

ECONOMIC  
AND  
SOCIAL COUNCILCONSEIL  
ECONOMIQUE  
ET SOCIAL

RESTRICTED

E/PC/T/A/SR/27  
9 July 1947  
Original: ENGLISH

---

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

---

COMMISSION ASUMMARY RECORD.

of the twenty-seventh meeting held on Monday,  
7 July, 1947, at 4.50 p.m., at the Palais des  
Nations, Geneva.

Chairman: M. M. SUETENS (Belgium)

Upon the closure of the 20th meeting of the Preparatory Committee in Executive Session the meeting constituted itself at 4.50 p.m. as Commission A of the Preparatory Committee and the Chairman opened the debate on Article 26.

Paragraph 1.

The CHAIRMAN called on the delegates who had submitted amendments to paragraph 1 of Article 26 and Mr. BAYER (Czechoslovakia) explained his amendment in Note\* 17 in accordance with the comments in this note. Mr. J.G. PHILLIPS (Australia) and Mr. G. BRONZ (United States) explained their amendments to paragraph 1 in accordance with the comments in notes 18 and 19 respectively. Mr. P. BARRADUC (France), after recalling the general policy of France with regard to monetary reserves and balance of payments issues, pointed out that his amendments were to be considered not as inflexible propositions but as suggestions which might prove useful in the discussion of Articles 26, 28 and 29. He explained that there were especially three points in which the London draft ought to be improved:

---

The notes mentioned in this Summary refer to the  
consecutively numbered notes in E/PC/T/W/223.

- (1) the equilibrium position in the balance of payments should not be considered as a purely statistical equilibrium between inflow and outflow but as a sound and lasting equilibrium based on the stability of the currency;
- (2) quantitative restrictions now in existence should be lifted gradually in order to prevent disturbance from a sudden and complete abolition;
- (3) the relationships between a Member State and the Organization regarding C.R.'s should be further clarified.

Mr. J.J. DEUTSCH (Canada) was of the opinion that the Australian, French and United States amendments, at least as far as their intentions were concerned, were in keeping with the spirit of the London draft. He expressed doubts regarding the Czech amendment, pointing out that the issue underlying the Czech amendment was covered in Article 28, paragraph 1 (c), and should rather be dealt with in this place.

Mr. R.J. HELMOR (United Kingdom) agreed with the Canadian delegate regarding the Czech amendment, and felt that this should be discussed in conjunction with Article 28, paragraph 1 (c), or with Article 29. He supported the Australian amendment but expressed himself against inclusion of the word "temporarily" in the U.S. amendment and the word "normal" in the French amendment, suggesting regarding the latter that it would be preferable to re-draft the last sentence in paragraph 2 (a).

Mr. E.L. RODRIGUES (Brazil) agreed with the Canadian view on the Czech and Australian amendments and with the United Kingdom view regarding the United States amendment. With respect to the French amendment he requested a fuller explanation of the implications of the word "normal" and suggested that the opinion of the International Monetary Fund should be obtained on this point.

Mr. BARADUC, stressing again that the French proposals were not inflexible, expressed his view that the points raised could easily be dealt with in the sub-Committee.

Mr. BAYER (Czechoslovakia) felt that Article 28 represented a later stage in the structure of this Section of the Charter and did not fully cover the objectives of the Czech amendment.

Mr. BRONZ (United States), referring to the United States proposal to transfer the provisions of Article 28, paragraph 1 (c), into Article 29, expressed himself against the Czech amendment because there existed a danger of opening up a whole new field of quantitative restrictions. He supported the general intentions of the French and Australian amendments, feeling that detailed questions raised by these amendments could be left to the Sub-Committee. Regarding the United Kingdom objection to insertion of the word "temporarily", he pointed out that in his opinion paragraph 1 constituted a kind of preamble to Article 26 and stressed that no definite time limit was envisaged but that the word "temporarily" should be interpreted in the light of the criteria given in the following paragraphs of Article 26.

Mr. L.C. WEBB (New Zealand) felt that the Czech amendment raised a very important problem and was of the opinion that on balance it was preferable to deal with this issue under Article 26 than under Articles 28 or 29. Regarding the United States amendment he agreed with the United Kingdom delegate, expressing preference for the formulation "a Member" instead of "some Members". He could not accept the view that paragraph 1 constituted a preamble and pointed to the danger of inserting unnecessary words.

The meeting was adjourned until 8 July, 2.30 p.m.

The meeting rose at 6.15 p.m.