

**United Nations**  
**CONFERENCE**  
**ON**  
**TRADE AND EMPLOYMENT**

**Nations Unies**  
**CONFERENCE**  
**DU**  
**COMMERCE ET DE L'EMPLOI**

RESTRICTED

E/CONF.2/C.3/H/W.9  
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ORIGINAL: ENGLISH

THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE 'H'

SECTION C - SUBSIDIES

NOTES OF THE EIGHTH MEETING

Held at Havana on Thursday, 12 February 1948 at 10.30 a.m.

Chairman: Mr. G. WARWICK SMITH (Australia)

1. The text of Section C - Subsidies - , as contained in document E/CONF.2/C.3/H/9, was adopted for submission to Committee III after the following changes had been agreed:

Article 26

Paragraph 2

Replacement of the word "generally" in line 8 by the words "in general of those products".

Paragraph 3

Replacement of the words "It shall then be determined" in line 9 by the words "The Organization shall then determine."

Paragraph 4

Replacement of the words "adversely affected" by "seriously prejudiced".

Article 27

Replacement of the words "if it is determined" in line 7 by the words "if the Organization determines".

Article 28

Paragraph 4

(i) In sub-paragraph (b), replacement of the word "country's" by "Member's".

(ii) Sub-paragraph (e) to read as follows:

"the desirability of facilitating the gradual expansion of production for export in those areas able to satisfy world market requirements of the commodity concerned in the most effective and economic manner, and therefore of limiting any subsidies or other measures which make that expansion difficult."

/Article 29

Article 29

Deletion of this Article.

2. In the course of discussion on the Draft Report:
  - (a) The representative of the United Kingdom explained the doubts which his delegation felt regarding, firstly, the inclusion in Article 28 of general production subsidies affecting exports, and secondly, the removal of the principle of prior approval from Article 27. However, his delegation had decided not to press these points, having regard in particular to the following safeguards which had been introduced:
    - (i) the clear indication in Article 28 that there would be no "freezing" of a situation in regard to production for export, and the valuable criteria laid down for findings in regard to an "equitable share" of world trade;
    - (ii) the general obligation, in paragraph 2 of Article 27, to co-operate in efforts to secure inter-governmental commodity agreements - a point to which his delegation had always attached the greatest possible importance;
    - (iii) the provisions of paragraph 4 of Article 27 restricting the granting of new or additional subsidies during a commodity conference.

He asked for the deletion of the relevant note in the Draft Report. The representative of the United States welcomed this statement.

- (b) The representative of Brazil stated that his delegation reserved its position provisionally on Section C pending instructions from its government.
- (c) the representative of Peru wished it to be recorded that his delegation reserved its position on the whole of Section C, and on paragraph 5 of Article 27 in particular.
- (d) It was emphasized that the note on paragraph 4 (d) of Article 28 expressed the view of one delegation.

Subject to a number of changes, the Draft Report was adopted for submission to Committee III.

3. The meeting closed with expressions of thanks to the two Chairmen, Secretariat and Interpreters.