

THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE E (ARTICLES 40, 41 and 43)

NOTES ON SECOND MEETING

(Reference: Document E/CONF.2/C.3/11, Corr. 1 and Rev. 1)

Held Saturday, 3 January 1948, 4.00 p.m.

Chairman: Mr. R. J. SHACKLE (United Kingdom)

1. Item 1 (Peru)

The previous decision to suspend discussion of this amendment until Sub-Committee E had reached a decision on the Peruvian proposal to delete paragraph 2 (c) of Article 20, was maintained in respect of the revised proposal (C.3/11/Rev.1).

2. Item 2 (Cuba)

The following draft Note for inclusion in the Sub-Committee Report was submitted by the Delegates of the United States and Cuba:

"The question was raised whether, in taking action under paragraph 1 of Article 40, Members would be limited to the reimposition of measures which had been in effect prior to the entry into force of the Charter.

It was agreed that the text as drafted does not limit the measures which Members might take. For example, it would be possible, under this paragraph, for a Member to impose a quantitative restriction on imports of a particular product, if such a restriction were in fact necessary to prevent or remedy serious injury to domestic producers in the face of increased imports, even though a quantitative restriction had not been applied prior to the adoption of the Charter. There would, however, have to be a relationship of cause and effect between (a) the increase in imports resulting in injury, and (b) the obligations assumed by Members under Chapter IV. Such a relationship might exist in the following cases, among others:

- (i) The granting of a tariff concession (either the reduction of a duty or the binding of a duty against increase) might lead to injurious imports.

/(ii) The elimination

- (ii) The elimination of a quantitative restriction existing prior to the adoption of the Charter might lead to injurious imports. This might happen even though the restriction in question had never been actually applied but had merely been provided for under the laws or regulations of a Member.

In view of the broad scope of paragraph 1 of Article 40, as illustrated above, the amendment proposed by the Delegation of Cuba (C.3/1/Add.22) was withdrawn".

The Note was unanimously approved. The Delegate of Cuba thereupon withdrew his proposal.

3. Item 3 (Italy)

A Working Party, consisting of the Delegates of France, Italy and the United States was appointed to prepare a text and to report to the Sub-Committee.

4. Item 5 (Argentina)

The Sub-Committee agreed unanimously to recommend the last sentence of paragraph 2 to read:

"In circumstances of special urgency where delay would cause damage...."

5. Item 6 (Argentina)

The Delegate of Argentina requested that discussion on this amendment which was one of a series of proposals concerned with one larger issue, be postponed. This was agreed to.

6. Item 7 (Colombia)

Upon the suggestion of the Colombian Delegate it was agreed to divide the discussion on the proposal into two parts: paragraphs (a) and (b) dealing with rationing and maximum prices, and paragraph (c) dealing with internal taxation.

On the first part of the proposal, a Working Party was appointed consisting of the Delegates of the United States and Colombia.

The discussion of the second part was adjourned until the next meeting.
