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ORIGINAL: ENGLISH

DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF
THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

SUMMARY RECORD OF THE THIRD MEETING

Held at Lake Success, New York, on Wednesday, 22 January 1947 at 10:40 a.m.

The CHAIRMAN, opening the discussion of Article 13, "Governmental Assistance to Economic Development," stated that suggested modifications were contained in document E/PC/T/C.6/W.1 and document E/PC/T/C.6/W.1.

Mr. ADARKAR (INDIA) wished to know whether the expression "economic factors" towards the end of Article 12, Paragraph 13 (a) as suggested by the United States delegation barred claims which were not strictly economic.

Mr. LEDDY (UNITED STATES) agreed that the word "economic" should be deleted.

Mr. CHIANG (CHINA) doubted whether his Government would accept the wording "subject to such limitations and conditions as the Organization may impose" in Paragraph 13 (b) and suggested deletion of the phrase.

Mr. SELCKLE (UNITED KINGDOM) did not find that expression objectionable and felt that the facultative character of the provision was clear.

Mr. PHILLIPS (AUSTRALIA) stated that he considered the word "conditions" to be too wide and he preferred it should be omitted.

Mr. LEDDY (UNITED STATES) supported by Mr. SMITH (CANADA) considered that inclusion of the word "conditions" was intended to make the provision more flexible. He proposed to substitute "or" for "and" but would not agree to delete the expression.

Mr. HAKIM (LEBANON), recalling that in case of disagreement an alternative reading might be submitted, suggested the following modification: "release from obligations in connection with regional arrangements."

/Mr. LEDDY

Mr. LEDDY (UNITED STATES) said that in view of the discussion which had taken place, he was prepared to agree to the omission of the phrase "and conditions."

Mr. LOPEZ FRESQUET (CUBA) proposed the creation of an ad hoc sub-committee to redraft Article 13 to be composed of all Members who had entered reservations.

The CHAIRMAN considered that the ad hoc sub-committee should be composed of the representatives of the United States, United Kingdom, Australia, China, Cuba, Chile, France, as well as of any other representatives interested.

After Mr. LOPEZ FRESQUET (CUBA) had pointed out that India and Lebanon should be added, Mr. BREBNER (NEW ZEALAND) indicated that his delegation was also involved. Since, however, the list of countries concerned included practically all members of the Committee it seemed futile to create an ad hoc sub-committee.

Mr. SHACKLE (UNITED KINGDOM) thought that the Secretariat should be asked to prepare a text embodying the results of the discussion. The Committee would consider that text at a later stage. This suggestion was adopted.

Mr. ADAKAR (INDIA) pointed out that according to the Report of the First Session "obligation" in Article 12 (3) (b), applied only to obligations arising out of tariff negotiations and that the reference to Chapter V should be confined to Articles 24, 31, 32 and 33.

Mr. LEDDY (UNITED STATES) and Mr. SMITH (CANADA) felt, however, that this interpretation was too restrictive.

It was agreed that the wording prepared in London should be preserved and a note made in the Drafting Committee's Report that the majority of the Committee understood the negotiations referred to in Article 13 (3) (a) not to be confined solely to negotiations pursuant to Articles 24, 31, 32 and 33, but to include also other negotiations under Chapter V.

/In response

In response to an enquiry by the Chairman, Mr. ADARKAR (INDIA), Mr. HAKIM (LEBANON) and Mr. LOPEZ FRESQUET (CUBA) stated that they maintained the reservations they had made in London upon Article 13.

Mr. LOPEZ FRESQUET (CUBA) also stated that his reservation included both paragraphs 3 and 4 of Section I of Part II of the Report of the First Session.

Mr. HAKIM (LEBANON) stated that he considered the Drafting Committee should prepare an alternative text to cover his reservation. Mr. ADARKAR (INDIA) and Mr. LOPEZ FRESQUET (CUBA) agreed that alternative texts should be prepared to cover all reservations.

Mr. LOPEZ FRESQUET (CUBA) announced that the alternative text which had been submitted by Mr. ADARKAR (INDIA) was acceptable to him.

The CHAIRMAN ruled that those delegations wishing to embody reservations in alternative texts should prepare such texts to be considered by the Committee.

Discussion of Chapter V - General Commercial Policy

The CHAIRMAN referred to document E/PC/T/C.6/W.8 which contained the Secretariat's suggestions.

Mr. SHACKLE (UNITED KINGDOM) proposed that "Members", the last word in paragraph 11 of Article 14, should be changed to "Member countries respectively." This was agreed.

Mr. CHANG (CHINA) felt that paragraph (2) of Article 14 was basically unfair. China had never used preferences and was now expected to agree not to use them. However this paragraph preserved a privileged position for other countries who had previously employed preferences.

Mr. SMITH (CANADA) pointed out to Mr. CHANG (CHINA) that preferences would be gradually abolished in toto. He proposed to insert in paragraph 2 (a) of Article 14 the words "between two or more of the territories comprised in Annexure A."

Mr. SEACKLE (UNITED KINGDOM) agreed to that suggestion, adding that "India" should be inserted after "Ireland" and that the heading "Countries

/of the British

of the British Commonwealth of Nations" should be deleted in Annexure A.

Mr. NAUDE (UNION OF SOUTH AFRICA) wished to change "and" to "including" in the phrase "The Union of South Africa and South-West Africa" in Annexure A.

Mr. ALVAREZ (CHILE) in principle accepted paragraph (2), but wished to state for the record that he did not completely agree with the provision as it stood. Preferences between neighboring countries were a long-standing policy of the American continent and had been agreed upon in many Pan-American conferences. Therefore the matter did not concern Chile alone but a great number of countries. He wished to reserve the right to raise the question again in Geneva or at the World Trade Conference.

Mr. SMITH (CANADA) raised the question as to whether "neighboring" should be interpreted as "contiguous."

Mr. LOPEZ FRESQUEI (CUBA) understood "neighboring" as meaning "with common frontiers," but Mr. ALVAREZ (CHILE) felt that such an interpretation would be too restrictive, while Mr. LECUYER (FRANCE) drew attention to the fact that the French version used the word "voisin."

Mr. CHANG (CHINA) restated his position concerning this paragraph and reserved his position.

Discussion upon Article 14 was then closed. It was agreed that the next meeting of the Committee should be at 10:30 a.m. on Thursday, 23 January 1947.