this would not be necessarily the case; (2) at Geneva the procedure had been to grant concessions on those products of which the other negotiating parties were the principal suppliers, either together or singly. If a potential party were a principal supplier of a product, concessions on which were not incorporated in the General Agreement, the contracting parties would be expected to grant concessions to the potential party; (3) a potential party would be required to offer concessions in return for concessions already incorporated in the G.A.T.T. on products of which the potential party was a principal supplier. Up to the time a new Member became party to the General Agreement, it enjoyed concessions indirectly through the most-favoured-nation clause; after that time the concessions would be direct and a payment would be expected. On the other hand, concessions a new Member was willing to make directly, even though previously enjoyed in bilateral agreements, would have to be taken into account.

After the representative of Ireland had restated his third question, Mr. LEDDY (United States) said that if the concessions on the product in question were not already included in the General Agreement, the contracting parties would be expected to consider concessions, but under Article 17 a Member was not required to negotiate on all products, since negotiations were on a selective basis. Failure to grant certain concessions, however, could be considered as a failure to negotiate on a "mutually advantageous basis" in which case a complaint could be made under paragraph 4.

Mr. ADARKAR (India), reverting to the Sub-Committee's recommendation regarding a meeting of the signatories to the Final Act in Geneva, suggested that the word "general" before "provisions" be deleted so that such a meeting could consider questions arising out of provisions other than the "general provisions" of the G.A.T.T.

The CHAIRMAN said that this point had been taken into consideration in drawing up the Agenda for that meeting.

Paragraph 3 was approved.

Paragraph 4

Mr. BURGESS (United Kingdom) proposed the insertion of the word "reconstruction" after "developmental" in paragraph 4 to make it clear that account would be taken of the reconstruction as well as of the developmental needs of countries.

/Mr. LEDDY

Mr. LEDDY (United States) considered that it was not necessary to specify "reconstruction" in paragraph 4, since the term "and other needs" would clearly cover it, as well as the needs of other countries, not specified in paragraph 4. In reply to Mr. LECOYER (France) and supported by the representative of the Netherlands, he added that the question in Chapter III was whether the term "development" should be held to include reconstruction or whether legally it was necessary to add the actual word. In Article 17 it was not necessary to include the word in order to cover the substantive point. Its omission in no way placed "reconstruction" needs below those of "developmental" needs.

The representatives of ITALY, FRANCE and BELGIUM supported the proposal of the representative of the United Kingdom.

After the proposal of Mr. HOLLOWAY (Union of South Africa) for closure of the debate had been approved, it was agreed by a vote of 28 to 8 that the word "reconstruction" should be inserted after "developmental" in paragraph 4 of Article 17, as proposed by the United Kingdom.

The delegation of CUBA maintained its reservation on paragraph 4 of Article 17 pending the outcome of the consideration of its amendment to insert the words "and/or the provisions of the General Agreement on Tariffs and Trade", and pending also the final decision of the contracting parties in respect of the amendment to Article II of the G.A.T.T. suggested by the Tripartite Working Party of Sub-Committee A of Committee III, Sub-Committee D of Committee VI, and the Joint Sub-Committee of Committees II and VI.

The CHAIRMAN pointed out, in reply to a question by the representative of Argentina, that paragraph 4, if accepted at the present meeting, would be re-opened only for the consideration by Committee III of any changes recommended by the Tripartite Working Party.

Paragraph 4 was approved on this understanding.

Paragraph 5

The MEXICAN and PERUVIAN delegations each maintained provisionally its reservation on paragraph 5 of Article 17, on purely technical grounds, pending the report of the Tripartite Working Party.

Paragraph 5 was approved.

Interpretative Note to Article 17

Mr. MELANDER (Norway) indicated that he might later be able to withdraw his reservation on the Interpretative Note to Article 17 depending on the Committee's interpretation of several points regarding Article 18.

/Mr. SEIDENFADEN

Mr. SEIDENFADEN (Denmark) and Mr. BURGESS (United Kingdom) each maintained provisionally a reservation on the Interpretative Note.

The Interpretative Note was approved.

Mr. ALMEIDA (Brazil) maintained his reservation on Article 17, particularly the procedure with respect to the elimination of preferences, pending the Report of the Joint Sub-Committee of the Second and Third Committees relating to new preferences.

Mr. GOMEZ-ROBLES (Guatemala) withdrew his provisional reservation as it had been made clear during the meeting that nothing in the Charter should be construed as hindering any country from adjusting or raising its tariffs.

Article 17 was approved at second reading.

Meeting rose at 7.20 p.m.