United Nations *Nations Unies*

ECONOMIC AND SOCIAL COUNCIL **CONSEIL ECONOMIQUE ET SOCIAL**

RESTRICTED
LONDON
E/PC/T/CII/8
26 October 1946
ORIGINAL: ENGLISH

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT

COMMITTEE II

GENERAL COMMERCIAL POLICY

Remarks of the Polish Observer concerning Item B of the Agenda

According to the interpretation given by the United States representative of the provisions contained in Article 18 of the Charter suggested by the United States Government, the aim of the proposed tariff negotiations would consist in the lowering of the high tariff levels as well as in the stabilization of the lower ones.

In this connection it should, perhaps, be reminded that, insofar as continental Europe is concerned, certain countries do not possess, for the time being, any tariffs expressed in a convertible currency, as their own currencies have not yet been stabilized. There are even cases when the perception of any custom duties (even those expressed in local and inconvertible currency) is temporarily suspended as a measure of facilitating the much needed imports.

Some of these countries are both Members of the United Nations and signatories to the Agreement on International Monetary Fund. They are supposed to join the proposed international agreement on world trade. Their position in regard to the International Monetary Fund is regulated by the provisions of Article 20, Section 4(a) of the IMF Agreement. Having been, all of them, occupied by the enemy, they are given, in fact, the opportunity of deferring the notification of the par values of their currencies of a certain period after the beginning of the exchange transactions of the Fund. Thus, their tariffs are likely to remain for some time either suspended entirely (or partly) or, at any rate, not expressed in a convertible currency.

This transitional period may go not only begond the date of the proposed tariff negotiations between the members of the Preparatory Committee, but, possibly, also beyond the day of the entry into force of the future trade agreement itself. But after having stabilized their currencies, the countries in question will be in need of either re-establishing their tariffs or of revising them in accordance with the new par values of their currencies. As in the meantime they may become signatories to the proposed agreement, their special situation should be met by means of including among those of the provisions of the future agreement which deal with the transitional period, some provisions referring to these particular cases. These provisions should probably include:

1. the right, for a signatory of the proposed agreement but at the same time availing himself of the exception contained in Article 20, Section 4(a) of the IMF to introduce or to change his tariff after the entry into force of the new agreement;

2. if necessary, an undertaking concerning his future tariff negotiations corresponding to those proposed in Article 18 of the suggested United States Charter.
