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SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE  
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

Second Meeting of the Executive Committee held on  
Tuesday, 22nd April, 1947 at 10.30 a.m.  
in the Palais des Nations, Geneva

M. MAX SUETENS (Chairman) (Belgium)

Delegates wishing to make corrections in their speeches  
should address their communications to the Documents  
Clearance Office, Room 220 (Tel.2247).

- 2 -

CHAIRMAN (interpreted):

Gentlemen, the first item on the Agenda is the election of Vice-Presidents. You have the paper E/PC/T/48 giving you the list. After having consulted with the Chiefs of Delegations and with the Chairman's Council yesterday, we have decided to submit for your approval the following nominations:

The First Delegate of Norway, Ambassador Colban.

The First Delegate of Czechoslovakia, M. Ausenthaler.

The First Alternate Delegate of India, Sir Raghavan Pillai

The First Delegate for Cuba, Mr. Clark.

The First Delegate for Canada, Ambassador Wilgress.

In accordance with Article 89 of our regulations, I now submit the nomination of the First Delegate of Norway, Ambassador Colban; and the First Alternate Delegate of India, Sir Raghavan Pillai, as Vice-Presidents to take my place in case I should have to leave Geneva for a short time. Are you all agreed on those nominations?

(The nominations were agreed)

Then the gentlemen I have just nominated are elected Vice-Presidents of the Preparatory Committee. I want to congratulate them very heartily, and express the hope that we will work together in close harmony.

DR. COLBAN (Norway) (Interpretation): Mr. Chairman, I want to thank you very much for your kind proposal which links me closer still to you and your work. I would like also to express my thanks to my colleagues for the honour to my country, and the very great pleasure which I have in fulfilling the duties which have just been imposed upon me.

CHAIRMAN (Interpretation): It is my personal pleasure and privilege to have as first vice-president a very old friend of mine - Dr. Colban.

JARDAR H.S. MALIK (India): Mr. Chairman, in the absence of Sir Raghavan Pillai, I would like to say that I am quite sure that he is very happy indeed to have this opportunity of being associated with you in this work. On behalf of India too, I would like to thank yourself and the members of the Committee for the honour they have done my country by electing Sir Raghavan Pillai as the second vice-president.

CHAIRMAN (Interpretation): Our second point on the agenda today is the exposé to be made by the French delegation on its new Tariff. I therefore will give the floor to the member of the French delegation who is charged with that exposé :

M. P. BARADOU (France) (Interpretation): If you consent, Mr. Chairman, I will leave the floor to M. de Longeaux the Director of Tariffs in the French Ministry of National Economy.

- 11/16 -

M. de LONGEAUX: (Director of Tariffs, French Ministry of National Economy): (Translation made subsequent to meeting): Mr. Chairman, Sir, the French delegation's explanatory statement on the French tariff will prove, we fear, rather long and technical. We apologise for this, but we feel that such a statement would greatly facilitate the task of those delegations submitting requests for tariff concessions from France, and thereby contribute to the progress of negotiations.

France has come to the Preparatory Commission for the International Conference on Trade and Employment with a customs tariff that is essentially new, different in structure, and in the matter of establishment of duties from that which existed before the war. The latter is still theoretically in force, but, as you know, the French government, immediately after the liberation of its territory, provisionally suspended most of the customs duties. If these duties were to be restored, it would be the new tariff, which has been communicated to the United Nations, which would come into force immediately. Since we hope that following the multi-lateral negotiations which are to begin this week, we shall be able to conclude tariff agreements with the countries represented here, the French government preferred to await the outcome of these negotiations before proceeding to legal introduction of the new tariff.

The explanations which the French delegation wishes to make, bear on two principle points: nomenclature and rates of protection. On the first point we shall indicate why, and in accordance with what principles, the former nomenclature has been modified; and, on the second, we shall make clear in what way the duties included in the tariffs communicated to

- 17 -

you have been calculated so as to provide an ad valorem tariff equivalent to the 1958 level of protection. We wish, however, right from the outset, to emphasise that in preparing its new tariff, the French government has been obliged to take into account the fact that, in the years preceding the war, protection of our market was assured less by customs duties than by quotas negotiated with most of the governments represented here.

The French Government has henceforth definitively renounced quotas as a means of protecting the national market. The only reason it today maintains a general import programme, is solely to protect its balance of payments under the conditions already explained in detail by the French delegation at the First Session of the Preparatory Committee.

Finally, this statement will have a third section, devoted to the customs tariffs of French overseas territories. The far-reaching changes in political relations between metropolitan France and its overseas territories, and the new technical provisions in the metropolitan tariff, have involved certain adjustments of the customs tariffs applicable in French overseas territories, which it is necessary that members of the United Nations should be acquainted with, in order to submit their requests for concessions in a clear and practical form.

It would be a complete mistake to suppose that France has made the opening of international tariff negotiations a pretext for presenting a new customs tariff. Long before the opening of the world conflict, the French Government realised the necessity of a thorough revision of its customs tariff in order to modernise its nomenclature and adapt it to the varied purposes to which it should normally answer.

The main outlines of the old nomenclature were originally fixed by the Law of 11 January, 1892, but it had been frequently revised, first in 1910, then in the interval between the two wars, as a result of a series of commercial agreements with different countries. As it stood, this nomenclature was by no means perfect. In the first place, it was not properly arranged. It had evolved without any guidance from above, subjected to partial and haphazard revisions each answering some special need inspired by the double influence of a protectionism believed essential at the time, and the growing ramification of industrial production. Thus, it had become so ill-balanced that its structure was difficult to grasp because these successive modifications based on no guiding principle had been so extensive that they had finally obscured the general outline.

Furthermore, it had long been outstripped by the progress of industry. Many new products did not appear under their true description, and had had to be assimilated to other products regarded as the nearest approach. This was obviously an unsatisfactory method, and for two reasons. Firstly, because it is not desirable to lump together under the same heading articles which, though possibly usable for very similar purposes, have often neither the same value nor the same composition, and do not need identical custom protection, and secondly, because this method tends inevitably to

reduce the value of statistics, and render subsequent comparison difficult.

That is why, in 1956, the French Government set up a Commission for the revision of customs duties, to adapt the French customs tariffs to the new economic circumstances, within the framework of the Draft International Customs nomenclature proposed by the Sub-committee of Experts appointed by the League of Nations. At the outbreak of the world war this Commission had already made considerable progress but its work was naturally interrupted and could not be completed until the end of 1945.

The framework of the International Customs Nomenclature was based on the division of commodities into animal, vegetable, mineral and manufactured products, on the understanding, however, that raw materials were to be placed under the same chapter as the industries employing them. Commodities were thus classified under 86 chapters, grouped in 21 sections. Hard and fast rules were laid down for the distribution under chapters and under items within the chapters, of a number of composite products, such as chemical preparations, mixed textiles, metal alloys, etc.

The Customs Nomenclature now submitted by France comprises 108 chapters grouped in 25 sections. The Nomenclature drawn up by the League's Sub-Committee of Experts has therefore not been strictly followed. The Experts' classification of commodities did not seem to be beyond all criticism. For instance, new chapters were needed for new manufactures or for other articles which are constantly changing, and to provide for the inclusion of future products. It was, moreover, considered necessary to remove certain components from one chapter or section for the purpose of forming new chapters

and sections. Further, different rules from those originally laid down in the so-called "International" Nomenclature have in many cases been adopted for the distribution of a number of products under the appropriate headings.

In short, the French Customs Nomenclature, while keeping to the general framework of the Nomenclature on which it is modelled, differs radically from it on many points, and it would be dangerous to base a definite opinion of the new Nomenclature on a knowledge of its predecessor.

The French Government's aim in drafting this Nomenclature has been:

- To compile a clear and simple list of commodities, capable of being easily understood, not only by French and foreign officials in charge of commercial negotiations, but by all those (producers, French importers, foreign exporters, statisticians) who need to consult it for business purposes<sup>or</sup> in connection with their studies;
- To obtain a scientific and logical basis of classification products being listed according to the amount of work involved in their manufacture, that is to say, starting with raw materials and proceeding by way of semi-finished to finished products;
- To group products of the same kind in the same chapter or, at least, in the same section, so that French or foreign user of the Nomenclature will have no difficulty in finding the products in which they are interested and the corresponding duties;

- To make it possible, on the basis of this Nomenclature, to obtain import and export statistics of the desired degree of accuracy - a by no means negligible consideration having regard to the growing importance of economic information.

- To simplify, for the benefit of users, i.e., in the last analysis, foreign suppliers, the rational classification of commodities not specifically mentioned, by means of special tariff items for "products not specified."

To obtain a general idea of the Nomenclature, it is sufficient to consult the summary giving the distribution of commodities under sections and chapters at the beginning of the document, and the very detailed index at the end.

The attention of negotiators and particularly of customs experts from all countries is specially drawn to the general notes at the beginning of each chapter. These notes are of considerable importance as they define:

- The scope of the chapter, its exact limits and points of contact with other chapters.

- The rules followed within the chapter, and sometimes with regard to other chapters, for the distribution of commodities under the various items included therein;

- The lines on which composite products are classified;

- Definitions of certain articles and a number of other points on which it is unnecessary to enlarge at the moment.

The negotiators may possibly consider the French Customs Nomenclature in its present form over-developed. The reason for this is that it was originally intended to serve as a framework for what were essentially specific customs duties, i.e. duties based on weight, area or number. Such a system involves a large number of special definitions, if protective duties are to be carefully graduated in proportion to the amount of processing each product has undergone. But since the French Government decided,

after the Nomenclature had been drawn up, to adopt almost exclusively a system of ad-valorem duties, the framework in question clearly requires a great deal of compression. There was not time to cut down the Nomenclature before the opening of the Conference. The French Government proposes to do so, however, after the negotiations are completed; reductions in the present number of items will, of course, in no way affect the results of the Conference. Hence, the final version of the French Nomenclature will be relatively simple and will be drawn up in a form suited to a tariff system based almost exclusively on ad valorem duties.

Difficulties may nevertheless arise from the fact that most of the members of this Conference have based the requests for tariff concessions they have submitted to France on the terminology of the French Tariff still in force. In such cases it is necessary before considering the substance of the requests, to fit the claims into the framework of the new Nomenclature, or, in other words, to translate into new terms those used to designate the commodities on which concessions are now asked for.

For instance, the requests submitted may refer to a collective item designated in the old tariff as: "chemical product unspecified" or "apparatus unspecified". This being so, and since it has been possible to sub-divide such items under various new headings of much narrower scope, it is essential to ascertain the true nature of the commodities to which the requests refer.

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Although the nomenclature of the new French tariff is very different from the pre-war nomenclature, the level of protection which it affords to French products is equivalent to that of 1938. In point of fact, the calculation of the 1938 level of protection has been a difficult task. With a few rare exceptions, France has decided to substitute an ad valorem tariff system for the specific duties applied for the most part before the war. In order to restore that protection it was therefore necessary, first of all, to convert into ad valorem duties the protection given by specific duties. An approximate indication was obtained for specific items of the old tariff, by dividing the amount of duties charged by the declared value of the goods.

In many cases, however, such a method leads to completely abnormal results, which cannot be made use of without adjustments. Indeed, if the calculation is to be satisfactory, products included in the same item of the former tariff must be more or less homogeneous. If on the contrary, as is often the case, we are faced with miscellaneous products included in a "blanket" item, the specific value of which is extremely variable, and if such products are reclassified under different items of the new tariff, according to category, the calculation gives a percentage that is much too high for certain products and much too low for others.

It is also a mistake to attach too much value to the results obtained when imports are practically non-existent; and this may apply even to certain goods that are of interest to foreign exporters, when quota restrictions had temporarily kept them out of the French market.

Moreover, in 1938 customs duties were by no means the only method of protecting our market. Quota restrictions, fees charge for the issue of licences and in some cases equalisation systems, provided more protection than customs duties. It is undeniable in particular, that without quotas the duties included in our new customs tariff would have given a completely inaccurate picture of the situation in 1938. Indeed, it must not be forgotten that it was because a large number of our tariff items had been consolidated and France was not free to re-adjust the duties on them that we were forced, in order to prevent our market from being flooded, to apply quota measures. As we said at the beginning of this statement, France is absolutely determined to give up this method of protection.

For the rest, the French delegation can give an assurance that the calculation of the various protective elements, in spite of inevitable inaccuracies has always been made with the greatest moderation and with the sole object of reverting precisely to the pre-war situation. The new duties strictly correspond to the former level of protection, not for the tariff taken as a whole or even by chapters, but by categories of products. Nevertheless, we should like to mention two kinds of exceptions that have been made.

When it was first ascertained that the former tariff contained obvious anomalies and that as a result of mistakes in assessment or even of changed conditions of production after the duties had been fixed, two commodities which should logically have been subject to the same treatment actually paid widely different customs duties, we brought them into line fixing the rates not at the highest, but always at an average or below-average level.

The new French tariff which will serve as a basis for the negotia-

tions cannot indeed be a mere transcription of the former duties with their anomalies and gaps. It must constitute a harmonious whole capable of being put into force even if the Preparatory Conference fails to achieve the desired results. But we feel certain that the concessions which will be offered to you will enable us considerably to reduce our level of protection and we sincerely hope that this will be the case. May we also add that in any event France will respect the consolidated duties now in force? In this respect she will alter her tariff only as the result of negotiations.

In the second place the level of protection has also been raised, as compared with 1938, for a very small number of products which are of recent manufacture or were not of an industrial nature before the war.

Finally, it should be pointed out that the duties in the tariffs transmitted to the United Nations are those which will apply to countries enjoying the minimum tariff. The duties of the general tariff will be three times as high.

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The French Delegation will negotiate not only on the metropolitan tariff, but also, and at the same time, on the tariffs of the other territories of the Union.

We have ascertained that with the exception of the United States, South Africa and, just recently, the United Kingdom, the delegations have only submitted requests to us in respect of the

metropolitan tariff. To facilitate their work we shall supply them with information on the customs tariffs of the various territories of the Union.

In the first place it will be remembered that the French Delegation to the First Session of the Preparatory Committee of the Trade and Employment Conference made a statement on 29 October, 1946, on the principles governing the attitude adopted by France and the French Union. In accordance with this statement the system in force in 1939 will be taken as the basis for discussion.

At that time the Over-seas Territories of the French Union were divided for customs purposes into three Groups:

First Group

Assimilated territories with, generally speaking, the same customs tariff as Metropolitan France, with which, in fact, they formed a customs union.

Second Group

Territories with a customs tariff differing from that of Metropolitan France, but not applicable to imports from other territories of the French Union; the latter therefore enjoyed freedom from customs duties.

Third Group

Territories which, under international agreements, merely applied the same customs duties to all imports whatever their origin.

(1) In 1939 assimilated territories applied the same customs tariff as Metropolitan France; in the case of certain important products protection was strengthened by quota regulations. But

as an exception to this general rule, in order to provide for the special needs of these countries due to their geographical position, certain articles were subject to a lower tariff rate than the metropolitan rate; the aggregate of these rates formed the special tariffs of the territory.

Thus, the tariff system of the assimilated territories consisted of:

In the case of the majority of products, the metropolitan tariff;

In the case of a restricted list of products, a special tariff of rates lower than the metropolitan rate.

In 1939 assimilated territories were as follows:

Madagascar and its dependencies, namely: Sainte Marie, Mayotta, The Comoro, Archipelago, Nossi-Bé, St. Paul and Amsterdam Islands, Kerguelen and Crozet Archipelagos, and Adelie Land;

Guadeloupe,

Martinique,

French Guiana,

and Réunion.

Iodo-China was also an assimilated territory: since then it has been granted customs autonomy by a law which France has no intention whatsoever of revoking. In view of the present position, the French Delegation considers that no useful purpose would be served by discussing the future customs tariff of this territory.

Of the assimilated territories of 1939 therefore there remain only Madagascar, Martinique, Guadeloupe, French Guiana and Reunion. The last four have actually just been granted the status of metropolitan departments, but this administrative and constitutional change in no way affects their position for the purposes of the present negotiations.

For each of these territories we have had the pre-war special tariff reproduced, and, as in the case of the metropolitan tariff, have given for each article the "ad valorem" equivalent of the 1939 protective duty.

There are therefore two cases:

Only in the case of those products mentioned in the special tariff of each territory should requests be based on this tariff:

In all other cases they should be based on the metropolitan tariff.

It must be emphasised that, by reason of the changes which have taken place since 1939 in the value of African and Oceanian francs, requests based on the specific prewar duties would today be meaningless; it is on the "ad valorem" rates given both in the new metropolitan tariff and in the special multigraphed tariffs supplied to foreign delegations, that such requests must be based.

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(2) Territories belonging to the second group were those which, while granting favoured treatment in the form of freedom from import duty to trade within the French Union, had, none the less, a full tariff of their own, entirely different in its nomenclature and duties from the metropolitan tariff.

Such was the case with:

French East Africa:

Gaboon, a territory included for administrative purposes in French Equatorial Africa, but lying outside the recognised Congo Basin and therefore having a different customs regime:

French Somaliland:

St. Pierre and Miquelon:

French Oceania (Tahiti and its Dependencies: The Marquesas, Touanoutou, Gambier, Tubai and Rapa Island):

New Caledonia and its Dependencies.

For the first two of these territories, French East Africa and Gaboon, the 1939 tariff has been multigraphed and a copy supplied to each of the countries participating. The duties listed represent the "ad valorem" equivalent of the specific 1939 duties. It is therefore on these "ad valorem" rates, and not on the specific pre-war duties, that, for the reasons given above, requests for concessions should be based.

For the other territories, Somaliland, St. Pierre and Miquelon, French Oceania and New Caledonia, it has been impossible, on account of their volume, to have the 1939 rates reproduced.

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In respect of the two groups of territories already mentioned, any possible misunderstanding on the following point should be

avoided:

These territories, or at least some of them, are still too insufficiently developed to have a modern fiscal system, including direct taxation on a scale adequate to provide local budgets with the necessary revenue. A much wider use has therefore had to be made of taxes on consumption than is customary today in more developed countries.

Of these consumption taxes, those which are both easiest to collect and most reliable in yield are clearly those charged on commodities as they cross an inspection line already organised for similar purposes.

For this reason in these territories, as indeed in a great number of countries, taxes are collected along with the customs duties proper. As the administrative machinery of the territories improves, these taxes become direct or indirect internal revenue. They will then be collected by fiscal administrations other than the customs. At present they apply to all commodities irrespective of origin. Thus, even in the assimilated territories, that is, those belonging to the first group regarded as forming part of a customs union with the metropolitan territory, such taxes are collected even on French products.

Obviously, such duties the rates of which may vary according to a territory's domestic budgetary requirements, could hardly be included in these negotiations. During the war, moreover, some territories found it expedient to modify the rates.

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I would also mention that imports into metropolitan France from territories in these first two groups are, with very few exceptions, admitted free of duty and subject only to metropolitan fiscal taxation.

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3) Finally, as regards the territories of the third group - mandated territories and the Conventional Congo Basin - these have very low import duties of a strictly fiscal character, which constitute an essential source of revenue for the development of these territories and which, moreover, in accordance with the international instruments regulating their status, are strictly non-discriminatory.

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Lastly, two countries belonging to the French Union enjoy the special status of Protectorate, namely Morocco and Tunisia.

As regards Morocco, under the Treaty of Algeciras the protecting power is obliged to recognise the principle of equality of treatment. In addition, the customs tariff, which was fixed by agreement between the signatories to this treaty, is uniform in its application to all commodities; it is extremely moderate and is of a purely fiscal character.

Tunisia's position is peculiar, comparable in fact to that of the French territories in the first group, that is to say the metropolitan tariff applies partly and also a special tariff.

This Tunisian special tariff is fairly complex. The French Delegation is at the disposal of any foreign delegations wishing to submit special requests regarding the duties in this tariff. All they need do is to give advance notice of the

commodities the importation of which into Tunisia particularly interests them.

In short, in the case of the following territories:

- Madagascar,
- Martinique,
- Guadeloupe,
- French Guiana,
- and Reunion,

requests for concessions addressed to the French delegation should be based on the metropolitan tariff for the general run of products and on the special tariff, of which a multigraphed copy has been distributed to each country participating, for commodities expressly mentioned therein.

In the case of:

- French West Africa
- and Gaboon,

requests for concessions should be based on the multigraphed special tariff distributed to each country participating.

In the case of: -

- French Somaliland,
- St. Pierre and Miquelon,
- French Oceania,
- and New Caledonia,

whose tariffs it has not been possible to reproduce, delegations interested are asked to draw up a list of products on which they require information and the French delegation will be happy to furnish the necessary particulars.

The same applies to Tunisia.

The French delegation hopes, Mr. Chairman, that the foregoing information has cleared up the principal points on which there was some obscurity in the customs tariffs of the French Union. Moreover, it is prepared to supply all possible explanations either immediately or prior to the opening of the actual negotiations. We request delegations to get into touch with the French customs tariffs office (Room No. 316 - Telephone 2339) for this purpose.

The number of sets of French tariffs at the disposal of our delegation is at present very small, but we hope to receive further copies at an early date and these will be available to delegations during the negotiations. We also request them to make certain that they have received the provisional list of printer's errors which we have noticed in the tariff. Copies of this list are at their disposal.

THE CHAIRMAN (Interpretation): I would thank M. de Longeaux for his very clear and very complete exposé which I am sure will help greatly in the forthcoming negotiations.

Are there any delegates who would like to ask for information or put any questions to the French delegation?

Mr.DANIEL REAGAN (United States): The United States is grateful for the very precise and careful exposé given by M. de Longeaux on behalf of the French delegation. We appreciate fully the very great problem which you have had for years in arranging the nomenclature, the problems which you have had in reconciling the new proposed tariffs with your former tariffs. However, we still feel a lack of that reconciliation. Perhaps the point should be clarified, and undoubtedly will, in our subsequent negotiations.

We are given concern when we note, for example, in sample items which we have taken up (and there are quite a number so far which we have been able to observe) that where, for example, under the old tariff the rate was free, it is now proposed to have rates ranging from 5 to 10 to 20 and even 30 per cent. On items which were duly under quota in 1938 we note that the rate proposed is now in some instances ranging from 2 to 3 to 5 and what appears to be even 10 times the 1938 rate. The range which I have just cited, I would like to point out, applies to items which were not under quota in 1938. There are parallel proposed modifications on important items which were under quota in 1938, the extent of the range being very similar in some instances to those which I have cited, which were <sup>not</sup> under quota. I am sure some of those particular items may be clarified in our discussions, but in our approach to our

negotiations we feel that we should look to the general expression which M. de Longeaux was kind enough to give to us, namely, that the proposed level of protection is equivalent to that of 1938. Therefore in our approach to our negotiations we feel that we should also look to the level of the equivalent of the 1938 percentage.

CHAIRMAN (Interpretation): I believe the French delegation would like to reply to the delegate of the United States..

Mr. DANIEL REAGAN (United States): I would like to make a correction to the interpretation. I did not say that the tariffs would be identical with those proposed in 1938, but M. de Longeaux said that the level of protection was equivalent to 1938.

M. de LONGEAUX (France) (Interpretation): I believe, Mr. Chairman, that the circumstances which have been quoted by the delegate of the United States should, in order to be fully understood, be examined in fact and in detail. I am not arguing on the distinction made between the goods which were on the quota and goods not on the quota; as has been pointed out some of these were on the quota, and some not on the quota, but as far as I can make out it seems that the instances which have just been quoted refer exactly to the exceptions which I pointed out myself. First of all, the old tariff put together in the same items vastly different types of goods, and when we had to separate them for the new tariff we had to put in a new category of goods according to the difficulty of workmanship which entered into their manufacture which may have given rise to these difficulties. On the other hand, I also mentioned another category of goods which appear now in a new light because the conditions of manufacture in themselves have been greatly altered since 1938. I am sure that the items which have been cited by Mr. Reagan

- 33 -

must be very small indeed in number, and that explanations in the course of negotiations will shed the necessary light on the different points raised.

Mr. DANIEL REAGAN (United States): Mr. Chairman, I wish to thank M. de Longeaux for his further explanation of which our delegation, of course, takes note. I am sure that some of these items can be clarified more fully in our discussions, although I feel constrained to make the reservation that we do not find that explanation applying in just a small number of items.

Mr. de LONGEAUX (France) (Interpretation): I would like to indicate that, for the same reasons for which we have increased the rates on certain items, we have also permitted the free entry of certain other goods which hitherto were subjected to tax.

Mr. Daniel REAGAN (United States): I hope we shall find them!

THE CHAIRMAN (Interpretation): Are there any other delegates who wish to put questions to the French delegation?

Mr. Walter NASH (New Zealand): Some of the delegates would find it a great advantage if they could read and not only hear what has been said by the delegate of France, and then put their knowledge of their own country alongside what France is proposing.

Dr. A.B. SPEEKENBRINK (Netherlands): As I think the tariff upon which you enter upon your negotiations is of some importance, I would like again to draw the attention of delegates to the facts which we gave in our statement a few days ago about the system which Holland and Belgium followed in formulating specific duties, ad valorem duties, and so on. Also in defining the rates of the new tariff we had a definite approach.

M. SPEEKENBRINK (Netherlands):

We have tried to keep entirely out of account the questions of protection allowed by quota systems and so on, and in the second part, as we also explained, in our tariff we have tried to find more or less average between the Dutch and the Belgian tariffs. I would like to draw the attention of the Delegates to that statement again because it is of importance in this starting point in the negotiations.

M. FORTHOMME (Belgium) (in French, not translated).

CHAIRMAN: Are there any other questions? It is understood (to answer Mr. Nash's question) that copies of the French exposé will be distributed to the Delegations.

MR. NASH (New Zealand):

Will there be an opportunity to discuss it when we have returned?

CHAIRMAN: Certainly. There will be a meeting at three o'clock to listen to M. Augenthaler's exposé.

The meeting stands adjourned.

The meeting rose at 12.35 p.m.