

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

COMMITTEE II

AMENDMENTS TO DRAFT REPORT OF THE
SUB-COMMITTEE ON PROCEDURE

The Draft Report of the Rapporteur of the Sub-Committee on Procedures (E/PC/T/C.II/57) has now been approved by the Sub-Committee on Procedures subject to the following amendments:

Page 1

In paragraph (a), the phrase "statements of the basic principles relating to the foregoing Articles" should be changed to "summary statements of the principles underlying the foregoing Articles".

Page 2

The following new paragraph should be inserted after the first paragraph under the heading Statement of Principles:

"The Sub-Committee has compared the most-favoured-nation provisions set forth in the original draft of Article 8 with the standard most-favoured-nation clause developed by the League of Nations for inclusion in bilateral agreements. The Sub-Committee has concluded that there are no important differences of substance between the two versions and that the version incorporated in Article 8 is preferable because of its brevity."

Page 4

The following new paragraph should be added at the end of this page:

"One Delegation suggested that Articles 8 and 18 should be interpreted in such a way that, so long as a preference remained accordable in one part of a preferential system specified in paragraph 2 of Article 8, that part of the preferential system according the

preferences should be at liberty to extend the same, or a lesser measure of preference to any other part of the same preferential system which at present did not enjoy it."

Page 8

The last sentence of paragraph (b) on this page should be amended to read as follows:

"One Delegation thought that the rule should not operate automatically, but that Members should be free to negotiate for a reduction in the preferential rate as well as in the most-favoured-nation rate, provided that the margin between the two negotiated rates is smaller than that existing on a (prior) rate to be agreed upon."

Page 10

The following paragraph should be inserted at the end of this page:

"Reference is made to the message submitted to Committee II by the Joint Committee on Industrial Development (E/FC/T/C.I & II/18) in which it was requested that a suitable provision be included in Article 18 whereby the Organization 'when considering the contribution which a Member can make to a reduction in tariffs, take into account the height of the tariff of that Member, and the need, if any, of that Member to use protective measures in order to promote industrial and general economic developments'. The changes in Article 18 described under (a) and (c), above, take into account these suggestions made by the Joint Committee."

Pages 11-12

In the next to the last line on Page 11 the phrase "one Delegation questions" should be changed to read "two Delegations question". In the beginning of the following sentence the phrase "the same Delegation" should be changed to "one of these Delegations".

Pages 13-14

The brackets indicated on these pages should be removed.

Page 15

In paragraph (b) (i) the following should be inserted after the words "new preferential arrangements":

"(for example those of a regional character)".

Page 15

In line 5 of the first paragraph under Section B the following should be inserted after the words "Preparatory Committee":

"pursuant to Article 18 of the Draft Charter and".

In line 4 of the last paragraph the following should be inserted after the words "bilateral tariff agreements":

"or agreements limited to a small group of countries the benefits of which are generalized under the operation of the most-favoured-nation clause".

The next to the last paragraph on this page should be revised to read as follows:

"It is believed that the text of the Report will be largely self-explanatory. It may be noted, however, that the paragraph in the Report which points out the importance of avoiding new tariff measures which would tend to prejudice the proposed negotiations is not, of course, a legally binding obligation such as might prevent countries from introducing tariff changes regarded as urgent".
