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E/PC/T/C.6/48
5 February 1947

ORIGINAL: ENGLISH

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

SUMMARY RECORD OF THE FOURTEENTH MEETING

Field at Lake Success on 5 February 1947 at 10:30 a.m.

Chairman: H. E. M. Erik Colban

1. Article 38. The Committee, after review, approved the London text of this Article and decided to mention a Chilean reservation to this Article in its Report.
2. Article 39. The Delegate of Canada moved for deletion of the last sentence of paragraph 1, which had been added to paragraph 1 in the twelfth meeting of the Committee, and after the Delegate of the United Kingdom explained that he had no strong feeling on the matter, the Committee agreed to delete this last sentence.
3. Article 44. The Committee approved the London text.
4. Article 45, Paragraph 1, Sub-paragraph (c). The Committee debated the Canadian suggestion, contained in E/PC/T/C.6/W.35, to insert sub-paragraph (c) of paragraph 1 in the formulation of the United States Draft Charter (Article 40, paragraph 1, sub-paragraph (c)).

The United Kingdom, seconding the Canadian suggestion, proposed the following formulation of the new sub-paragraph (c): "Agreements or understandings concerning any form of services, save insofar as these are directly ancillary to transactions and goods". After the ensuing debate revealed the ambiguity of this clause, the United Kingdom Delegate withdrew this formulation.

The debate on insertion of sub-paragraph (c) centered around the following issue: one group of countries, especially Brazil, Belgium, China and India, expressed the view that reinsertion of this sub-paragraph would constitute a substantive change of the London draft. The question of

/services

services had been exhaustively debated in London without reaching agreement, and consequently, this matter should be left to the deliberation of the Second Session of the Preparatory Committee.

Another group of countries, especially Canada, the United Kingdom, Australia and France, were of the opinion that whereas the issue of inclusion or exclusion of services in the International Trade Organization Charter was a substantive issue to be decided at the Second Session of the Preparatory Committee, the Drafting Committee, under its terms of reference, would have to draft provisions on the issue, which specific services will be excluded from this Chapter even if services in general fall under the Charter. For this reason, sub-paragraph (c) in the formulation of Article 40, paragraph 1, sub-paragraph (c) of the United States Draft Charter should be reinserted or similar provisions should be formulated. The CHILEAN Delegate referred to Chile's reservation at the First Session of the Preparatory Committee and declared himself ready to accept the CANADIAN proposal if the United States Draft Charter text of sub-paragraph (c) would be changed in such a manner as to exclude those services which fall under the jurisdiction of the United Nations or Specialized Agencies of the United Nations. The UNITED KINGDOM, supported by CANADA, moved for the appointment of an ad hoc drafting group to prepare a text on the basis of the United States Draft Charter text and the Chilean reservation.

The CHAIRMAN ruled that the Secretariat should in collaboration with the CHILEAN Delegate, elaborate such a text and the Committee agreed to leave the London text without insertion of sub-paragraph (c) but to refer in its Report to this debate and to include the formulation of sub-paragraph (c) as elaborated by the Secretariat and the CHILEAN Delegate.

5. Reservations. The Secretary requested the Delegations who had made those reservations which are contained in the specific instructions to the Drafting Committee (W/PC/T/C.III/W.5) to clarify their present position on these reservations and all Delegations sustained their reservations contained in this document.

/A short

A short debate ensued whether all reservations recorded in London should be considered sustained unless expressly withdrawn and the Committee agreed to this proposition.

6. The UNITED STATES Delegate moved to defer consideration of Chapter VII for Thursday, 6 February, to give the Delegates time to study E/PC/T/C.6/W.46 and the meeting was adjourned until 10:30 a.m., 6 February 1947.
