

UNITED NATIONS

NATIONS UNIES

RESTRICTED
E/PC/T/TAC/PV/1
5 August 1947

ECONOMIC
AND
SOCIAL COUNCIL

CONSEIL
ECONOMIQUE
ET SOCIAL

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

VERBATIM REPORT

FIRST MEETING OF THE TARIFF

AGREEMENT COMMITTEE

HELD ON TUESDAY, 5 AUGUST 1947, at 10.30.A.M.

IN THE

PALAIS DES NATIONS, GENEVA.

Hon. L.D. WILGROSS (Chairman) (Canada)

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CHAIRMAN: The meeting is called to order. This is the first meeting of the Tariff Agreements Committee, which has been set up by the Chairman's Committee. We shall take as our Working Paper document T/135, which is a report of the Tariff Negotiations Working Party on the General Agreement on Tariffs and Trade. The procedure I propose to follow is to, first of all, have a general discussion on the report of the Tariff Negotiations Working Party, and I would ask Members of the Committee to concentrate their attention on parts I and III of the Draft Agreement, because those are the parts which are peculiar to the General Agreement.

Part II, as the Members of the Committee know,^{re} produces sections of the Charter for which the text has not been definitely approved.

After we have had a general discussion of the report of the Tariff Negotiations Working Party, we can then take up in detail the Articles of the Draft Agreement commencing with parts I and III, and leaving any detailed consideration of part II until a definite text of the Charter has been established by the Preparatory Committee. It will be in order, however, for Members of the Committee in the course of their general discussions, to refer to the statement which has been appended to the report, and which is given in Annex I on pages 10 and 11, and which compares the draft proposal of the Tariff Negotiations Working Party with the equivalent articles in the New York Draft and which have been put in the records of the New York text of the Charter.

Are there any comments on the procedure that I have outlined? I take it then, that the procedure is approved by the Committee, and we will therefore commence the general discussion of the report of the Tariff Negotiations Working Party, concentrating our attention on parts I and III of the General Agreement. Does any Member of the Committee wish to speak on the report?

Dr. H.C. COOMBS (Australia): Mr. Chairman, there is no doubt that the Tariff Steering Committee had a very difficult problem to deal with in its consideration of the General Agreement. As I see it, from the mechanical point of view, the main features of that problem were the desirability of getting the tariff reductions negotiated here operative as early as possible in order to take advantage of the progress made here as quickly as possible, and, furthermore, to avoid the difficulty of having the results of the negotiations held up from operation, and therefore perhaps subject to leakages, criticism and so on for a long period, while at the same time it was necessary to fit the introduction of the results of the Agreement into the requirements of the various constitutional and political problems of the Members of the Committee. I find myself full of admiration for the ingenuity which the Tariff Steering Committee has shown in working out a solution to these difficulties, and I think the essential features of the plan, which, as I understand it, are to enable countries to accept the Agreement provisionally or definitely, whichever they wish, at the outset, are that those who have accepted provisionally will be required, after the World Conference when the precise content of the Agreement is finally known, to decide whether they propose to accept it definitely at that stage.

This basic idea does seem to me to be a very ingenious way of solving quite a difficult problem. We have, however, given a good deal of thought to the time-table as it is implied in this Report and to the obligations which we would be accepting if we agreed to the plan as it is embodied in the Report of the Tariff Steering Committee, and I am sorry to say that our conclusion is that it is not practicable for Australia to accept the time-table and the obligations which the Report would appear to require us to accept.

As I understand it, the programme the Committee contemplates is that roughly on the 10th September we will conclude our negotiations here and that there will be a period of two or three weeks in which the texts will be tidied up and checked and that by the end of September the Delegations here will be expected to be in a position to sign the Agreement on behalf of their governments.

Now, the nature of that signature and its meaning is a matter of profound importance and, as I understand it, the signature would mean that the government on whose behalf the signature was made would be undertaking: (a) to introduce the tariff schedules and agreement at least provisionally and (b) on the assumption that the outcome of the World Conference was satisfactory, to accept the agreement definitively some time next year. That undertaking would, of course, be subject to approval by the parliaments of the countries concerned, but it would be a clear undertaking by the governments to introduce ultimately the agreement to parliament with the governments' support. Now, that, Mr. Chairman, is in my country at any rate a very serious undertaking for a government to give in a world which is of profound economic importance and in connection with an agreement which covers not merely a very large proportion of our customs

tariffs, but a very substantial part of the commercial policy generally.

I do not want to weary the Committee, Mr. Chairman, with the story of our political problems, but it is the practice in my country for major decisions of Cabinet and of Parliament to be made after prolonged and detailed examination, criticism and counter-criticism and quite a lot of public controversy - there may be opinions as to the merits of this form of political activity but they are, from our point of view, fundamental and we must accept them. The fact that that is the way we go about our political business makes acceptance of the programme contemplated here quite impossible for us. So far, the work here has been carried out by the Delegation in close consultation with those Members of the Cabinet who are directly concerned, but a complete review of the results of this Conference has obviously not been taken by the Cabinet merely because it is impossible at this stage. At some stage in the programme, the Australian Cabinet will need to review the results of the negotiations as a whole, review the outcome of the discussions on the Charter as a whole, and reach a decision as to whether on balance, it is a desirable thing for Australia to accept this Agreement. That will be quite a difficult task and it will, in my opinion, be impossible for it to be undertaken until both the Charter discussions and the Tariff negotiations here are substantially completed. It is a process which will take not days, but certainly weeks and possible months. Furthermore, the Government will of necessity have to carry out the same sort of consultation and discussion within its own party, and that, too, will take time, although to some extent, of course, it is simultaneous with the examination of the project by the Cabinet. So I inform the Committee of this, Mr. Chairman, in

order to illustrate the difficulty which we would have in accepting the programme. It would, I have no doubt whatsoever, be quite impossible for the Government of Australia to be in a position to meet the undertakings which signature would involve by the 30th September.

We have been forced, therefore, to the conclusion that the proposal that the General Agreement on Tariffs and Trade should be signed in that sense at Geneva is impracticable.

We have, therefore, an alternative suggestion to put to the Committee. It appears to us that if the Tariff negotiations are concluded on the 10th September it will then be necessary for our Delegation at any rate, to return home to place the results of those negotiations before Cabinet, and to be available for detailed consultation as to their implications.

We would wish, therefore, merely to leave here in Geneva a minimum number of officers who would be concerned with the checking of the text and the general tidying up work here, and we would wish that those officers should be required only to initial a text here as an accurate record of what had in good faith been negotiated and agreed to by the Delegation; that there should be fixed before we leave Geneva a date and a place when those countries participating in the negotiations would be expected to append their signature to the General Agreement with the implications of signature which have been suggested here.

The sort of idea which we have is that by 30th September the texts ought to be ready for initialling as correct, and that at a date, say, 15th November or perhaps 21st November, the opening of the World Conference might be fixed as the date when countries would sign the General Agreement, and thereby undertake to introduce at least provisionally the tariff schedules and the content of the General Articles of the Agreement. If that were done - if the signature took place, say, at the Headquarters of the United Nations in New York on 15th November, in the meantime work could have been got ahead on the mechanics of getting the tariff schedules ready for introduction and announcement; and it could be agreed that on some date shortly after 15th November there would be simultaneous announcement in all countries who had signed the Agreement of the schedules which were to be operative, and countries could then make them operative in accordance with their own constitutional and parliamentary procedures as soon as they wished to do so. They could do it simultaneously with the public announcement or, if they wished, they could

leave making them operative until some days or weeks after that, if that was convenient to them; but it does seem to us to be absolutely fundamental that announcements should be simultaneous. There could be nothing worse politically, as far as I can see, for any Government, than to find tariff reductions which it proposed to make in its tariff announced in somebody else's Parliament, and become available to their own nationals only through the Press. It does seem to us that simultaneous announcement is a fundamental requirement, although simultaneous operation is not nearly so important - though it should, quite clearly, be open to countries to make their reductions operative if they wished on the date on which they were announced.

To sum up, Mr. Chairman: it seems to me that the sort of programme which would be a practicable one from the point of view of my own country, and I believe a number of others, would be, if we conclude our negotiations here on 10th September, to initial the texts as agreed on 30th September and to set the date of 15th or 21st November for formal signature either at the Headquarters of the United Nations or in Havana; and that it should be agreed that there should be simultaneous announcement some time in December, and that the new rates could become operative at any time after the simultaneous announcement which was convenient to the countries concerned.

Mr. Chairman, that completes what I have to say about the mechanical difficulties of making it operative and the programme which is entailed. There are certain other features of the two parts of the Agreement which I would wish to refer to; but I wonder whether it might not be better to leave those, since they are on quite a different point, and take them up after the other Delegates have expressed their views on this problem of the time-table.

CHAIRMAN: Dr. Coombs in his opening remarks has dealt with the important question of the timetable relating to signature, simultaneous announcement and provisional application of the General Agreement. It might be useful, and it will facilitate the work of our Committee, if other members, in their opening remarks, could also express their views on this question in order that we may obtain the sense of the Committee on this important question of the timetable.

Do any other members of the Committee wish to speak?

(No delegate asks to speak)

It is a rather unusual state of affairs in Geneva when no-one wishes to speak.

Mr. H.E. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, I think that if we have to sign the Tariff Agreement we are entering into very important obligations for our Governments. It is not only a question of the reduction of tariffs, but of all the other matters which come into this Agreement, and, as stated in the Protocol of signature, the Governments undertake to be guided by the provisions of the Draft Charter in their activities. I am afraid that the Constitutional laws of Czechoslovakia do not admit of a procedure of that kind. I have requested the opinion of the authorities in Czechoslovakia on this matter, but have not yet received instructions. In my opinion, however, I think that the Czechoslovak Government would be able to put into force provisionally the tariff reductions on those Articles which are directly concerned with Customs and Customs formalities, but that the rest could not be put into force before a decision on them has been taken by Parliament itself.

M. E.L. RODRIGUES (Brazil): Our position, Mr. Chairman, is almost the same as that of Australia, and we see no other way than to agree with the delegate of Australia. However, I should like to have

some explanation about the inclusion of ^{the} Articles of Parts II and III of Document T/135 in the General Agreement at this stage. If we have to take into consideration the fact that the text of these Articles may be changed in Havana, I feel that by including them in the General Agreement we are anticipating our decision. If, later on, there is a new discussion and the Articles are changed, we shall be causing ourselves a good deal of difficulty. I should like to have an explanation on this matter so that I can give full information to my Government.

CHAIRMAN: I may explain for the information of the Delegate of Brazil that Parts I and III are those parts which are peculiar to the General Agreement, and do not reproduce Articles of the Charter except to the extent that Article 1 is a reproduction of Article 14 of the Draft Charter.

With regard to the division into three parts, I would refer the Brazilian Delegate to Part I of Article ~~XXII~~^{XXVII} which is given on page 61 of the Report and which provides that if, on or after the day of the signature of the Charter of the International Trade Organization, two-thirds of the contracting parties so agree, Part II of this Agreement, in whole or in part, shall be suspended on a specified day and shall, on and after such day, be superseded by the provisions of the Charter for such time as the Charter remains in force, provided that all of the contracting parties to this Agreement shall on that date have become Members of the International Trade Organization.

A further reference to Parts I, II and III will be found in Article ~~XXII~~^{XXIII}, which deals with provisional application of the Agreement, and which is given on page 63 of the Report.

Are there any other speakers? The Delegate of Norway.

Mr. MELANDER (Norway): Mr. Chairman, our position is substantially the same as the position of Australia. Our Delegation will have to report to our Government the results of the Tariff negotiations, and the Government will have to place them before our Parliament. It is very unlikely that it would be possible for, first the Government, and secondly Parliament, to take any decision on whether or not we are in a position to put into force this Agreement, until the end of November.

Consequently we feel that the date suggested by the Australian Delegate - November 21st - probably would be the earliest date on which we could sign and put into force provisionally this

Tariff and Trade Agreement.

On the other hand there is one other consideration, I think, and that is that if this Agreement will contain substantial parts of the Charter more or less on the same lines as the present proposal, it may well be that our Government and Parliament will consider that this is in reality a question of putting into force the Charter before it has been finally accepted; and it may well be that some of the Articles of the Draft Charter as provisionally agreed in Geneva will be such that our Government and Parliament will be in doubt as to whether they could be accepted.

That, I think, is very likely. In any case, if it is a question of introducing or including essential parts of the Charter in the Tariff and Trade Agreement, I should not be surprised if the decision of our Parliament will be that we will prefer to wait until the end of the Havana Conference, so that we know the results of the Charter - then we can take a decision on whether or not the Charter ought to be accepted, and then at the same time consider putting into force this Tariff and Trade Agreement.

I would in this connection mention that Article ^{XXXII} ~~XXXI~~ of the Draft Text (page 63) refers to the provisional putting into force of Parts I and III of the Agreement, and Part II of the Agreement to the fullest extent not inconsistent with existing legislation. Now if that means that substantial parts of the Charter, as in this proposal, will have to be put into force immediately, at the same time as the Tariff part, if these Articles do not conflict with existing legislation, then it will mean, as far as I can see, that we shall, in fact, be putting into force substantial parts of the Charter. If it means, or if it could be altered to mean, that any Government signing the Tariff and Trade Agreement shall be allowed to put into force Parts I and III only, and then reserve its opinion as to whether or not Part II should be put into force provisionally, until the final Conference is over, I think that will make the position much easier.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. J.R.C. HELMORE (United Kingdom): Mr. Chairman, I have listened very carefully to the speeches which have been made subsequent to the speech by the Delegate of Australia with which we began, and I have the feeling that those Delegates who have spoken have not appreciated the ingenuity of the Tariff Steering Committee, to which the Delegate of Australia referred, in resolving this problem of bringing the tariff schedules into effect quickly without making it necessary for Governments finally to face all the problems concerned in the Draft Charter until it has been finished with and put into this final form and agreed at Havana.

I would like therefore to underline certain words in the draft put before us which seem to me to answer most of the difficulties which have been raised.

In the first place, as I understand it, Mr. Chairman, it is suggested to us in this draft that we should proceed by way of provisional application. If we look at Article XXXII, on Pages 63 and 64, which deals with provisional application, we see that the real meaning of provisional application is that the Agreement can cease to be provisionally applied by any country at 60 days' notice. That is not a very difficult obligation to undertake, it seems to me. So that any Government which does apply it provisionally is only binding itself for 60 days at a time. (Not that one hopes Governments will apply it provisionally and cease to apply it provisionally two months later). Nevertheless, it is possible to say to Parliaments and to the public in our various countries that provisional really does mean provisional, and that there is an escape from this at very short notice.

In the same Article - Article XXXII - Paragraph 1 (b) deals with the provisional application of those parts of the Draft Charter which are incorporated in Part II of the General Agreement. Those, the Draft suggests, we should apply provisionally, that is, two months at a time, to the fullest extent not inconsistent with existing legislation, so if any of us has legislation which is inconsistent with Part II we are not required to alter it. There is a very obvious reason for that. No parliament would want to alter legislation to comply with an agreement which was only being applied provisionally.

Then, when we look at the Protocol of Signature, to which the Delegate of Czechoslovakia referred, which, as it were, picks up the remainder of the Draft Charter, the undertaking says that "pending/^{the} entry into force of a Charter," we should "observe to the fullest extent of our authority the principles of the Draft Charter." We do not say "the provisions of the Charter"; we say "the principles of the Draft Charter". I think there is an important difference of emphasis in those two words. We say: "to the fullest extent of our authority." I understood from the Delegate of Czechoslovakia that he feared that the fullest extent of the authority of his Government would be nil, so I do not think he would find that undertaking a very onerous one.

The third difficult point is how do we bring all this into force provisionally when we are not sure whether the final Charter will be the same as the Draft, and that we deal with by saying that as soon as the Draft Charter becomes

a final Charter and comes into force, the parties to this Agreement immediately decide whether to scrap Part II altogether - which one would hope it would be possible to do - or to modify it so as to conform.

In those three main ways, Mr. Chairman, it seems to me that the Draft which has been put before us does meet the basic problem to which the Delegate of Australia referred. That does not mean to say, that some of the words in this Draft may not require to be altered or to be re-examined, but in principle it seems to me that the solution has been found for us.

May I now refer to the remarks of the Delegate of Australia on the time-table. I would not like to commit myself at this moment on how his objective can be met. Whether it is by initialling here or whether it is by signing here with certain reservations attached to some signatures - that those signatures are a referendum - is a matter we can look at further, but the main idea of his time-table - September 10 for finishing the negotiations, September 30 for finishing the texts and seeing that the schedules are accurate, with some method of leaving the Agreement open for signature until about the middle of November, coming into force between the middle of November and, say, the end of the year - seems to me to be acceptable.

I would like to underline what he said about the absolute necessity for a firm undertaking between governments that publication must be simultaneous, and must be in each of the capitals of the governments who have signed or who have initiated.

I think I should add, from the United Kingdom point of view, that the date of November 1st for the provisional application which appears in the draft, would^{not} be possible. That is quite apart from the question of when my government could authorise signature. It is a question of the administrative work which has to be done in order to effect the changes in the tariffs. I suspect that the date of November 1st was put into this draft before we had agreed on a slightly longer timetable for the Tariff Negotiations than we had agreed upon yesterday, and for my part I would sooner see a date of December 31st in the paragraph providing for provisional application.

CHAIRMAN: The Delegate of South Africa.

DR. J.E. HOLLOWAY (South Africa): Mr. Chairman, before devoting my attention to the questions before the Committee now, I would like some elucidation about Article XXXII.

Article XXXII contains certain blanks. It is not clear to me how the Committee, when they drafted this, intended those blanks to be filled in. They could be filled in either by putting into them the names of all the governments not mentioned here who are Members of the Conference, or only the names of those governments who can provisionally, at the date mentioned, put into force Parts I and II. I presume the latter is the intention, but if the latter is the intention, the last sentence of paragraph (b) should not be part of paragraph (b) at all but it should be a sub-paragraph of paragraph 1. At present, it is simply part of paragraph (b) and therefore seems to refer to Part II only.

CHAIRMAN: The Delegate of South Africa has called attention to what is a typographical error in the setting up of Article XXXII. The last sentence of paragraph 1, reading "The other signatory governments, and the above-named governments in respect of any territories other than their metropolitan territories, shall take like action as soon as possible after November 1, 1947." should be a separate paragraph - at least, it is part of paragraph 1, but it should not be indented. The indentation should only be (a) and (b), and then the remainder of the paragraph should read as if it were a separate paragraph of paragraph 1.

As to the first question raised by the South African Delegate, it is obvious that Provisional Application can only be made effective if certain governments find it possible to do so on a certain date. A decision as to what governments are necessary

in order to give Provisional Application to the agreement was not taken by the Tariff Negotiations Working Party, because that is properly a question which would have to be deferred until a later stage, so that the only countries that are given in the first part of paragraph 1 are those countries which were represented on the Tariff Negotiations Working Party. The Members of the Tariff Negotiations Working Party felt that their governments could give effect to the Provisional application - not necessarily on November 1st, but on some date which would later on be agreed upon. Then, it would be a question to be examined as to what other countries were necessary in order that Provisional Application should be effective on that date, leaving the other signatory governments to apply Provisional Application as soon as possible after the specified date.

I think that answers the question raised by the South African Delegate.

CHAIRMAN: The Delegate of France.

M. Pierre BARADUC (France) (Interpretation): Mr. Chairman, the representative of the United Kingdom has very skilfully presented the advantages of the text of the Draft Agreement, and he has stressed the ingenious provisions which were found by the Steering Committee in order to make the text applicable. I have nothing to add to his statement, since I fully approve it and fully associate myself with what has been said by the Representative of the United Kingdom.

As you said yourself, Mr. Chairman, France is among the countries which are enumerated in Article XXXII as being ready to apply this Agreement provisionally. In order to make clear to my colleagues the position which is adopted by our Delegation, I may add that we are ready to sign the Draft Agreement on 30th September, and that we are ready to apply it provisionally. I say only "provisionally", because we can adopt final application only with the approval of the French Parliament.

However, we have not the intention to ask for the approval of our Parliament before the World Conference -firstly, because it might meet with very serious objections on the part of the members of our Parliament if we seek the application of a text which has not been finally approved by the World Conference, and secondly, because it would put the French Delegation at the World Conference in a difficult position. Indeed, the French Delegation at the World Conference would not be in a position to accept the slightest modification of the Charter if the Charter were approved by the French Parliament. Therefore, we can apply this Agreement only provisionally and seek the approval of Parliament at a later stage.

However, after having listened to the statements made by several Delegations, I wonder if even a provisional application

is possible, if only a limited number of Delegations are ready to apply this Agreement provisionally. I believe that it is necessary to achieve the agreement of the majority of the countries represented here, in order to make this provisional Agreement workable. Indeed, we would meet with the greatest inconvenience if we had only five or six signatures to the provisional Agreement.

H.E. Mr. WUNSZ KING (China): At this early stage of our deliberations I do not propose to go into details, nor do I intend to commit myself to anything definite, even in a provisional way. I wish first of all to add my tribute to the Tariff Working Party for having prepared and produced this admirable document. I say it is admirable only a provisional way. We are all agreed on this point, that in accepting and signing this Tariff Agreement we would be undertaking some very important obligations with far-reaching consequences in the economic and commercial spheres. As to that, we are all agreed. We are also agreed that in so doing we would be making an experiment which is really unprecedented in nature, for the undertaking is not only limited to the reduction of tariff rates, but also serves as an acceptance, - even in a provisional way - of certain obligations or the principles of certain stipulations which would subsequently be contained in the Charter and be finalised at the World Conference in Cuba.

I am wondering whether we could put into force, even in a provisional way, these principles of certain stipulations which have not taken definite form. Can we put them into force before we attend the World Conference in Havana? I am not in a position to argue with the United Kingdom delegate whether the word "provisional" actually means provisional in its full force, but only "provisionally provisional". Experience has taught us that there would not be very much difficulty in having a provisional arrangement become quite definite.

I appreciate all the mechanical, practical and legislative difficulties which have been mentioned by my colleagues, because we in China are no exception in this respect. We also have our difficulties, and now that the new Chinese Constitution is in the

process of being put into force, we do anticipate some peculiar legislative difficulties in our case with respect to this Tariff Agreement, as well as with respect to the future Charter of the I.T.O. Therefore, we feel that the Chinese Government must be given sufficient time to examine the documents as a whole and to consider its final position in respect of certain stipulations, or their principles, which would be put into force before the coming into force of the Charter itself, and which the Chinese Government has, I am very sorry to say, not seen its way up to now to accept in their present form.

I really am not in a position to say when the Chinese Government will authorise its representative even to initial this Tariff Agreement, not to say sign it definitely, unless the way is cleared in such a manner as to enable the Chinese Government to give its authorisation. My mind is open as to what should be the way, or ways, by which the Chinese Government (and I suppose some other Governments also) will be enabled to authorise its representatives either to initial or to sign the documents. I should think, however, that one of the ways - tentatively at any rate - would be that suggested by the Norwegian delegate. He, if I understand him correctly, thinks that the best thing to do in the circumstances would be to incorporate in this document only Parts I and III, but not Part II. That suggestion seems to be quite helpful. Another way of doing it would be - if I understand the United Kingdom correctly - to sign the document with reservations attached to the signatures. As I say, my mind is open and I have to think it over and recommend the ways to my Government for consideration.

CHAIRMAN: The next speaker on my list is the United Kingdom Delegate. He has asked for permission to give an explanation of his remarks, as asked for by the Chinese Delegation, so I will give the United Kingdom Delegate the floor.

Mr. HELMORE (United Kingdom): Thank you, Mr. Chairman. It occurred to me that possibly I spoke in a rather compressed fashion when I referred to signature with reservation.

I was not thinking of a signature which would reserve a particular point in the Agreement, because then we should not all be signing the same Agreement. I was thinking of a signature on the said 30th September in Geneva, which would be subject to a reservation that the signature was ad referendum, and that would be one method I was suggesting of meeting the point made by the Australian Delegate, that his Government would need to have time before, so to speak, the signature could become fully operative; but it would be a signature to the Agreement as a whole.

CHAIRMAN: The Delegate of China.

Mr. WUNSZ KING (China): Mr. Chairman, I feel very grateful to Mr. Helmore for his explanation on this point; but still, I have to come rather to the conclusion that there is no meeting of minds between him and myself.

CHAIRMAN: The Delegate of the United States.

Mr. WINTHROP BROWN (United States): Mr. Chairman, I think that we are undoubtedly all agreed that it is imperative that we place the tariff concessions which will have been agreed at this Meeting into effect at the earliest possible date.

In the first place, it is obvious that the sooner we can get these tariff concessions into operation, the sooner their beneficial effect on trade will be felt, and it is certainly important that we try to help trade between ourselves and the rest

of the world as quickly and as effectively as possible.

I think we would all be agreed, also, that it would be extremely difficult to keep these tariff concessions which we have agreed here, so to speak, on ice, or in the closet for any substantial period of time. The items agreed upon would be bound to become known partially, and a tax would be laid on the Agreement based upon imperfect knowledge of the sum total of the Agreement, and a very difficult situation would be presented for all of us.

I think it is also clear that tariff concessions can be put into effect only in connection with ⁵ certain minimum number of the so-called General Provisions which are necessary to protect these concessions, and to give them validity and meaning. That, of course, is the reason why the Tariff Negotiations Working Party has recommended the inclusion in the General Agreement of certain of the provisions from the Charter, namely, those in Part II. I mention that point because it is a suggestion made by the Delegates from Norway and China that we might proceed by putting Parts I and III of the Agreement into effect, but not Part II into effect.

I am quite sure that it would not be possible for most of us to put tariff concessions into effect, unless they were protected by a minimum number of General Provisions, and for our part, at least, we feel that the ones recommended by the Tariff Working Party represent that minimum. I think it is also extremely important that we come to the maximum measure of agreement here at Geneva. We had always hoped and expected that the General Agreement would be signed definitely here.

We, of course, are in a somewhat similar position to many

of the other Member countries here, in that when our negotiators have completed their negotiations, we must submit the results to our Cabinet and President, for his final approval.

Our particular situation is such that we can do that very rapidly, and we had felt that the two or three weeks necessary for the so-called 'tidying-up' process would be sufficient to enable us to get that necessary approval. We had hoped that that would also be true for other countries present.

However, from what the Delegate from Australia and some others have said, it would appear that that period of time might not be sufficient.

Therefore we must consider what other line we can follow: whether we should follow the suggestion of the Australian Delegate and initial the Agreement here to fix the text, and fix a definite date for signature, say, about the 1st or the 15th November, or even the 21st; or whether we should endeavour to get the signatures of the countries which are represented on the Tariff Working Party and which can sign on September 30, plus as many others as are in a similar position, leaving a period, say, until some time in November, for other Governments, who have to take further time for consultation, to sign.

We are quite prepared to examine any one of those alternatives, to see which one can best meet the needs of the Members. I cannot urge too strongly, however, the importance which we attach - and which I am sure all of us attach - to having this Geneva Conference come to the most definite possible conclusion about the General Agreement and the tariff concessions. It would be most unfortunate if we should be in a position where we reach a tentative agreement here and start negotiating all over again at Havana or at Lake Success in November. That we must avoid at all costs.

I wonder, Mr. Chairman, if it would not help us in reaching a conclusion as to what course we should pursue if we could get an indication from the Members present as to how many of them are in the position which we in the Tariff Working Party are in, of being able to sign at Geneva and bring the Agreement provisionally into force, say, before the end of the year, and how many are in the position of the Australian Delegation, who will need a longer period, say, until the middle of November, before they will be able to sign the Agreement.

I would also like to add our voice in support of what the Delegates of Australia and the United Kingdom have said about the extreme importance of having the publication of the details of the Agreement take place simultaneously in the capitals of the Members represented here. The details of this Agreement should not be made public until they are made public by all of us at the same time.

I would also like to stress the importance of fixing a definite date by which the concessions will come provisionally into effect, and I would hope, as a Christmas present to the world - which needs such presents very badly, that that certainly could be settled before Christmas.

CHAIRMAN: The Delegate of Chile.

M. F. GARCIA OLDINI (Chile) (Interpretation): Mr. Chairman, I would like to make several remarks, which are, perhaps, somewhat beside the main question but which are, nevertheless, intimately connected with this debate.

We are supposed to accept Parts I and III, or rather we are expected to discuss Parts I and III of this Draft Agreement, but we are not supposed to discuss Part II of the Agreement for the very obvious reason that Part II actually reproduces articles of the Charter and the Charter is not yet finally approved. But, Mr. Chairman, if I look at the first Part of this Draft Report I see that it mentions there Articles 1 and 2 of the Charter. Now, if I revert to Part III of the Report I find there article 38 which is also a part of the Charter. Now, Mr. Chairman, if we decide not to discuss Part II of this Report since it reproduces Articles of the Charter, then we must also wait until the Charter is approved before we discuss Parts which reproduce certain other Articles of the Charter. The reasons which are being put forward in order not to discuss Part II must also be true for the Articles which are reproduced in Parts I and III of the Report. I might add further, Mr. Chairman, that Articles 14 and 38 which are mentioned in the Report have not yet received their final draft - they were referred to the sub-committee on Chapter IV, and we might be assured that they will not leave the sub-committee on Chapter IV in exactly the same shape as they entered it. The same might also be true in respect to article 32 - although I/^{am}less affirmative in respect of this article - and, as you know, there exists an amendment to article 32, an amendment which was also referred to the sub-committee on Chapter IV.

Therefore, Mr. Chairman, if we want to be logical and if we want to remain in conformity with the decisions of the Chairman's Committee, we must leave out of our deliberations the articles of the Charter which are mentioned in Parts I and III of the Report. Therefore, we must concentrate our discussion on the present development, and in this connection I would like to draw the attention of the Committee to the French translation of paragraph (b) of Article XXXIII - I say intentionally "translation" because I do hope that there is a mistake of translation and that we are not faced with a different French version. Indeed, we read in the French text "Part II of this Agreement to the fullest extent.... The other signatory governments, and the above-named governments in respect of any territories other than their metropolitan territories.....". Now, Mr. Chairman, if I remember my school logic and my school French, I understand from this paragraph that the parties signatory to this Agreement undertake to apply Parts I and III of the Agreement and Part II to the extent at which it is compatible with their legislation to all territories other than their metropolitan territories. I expect that there is a drafting error in the French text, but I must call the attention of the Secretariat to the permanent neglect which is shown to the French text. It is a pity that it is I who must point this out - it would be the right of the French-speaking delegations, but since they have not done so and since, apparently, they work on the English text, I fear that it is my duty to draw attention to this mistake. I do hope that the English text has been drafted differently, because if this were not the case then I respectfully submit that our whole discussion lacks sense.

Now, Mr. Chairman, I understand that the Chairman made the proposal that in order that certain parts of the Provisional Agreement could become applicable, it is necessary to have a certain minimum of countries which declare themselves in a position to apply this Provisional Agreement from a certain date. However, the text which is submitted for our attention is altogether mute on this point, and leaves no open door. The text only signifies that the five members of the Working Party as well as all other possible signatories of this Draft Agreement undertake to apply Sections I and II of this Draft Agreement, as well as Part II to the extent where it is compatible with their legislation. But nothing is said about the necessary minimum in order to render this Agreement operative.

I believe that the idea which was propounded from the Chair in this connection is a sound one, and ought to be adopted by us. I should even say that it ought to be made a condition of the provisional application of this Draft Agreement.

Now, insofar as we are concerned, Mr. Chairman, I wonder whether we will be able to apply the provisions of this Draft Agreement as from 1st November. Indeed, it is proposed that an Agreement to be signed on 30th September should become operative on 1st November. It is, however, a multilateral Agreement. Therefore, we must take account of the possible repercussions on the economic relations of the countries applying this Agreement with all other countries which are not parties to the Agreement. We must also take into account the possible implications of this Agreement in regard to the legislation of the countries concerned.

It is quite possible that certain provisions are not in

conformity with the legislation of the countries concerned, although they are not directly incompatible with this legislation.

We must also consider the possible implications which this Agreement might have in regard to the policy of taxation which is pursued by the countries concerned, and we must consider whether it is possible for the countries concerned to iron out in a month's time all budgetary difficulties which might arise in connection with this Agreement. Therefore, Mr. Chairman, I must provisionally reserve the answer of our Delegation to your query.

CHAIRMAN: The Delegate of Chile has called attention to certain inaccuracies in the French text. I might inform the Committee that the French and Belgian Delegations are very much alive to certain of these inconsistencies between the French and English texts, and we received this morning a statement from the French and Belgian Delegations correcting certain parts of the French text. This will be issued as a corrigendum.

With regard to the particular sentence to which the Delegate of Chile referred, there is a serious error in that paragraph in that the qualifying phrase "in respect of any territories other than their metropolitan territories" should relate only to the above-named Governments, whereas in the French text it reads as though it refers also to the other signatory Governments. The Secretariat will issue a corrigendum correcting various other inconsistencies between the French and English text and will also correct this particular part of the French text.

With regard to the other point mentioned by the Chilean

Delegate, it is true that Articles I and II of Part I embody substantial parts of Articles 14 and 32 respectively of the Charter, and also that Article XXXII, Part III, embodies substantial parts of Article 38 of the Draft Charter. I might mention, however, that Part I is an essential part of a General Agreement on Tariffs and Trade. It is the part that gives effect to the tariff concessions, and therefore it has quite a different character from Part II.

The same applies to Article XXII, which reproduces Article 38. It has been put in Part III because that seems to be the most logical place for it; but it is a provision without which the tariff concession could not be applied.

We have now reached a time at which it will be necessary for us to adjourn - it is after one o'clock - and I therefore propose that further discussion be postponed till tomorrow. If he wishes, I will give the Delegate of Chile the floor first thing tomorrow.

It is only possible for us to schedule three meetings this week - that is, this morning, tomorrow morning and Thursday morning. The programme on Friday is so full that I do not see any possibility of scheduling a meeting of this Committee. I had hoped that it might be possible for us to get through the general discussion on the three mornings allotted to us this week, and that we might be able to proceed next week to take up the particular Articles in Parts I and III of the Draft Agreement. However, it is too early a stage in our deliberations to know whether or not it will be possible for us to get through the general discussion this week, and therefore I propose that we should continue tomorrow at 10.30, after which we can take a decision as to our further programme of work. There being no further business, the meeting is adjourned. (The meeting rose at 1.10 p.m.)