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

## VERBATIM REPORT

## TWENTY-SECOND MEETING OF THE TARIFF AGREEMENT COMMITTEE HELD ON WEDNESDAY, 17 SEPTEMBER 1947 at 2.30 P.M. IN THE PALAIS DES NATIONS, GENEVA.

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

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CHAIRMAN: The Meeting is open.

The first item of business today will be the Report of the Ad Hoc Sub-committee on the new paragraphs 6 and 7 of Article XVIII. I will ask Mr. Adarkar of India, the Chairman of the Sub-committee, kindly to introduce the Report.

Mr. B.N. ADARKAR (India): Mr. Chairman, the revised drafts of Paragraphs 6 and 7 of Article XVIII which have been suggested by the Sub-committee were unanimously adopted by the members of the Sub-committee.

The Sub-committee had the advantage of having before it two drafts, the one suggested by the United States Delegation, which was already considered in the full Committee, and another suggested by the United Kingdom Delegation, and these revised drafts took into account the agreed features of both the drafts.

I would draw the attention of the Committee to the change in the second line of Paragraph 6, the insertion of the words "in force at 1 September 1947." This change has been made to prevent the possibility of new measures being introduced between now and the signature of the Agreement.

The other important feature of the draft is the insertion of a definite date - 10 October 1947 - before which all transitional measures for economic development will have to be notified to all contracting parties.

In deciding to suggest a definite date, and one as early as 10 October 1947, the Sub-committee took into account the practical difficulties which Members may have in obtaining from their Governments definite information about the measures at present in force. The time allowed is certainly short. The Sub-committee, however, considered that this is not a new provision but one which is already in the Draft Charter. Copies of the Draft Charter were already in the hands of

Delegations and in this particular instance, of course, the Secretariat also did its part by producing this document in a remarkably short time and deserve to be thanked for that.

But far more important than any of these was the consideration that many countries have at present in force quantitative restrictions and other measures imposed on grounds other than economic development. Quantitative restrictions are at present in force on balance-of-payments grounds and it is not in all countries that these measures have been specifically described as imposed either on balance-of-payments or economic development grounds. There is, therefore, a theoretical possibility that some of the measures imposed on other grounds may come to be described as measures imposed on grounds of economic development.

This might happen, either because of genuine misunderstanding on the part of the Delegations or because of the fact that measures imposed on economic development grounds have a different status from those imposed on grounds of balance-of-payments. Economic development measures, once approved by the Organization, will acquire a permanent status. Even if they are not approved by the Organization, the Organization has been authorized to allow a period of grace for the removal of such measures. Therefore it is most important for the Delegations present here to know the position before they sign the Final Act. Once any provision is made allowing transitional measures to be notified after the Delegations have dispersed from Geneva, there will be no occasion for discussing the matter here.

Since the problem presented by transitional measures is one of very uncertain and unknown magnitude, it is most important that discussion of these measures, if necessary, should take place whilst the Delegations are still in Geneva.

It was that consideration which led the Committee to suggest that these transitional measures should be required to be notified not later than 10 October 1947; that is, some time before the signature of the Final Act. This date, as has been explained in the covering note, was selected on the assumption that the Final Act will be signed about the 15 October. If that assumption is correct, then the Sub-committee was satisfied that the last date for the notification of these restrictions could not be placed later than 10 October 1947.

I would strongly urge that, in spite of the practical inconvenience which the Delegations may find in obtaining the necessary information from their Governments, they should maintain this date of 10 October 1947 in their drafts, because of the very important considerations which I stated just now on behalf of the Sub-committee.

The Committee will notice that in notifying these measures the Delegations will have to state the nature and purpose of such measures. No detailed explanation need be given at this stage in regard to the purposes which the measures are intended to serve. By nature, all that is intended is that Governments should state what the measure is; that is to say, they should describe the measure, and the statement of purpose need not go beyond stating whether the measure is intended for establishment, development or reconstruction of a particular industry or a particular branch of agriculture.

It will be noticed, further down, that there is a period of 60 days prescribed within which the contracting party will have to notify the Committee of the Contracting Parties of the measure concerned and the considerations in support of its maintenance, and the period for which it wishes to maintain the measure.

In the Draft Charter a period of 30 days only has been stipulated. The Sub-committee thought a period of 30 days would be too short and that 60 days would be reasonable.

These are all the comments I have to make on Paragraph 6.

As regards Paragraph 7, the Sub-committee considered whether this paragraph covered the same ground as Paragraph 3 of Article XIV. They were satisfied that it covered exactly the same ground. The shorter form of words suggested here could not possibly have been used for Paragraph 3 of Article XIV, because there was no question of any Tariff Schedules. It was for that reason that the matter had been spelled out in Paragraph 3. Here we speak of Tariff Schedules which are annexed to this Agreement, and all the contracting party need do is to avoid any measures relating to any product described in the appropriate Schedule annexed to this Agreement, measures which are already not permitted under the Charter.

I would only add two more comments, It is necessary to know, for the purpose of clarification, that under this paragraph no measure which is already permitted under the Charter is required to be notified. If any quantitative restrictions have been imposed on balance-of-payments grounds, they need not be notified. Similarly, existing mixing regulations which are already allowed to be maintained subject to negotiations need not be notified. Measures which come under Paragraph 7, that is, those affecting a product described in the appropriate Schedule, also need not be notified, because they are intended automatically to be withdrawn when the Agreement comes into effect.

There is one further point; that is, the treatment of new countries. It might occur that by specifying this date

of 10 October 1947 we have not adequately dealt with the question as to how transitional measures in force in any country which might subsequently accede to the Agreement would be dealt with.

In the Charter, in sub-paragraphs (b) and (c) of Article 14, a Member which has not signed the General Agreement but signs the Charter is required to notify such measures before the day on which other Governments have signed the Charter.

It was not practicable to insert here a parallel provision, because the time schedule regarding the signature of the Charter is not known. The problems presented by the transitional measures enforced by new countries may be different in nature and may require different treatment.

On the whole, the Sub-committee considered the problem could best be solved under Article XXXIII, the Article about Accession, which enables the other contracting parties to stipulate terms on which new Members would be permitted to accede to the Agreement. In fixing those terms, the other contracting parties could, if necessary, indicate a date before which the new Members will have to notify the restrictions in force in their countries.

CHAIRMAN: I wish to thank Dr. Adarkar for the very clear and complete exposition he has given of the report of the Sub-Committee of which he was Chairman.

Any comments on the report of the Sub-Committee?

The Delegate of France.

M. ROYER (France) (Interpretation) Mr. Chairman, I wish to refer simply to a drafting point in paragraph 7 - and incidentally the figure 7 was omitted in the French text - where we speak about measures applicable to one of the contracting parties. I wonder if it would be fitting to use the same language as in Article I.

CHAIRMAN: Are there any comments on the suggestion of the French Delegate?

Mr. R. J. SHACKLE (United Kingdom) I am not entirely clear as to what the suggestion of the French Delegate is. I gather that he wishes to make this paragraph read something as follows: "in respect of any product originating in any other country" and not "any contracting party to any product". Is that so?

M. ROYER (France) I am suggesting "in" or "destined for" any other country.

Mr. R. J. SHACKLE (United Kingdom) I have rather the feeling that one needs to refer to the contracting party otherwise than by merely indicating the origin of the goods, because it is for the contracting party to take action in respect of modifying a measure and so on, if it is the proper course for him to do so. Whereas here we are not merely concerned with the nationality of the goods concerned; we are also concerned to indicate if the particular contracting party may or may not have something to do about this question. I am not therefore entirely certain that it would be proper

to assimilate the words "originating on or destined for" as in Article I.

CHAIRMAN: Are there any other comments on the suggestion of the Delegate of France?

M. ROYER (France) (Interpretation): Mr. Chairman, it was in order to provide an exact definition of this provision that I suggested the somewhat more specific language for the commitments. If this paragraph means that the provisions do not apply to a product coming from the territory of a contracting party or destined for the territory of a contracting party, and if it also applies to export restrictions I do not think that this language should be used.

CHAIRMAN: Could the Delegate of France give us again the text of this paragraph as he proposes to have it revised.

M. ROYER (France) (No Interpretation).

CHAIRMAN: Could you give that in English.

M. ROYER (France): Yes, "shall not apply to any product originating in the territory of or destined to the other contracting parties and described in the appropriate Schedule".

Mr. R.J. SHACKLE (United Kingdom): I assume that M. Royer will keep the words "in respect of any contracting party" - "shall not apply in respect of any contracting party to products originating ....." Is that so? You will keep the words "in respect of any contracting party", M. Royer, and then go on "to products originating ....."

Mr. J.M. LEDDY (United States): I think that the suggestion of the Delegate of France may be and probably is unnecessary and may produce a curious result. First, the applications of this Agreement extend only to the contracting parties. Any country is free to keep on any measure it wishes as far as this Agreement is concerned in respect of a non-contracting party. Therefore we do not have to discuss the point. We do not have to make any reference to the fact that the product is the product of another contracting party or is destined for another contracting party. If we insert the language suggested by the Delegate of France, we will imply that, with respect to products not in the Schedules, countries would have to notify measures which they maintain not in respect of contracting parties but in respect of countries which are not contracting parties and I am sure that that is not the intention. What we have here is only a notification of those measures which will be maintained on non-scheduled products of the contracting parties or destined for the contracting parties, and I

think the present language in its context means precisely that and no more and no less.

M. ROYER (France) (Interpretation): Mr. Chairman, I must apologise. I have been using the French text which is far from clear on that point and which seems to say that the provisions are not applicable to the products of one of the contracting parties. Of course if it is understood that the contracting party is the one who is applying the meesures and not the party against whom the measures are being applied, my point does not arise; but the French text would have to be clarified in that respect.

CHAIRMAN: Then I take it we can leave it to the Legal Drafting Committee to bring the French text into conformity with the English. Are there any other comments?

The Delegate of Brazil.

Mr. E.L. RODRIGUES (Brazil): Mr. Chairman, I am afraid I raise a question of a juridical character. That perhaps will be considered wrong, but I feel it is my duty to give my opinion. If we will have no Agreement up to 15 October when we have signed the Final Act, I do not see how you could have a provision stating that any such contracting party shall have notified the other contracting parties not later than the 10 October 1947. Up to 15 October no country discussing this matter here will be a contracting party. Or, even if we take into consideration that the Final Act will be signed on 15 October, it seems to me that it is not proper to have in the Agreement, which does not exist, any provision like that. I understand that we could take the same commitment as a separate decision of this Committee and everybody will follow this matter, but, without having a Law, I do not see any way to impose that such a provision should be applied before the existence of the law. It is only a formal and juridical

matter. I understand, I repeat - and I have nothing to say against the substance of this matter - that you could arrive at a conclusion about this matter and have a decision taken by the Committee; but not to put this in the Agreement which will not exist before 10 October.

Later on I have to speak about the question of substance in regard to the point of view of Brazil given in the last meeting.

CHAIRMAN: The Chairman of the Sub-Committee.

Mr. B.N. ADARKAR (India): Mr. Chairman, I do not think the point raised by the Delegate of Brazil need cause any difficulty so long as what is meant here is very well understood. What is meant really is that any country which expects to be a contracting party shall notify the other countries which expect to be contracting parties not later than 10 October 1947. This condition is actually required only if all the countries which so exchange information eventually become contracting parties. This is a requirement which does not stand by itself. It is part of a provision which is laid down in the latter part of the Article. The condition becomes relevant only if the countries concerned eventually become contracting parties and have approached the Committee of the Contracting Parties for approval of these measures.

Mr. R.J. SHACKLE (United Kingdom): I really have little to add to what Dr. Adarkar said. It seems to me this is simply a provision laying down conditions for governing the operation of the Agreement when it comes into force by reference to things which happened before it came into force. I do not see anything impossible about that, any more than in the case of an Old Age Pension Act, which gives pensions to people over sixty. They were born before the Law was passed, but nevertheless the Law operates after they are born.

CHAIRMAN: The Delegate of Belgium.

Baron P. de GAIFFIER (Belgium) (Interpretation): Mr. Chairman, I think that we could meet the objection raised by the Brazilian Delegate by inserting a few extra words to state "the contracting parties signatory of the Agreement or of the Final Act".

Mr. B.N. ADARKAR (India): Mr. Chairman, would that not really be unnecessary? Because even then the point raised by the Brazilian Delegate would remain: even then we shall not be avoiding the use of the term "contracting parties". I believe the explanation given by Mr. Shackle was the right one - that this condition really only operates when the parties concerned become contracting parties.

CHAIRMAN: Are there any other comments?

Mr. E.L. RODRIGUES (Brazil): And now I have to speak about the substance of this matter. As I have explained in an earlier meeting, we are in a position in which we cannot take any commitment, if this Article means that a recent measure taken by my Government in regard to exchange priorities ought not to be used after Brazil signs the Agreement. In order to give you an exact idea of the matter which is bothering me and is causing me a lot of difficulty in accepting this proposal of this paragraph 6, I will read just four or five lines of the Law put in force in Brazil. in order to avoid misuse of the monetary reserves accumulated during the war. This established certain priorities:-

1. Import of essential articles and those considered necessary to meet national requirements.

2. Transfer of royalties, interest, profits, under conditions stipulated in Articles 6 and 8 of Decree Law No. 9025 of 27 February 1946.

3. Living and travelling expenses and proceeds from sale of passages.

4. Goods not considered in the first category.

5. Aid, donations and transfers for other ends, and those beyond the percentages fixed in Decree Law No. 9025 for interest and re-export of capital invested within the country.

This measure was taken, as I said before, not in order to give any special protection to particular goods in Brazil, but in order to avoid that a monetary fund, created with great sacrifice for the country during six years while we could not buy machinery, railroad materials and so on, could be misused in time of great inflation in my country such as we are facing at present. Brazil in such a case would lose her best opportunity, not to create a new industry, but to get the material that during those years we could not get because of the war. It is not a permanent measure, it is a measure which has been used during one year. If this kind of priorities, exchange priorities, is not forbidden in the Charter, or in the Agreement, then I can accept this paragraph 6. Otherwise Brazil has to reserve her position.

CHAIRMAN: The Chairman of the Sub-Committee explained in introducing his Report that paragraph 6 relates to quantitative restrictions or similar methods which have been imposed for the establishment, development or reconstruction of particular industries or particular branches of agriculture and which is not otherwise permitted by this Agreement. It does not relate to quantitative restrictions or other methods which have been imposed for balance of payments reasons. I am not quite sure as to the effect of the regulations in force in Brazil, but I take it that it is a form of exchange control. Therefore, it would not come under the provisions of this particular paragraph. The Delegate of Brazil will notice that Article XVIII is headed: "Adjustments in Connection with Economic Development", and this particular provision follows along the lines of the corresponding Article in the Charter, Article 14.

MR. R.J. SHACKLE (United Kingdom): Mr. Chairman, in Article XII of this General Agreement, in paragraph 3(b) on page 27, there are words which seem to come very close to the type of situation which the Brazilian Delegate has described. It says there: "The contracting parties recognise that, as a result of domestic policies directed toward ..... the reconstruction or development of industrial and other economic resources and the raising of standards of productivity, such a contracting party may experience a high level of demand for imports. Accordingly," - and then we come to the proverbial (ii) - "any contracting party applying import restrictions under this Article may determine the incidence of the restrictions on imports of different products or classes of products in such a way as to give priority to the importation of those products which are more

essential in the light of such policies". That sounds to me something very like the type of policy which the Delegate for Brazil was describing.

CHAIRMAN: The Delegate of Brazil.

Mr. E.L. RODRIGUES (Brazil): Mr. Chairman, I raised this question because, as I have explained before, our monetary reserve has been treated as a abnormal surplus, not a current surplus, and I was afraid that, because of this situation, we could not be covered by this provision quoted by the Delegate of the United Kingdom. If the Committee agrees with his point of view, I have nothing against paragraph 6 and will be prepared to accept it.

CHAIRMAN: Are there any other comments?

We will now take up this paragraph by paragraph.

Are there any comments on paragraph 6?

The Delegate of New Zealand.

MR. J.P.D. JOHNSEN (New Zealand): Mr. Chairman, if I might raise one point in connection with the date 10th October, I understand that that was related to the possible signing of the Final Act on the 15th October, but if that is not effectuated, will this date remain the same?

CHAIRMAN: I will invite the Chairman of the Sub-Committee to explain the understanding of the Sub-Committee on this point.

Mr. B.N. ADARKAR (India): Mr. Chairman, the Sub-Committee considered the question of relating this date to the date of Signature of the Final Act, but apart from the uncertainty as to when the Final

Act may be signed, there is also the further consideration that if these negotiations are unduly prolonged the Final Act may be signed at a time when there may be, for all practical purposes, no opportunity of discussing this matter between the various Delegations. For example, most delegations will be leaving Geneva leaving only a small technical staff for finalizing the Tariff Schedules attached to the Agreement.

For that reason it was considered that no matter when the Final Act was signed the 10th October, 1947 should be maintained as the date for this purpose.

CHAIRMAN: Are there any other comments on paragraph 6?

Agreed.

Paragraph 7?

Monsieur Royer.

M. ROYER (France) (Interprétation): Mr. Chairman, on thinking the matter over, I would like to propose a French draft which would be clearer than the draft which appears here, and I propose that this draft be examined by the Legal Drafting Committee.

The draft would be as follows: "No contracting party may have resort to or claim the benefits of the provisions of paragraph 6 of this Article for the products described in the appropriate Schedule annexed to this Agreement".

CHAIRMAN: Are there any comments on the revised text proposed by the Delegate of France? Are there any objections to this revised text?

Mr. B.N. ADARKAR (India): Mr. Chairman, since both drafts are intended to convey the same thing, would it not be better to maintain in the English text the text proposed by the Sub-Committee and adopt in the French text the wording suggested by the Delegate of France, if it is acceptable to the French speaking Delegations?

CHAIRMAN: I think there is a difference in emphasise here which would make it difficult to adopt one for the French text and the other for the English text. The French proposal reads in English: "No contracting party may have resort to or claim the benefits of the provisions of paragraph 6 of this Article for the products described in the appropriate Schedule annexed to this Agreement". I think there is a change in emphasis there which would require the two texts to correspond.

The Delegate of the United States.

Mr. J.M. LEDDY (United States): Mr. Chairman, I do not see any difference in substance between the present text and the text proposed by the French Delegate, and I think we can safely leave it to the Drafting Committee to the draft the text in English and French which will be acceptable.

CHAIRMAN: Is is agreed to leave this point to the Legal Drafting Committee?

The Delegate of Cuba.

Dr. G. GUTIERREZ (Cuba): Mr. Chairman, we consider that the English text is the result of thorough discussion and compromise, and we have no objection to putting the French text in accordance

with the English text, but we would prefer very much not to have any change made in the English text.

CHAIRMAN: It is possible that the Legal Drafting Committee, by taking the English text as a basis and, perhaps, making minor changes in its wording, could find two texts in the two languages that correspond one with the other.

Are there any other comments on Paragraph 7?

(Agreed)

We will now take up the Report of the Ad Hoc Sub-committee on Paragraph 3 of Article XXIV. I will ask M. Royer, the Chairman of the Sub-committee, to introduce the report of his Committee.

M. ROYER (Franco) (interpretation): Mr. Chairman, the first question the Sub-committee took up was whether Burma, Ceylon and Southern Rhodesia could be admitted as contracting parties to the General Agreement.

We did not consider the question as to whether the present state of negotiations for these countries was sufficient to allow them to participate as contracting parties to the General Agreement, because this question was beyond our terms of reference.

We asked the Delegation of the United Kingdom to throw light upon the four questions which are mentioned on Page 1 of Document T/198 and the United Kingdom Delegation gave answers to those four questions. Those answers were confirmed in a letter sent on September 15 by the Head of the United Kingdom Delegation to the Executive Secretary to the Trade and Employment Conference.

In the light of the information which we obtained from the United Kingdom Delegation, the Sub-committee decided to recommend the admission of the three territories mentioned above, that is, Ceylon, Burma and Southern Rhodesia, as full contracting parties to the General Agreement.

Some consequential changes had to be made to the draft of the Agreement, so that the provisions could fit into the framework of the General Agreement. We thought the automatic reproduction of the provisions of the Draft Charter did not correspond exactly to the intentions of the authors of the draft of the General Agreement.

After we considered the provisions in the Charter relating to the adherence of separate customs territories, we could see that the conditions are different from what they should be for adherence to the General Agreement.

In the Charter there is nothing to prevent separate customs territories from adhering to the Charter on the same conditions as the other States, but when we considered the General Agreement we found that the separate customs territories would not have negotiated here in Geneva. Therefore, if they were to adhere in a kind of unilateral way to the General Agreement they would acquire the benefits of the concessions made here without negotiation.

Therefore the Sub-committee propose to delete sub-paragraph (b) of Paragraph 3 of Article XXIV and replace it by a provision which appears at the end of Article XXXI, now proposed Article XXXIII, and which would read as follows: the first words would remain as in Article XXXI - "A Government not party to this Agreement . . .", and the words added are: "or a Government acting on behalf of a separate customs territory"; from there the words proposed by the United Kingdom Delegation, which have been agreed to, would be inserted: "possessing full autonomy in the conduct of its external commercial relations and of the other matters provided for by this Agreement."

Then the paragraph goes on as previously written: "may accede to this Agreement on its own behalf or on behalf of that territory on terms to be agreed between such Government and the contracting parties."

The mechanism which is provided for here will mean that the separate customs territories which will not have negotiated in Geneva will not be able to become Members of the club; they will

have to adhere to the club of the General Agreement on the same conditions as any non-negotiating Government or any Government which has not taken part in the negotiations in Geneva.

Furthermore, we thought that Paragraph 3 (a) should also be modified. We therefore proposed a modification on the lines put forward by the Delegate of the Netherlands, which now appears as a second proviso in Paragraph 3 (a).

The Netherlands Delegation pointed out that if any separate customs territory were included now in the list of the metropolitan territories at the time of the Signature of the Agreement, and if such territory should acquire complete autonomy in the future regarding the matters which now appear in the Agreement and therefore become a separate customs territory, with full autonomy as meant here, this should be provided for. If it happened during the period of the application of the Agreement, it ought to be provided for and the same treatment ought to be given to that new separate territory as that which existed at the time of the Agreement if that separate customs territory were included in the list of the metropolitan territories.

This is the object of the second proviso appearing in Paragraph 3 (a), stating that "Provided further that if any of the customs territories on behalf of which a contracting party has accepted this Agreement possesses or acquires full autonomy in the conduct of its external commercial relations and of the other matters provided for by this Agreement," etc.

The Sub-committee further thought that the provision included in Paragraph 3 (a), stating that the separate customs territories should be allowed to send representatives to the Contracting Parties (with capital letters), was insufficient, because it did not take into account the rights and obligations of

these separate customs territories. We therefore changed the drafting of this sub-paragraph and stated: "Such territory shall be deemed to be a contracting party." We said "be deemed to" and not "become;" that was intentional, because the word "deem" implies two possibilities: the first that these territories will act in their full right as Burma, Ceylon and Southern Rhodesia are doing now, or, on the other hand, these territories may have the same advantages as the metropolitan territory - that is, the contracting party which is acting on its behalf - if this contracting party wishes still to act on its behalf and represent it.

You will see a further change here, which appears in the inclusion of the words "upon sponsorship through a declaration by the responsible contracting party." We thought this was necessary because it means that if the separate customs territory is autonomous and requires to have extended to it - and asks to have extended to it - the advantages and the benefits of the concessions, then there must be a declaration of the contracting party which was representing it vis-à-vis the other countries, because the other contracting parties must have sufficient information to be able to judge the legal ability of such separate customs territory.

Before concluding a contract with such separate customs territory, the other contracting parties must know that this separate customs territory is able from a legal point of view; this is the same as in the signature of any contract. We thought that the legal ability of such territory was ill-defined here and therefore one needed a declaration by the contracting party, stating that the separate customs territory had the right de jure and/or de facto to act on its own behalf and to fulfil the obligations of the Charter.

Mr. Chairman, I think this is all I have to say.

I would like to add that the decisions which we reached in the Sub-Committee were reached unanimously; therefore I propose that the Report of the Sub-Committee should be adopted by the Committee.

CHAIRMAN: I thank M. Royer for the very complete exposition he has given of the Report of the sub-Committee. Are there any comments?

The Delegate of China.

H.E. Mr. Wunz King (China): Mr. Chairman, the Chinese Delegation accepts the Report of the sub-Committee, and wishes to take this occasion to congratulate these three territories, Burma, Ceylon and Southern Rhodesia upon their admission as contracting parties for the purposes of the present Agreement. We wish also to extend to them a warm welcome, all the more so as we have concluded our tariff negotiations with Burma, while those between Ceylon and China are also nearing completion.

CHAIRMAN: Are there any other comments?

Mr. R.J. SHACKLE (United Kingdom): I only wish to say that in the absence of representation from Burma, Ceylon and Southern Rhodesia, I will do my best to convey to them the kind congratulations which the Delegate of China has expressed. I should like to add two very minute points on the text. On page 4, third line on the page, after the words "establishing the above-mentioned fact" to insert a comma, and then in paragraph 3 immediately below, comes the point to which M. Royer has quoted, namely that we should insert in the third line of the inset passage, where the asterisk occurs, the words "in the footnotes". I think it will be obvious that it is essential to add those words. Thank you.

CHAIRMAN: Are there any objections to these drafting changes proposed by the United Kingdom Delegate? Agreed.

Are there any other comments on the Report of the sub-Committee?

The Delegate of the United States.

Mr. J.M. LEDDY (United States): I should just like to second the remarks of the Delegate of China. We accept the Report of the sub-Committee which establishes to our satisfaction the fact that Burma, Ceylon and Southern Rhodesia are, in fact, independent in commercial matters and are entitled to stand on a footing of equality with the rest of us. We therefore wish to welcome the addition of these territories to this Committee to participate with the rest of us as potential contracting parties on the basis of independence and equality.

CHAIRMAN: The Delegate of Canada.

Mr. L.E. COUILLARD (Canada): The Canadian Delegation is happy to join in supporting the statement, originally made by the Delegate of China, of congratulations and welcome to these three countries as full contracting parties to the General Agreement. We would also, of course, support Mr. Leddy in his suggestion that if the Report is adopted these countries be invited to sit with us as full contracting parties.

CHAIRMAN: Are there any other comments?

I therefore take it that the Committee accepts the recommendations of the sub-Committee and that Burma, Ceylon and Southern Rhodesia, according to their status, de jure or de facto can be admitted to participation as full contracting parties to the General Agreement on Tariffs and Trade.

It is only necessary for us to give effect to the changes in the General Agreement consequent upon the adoption of this recommendation. The first will be the removal of the brackets in the first paragraph of the Final Act and in the Preamble to the General Agreement surrounding the words Burma, Ceylon and Southern Rhodesia. Is that agreed? Agreed.

The next recommendation which we will take up will be the

deletion of sub-paragraph (d) and the substitution of a new paragraph for paragraph 3(a) which will now become paragraph 4. The text of this is given at the bottom of page 3 and the beginning of page 4 of the Report of the sub-Committee.

Are there any comments on this new paragraph 4? Agreed.

The next consequential change is in Article XXXIII, formerly XXXI. The text of this, with the amendment proposed by the United Kingdom, is given on page 4 of the Report of the sub-Committee. Are there any comments? (Agreed).

Mr. R.J. SHACKLE (United Kingdom): Before we leave this matter I would wish, on behalf of the Delegation of the United Kingdom, to express very sincere appreciation to the Committee for their having agreed to this Report, and I am sure that I shall not be misinterpreting the wishes of the representatives of Burma, Ceylon and Southern Rhodesia, who unfortunately are absent, if I associate them with that statement. I will certainly convey to them the very kind expressions which Members of the Committee have spoken on their account. Thank you.

CHAIRMAN: The next item on our order of business is the Protocol for the General Agreement on Tariffs and Trade regarding relations with Germany, Japan and Korea while under military operations. This is a proposal of the United States Delegation, but this morning the United States Delegation also submitted a proposal for a note to be attached to Article XXIV. I take it that this note will be included in our Annex to the Interpretative Notes, and although this note was only circulated this morning I would ask the Committee if they would be prepared to consider it now, even though it has not been in the hands of Members of the Committee for 24 hours.

The Delegate of Cuba.

Dr. G. GUTIERREZ (Cuba): I should like to ask the other

Members of the Committee if they would be willing to agree that we could change the order of the day and consider now the question of Reservations and afterwards take up this matter of the Protocol in regard to occupied territories.

CHAIRMAN: I am entirely in the hands of the Committee as to the order in which to take up these various items. There is one point to which I would like to draw the attention of the Committee, because I think it has some relation to the question of Reservations which have been referred to by the Delegate of Cuba. We have had circulated this morning the report of the ad hoc sub-Committee on relations between the Protocol of Signature and the Protocol of Provisional Application. This report has not yet been in the hands of the Committee for 24 hours, but as a decision on the report of this sub-Committee might well take the question of Reservations, I would like to obtain the sense of the Committee as to whether they would first of all like to deal with the report of this sub-Committee or take up now the paragraph in the Final Act which refers to Reservations.

I might say that the Report of the sub-Committee is contained in Document E/PC/T/199.

Will the Committee be in accord with postponing consideration of the Protocol dealing with relations with Germany, Japan and Korea and taking up now the Report of the sub-Committee on the Protocols? Is that agreed? Agreed.

I therefore call upon Mr. Melander, the Chairman of the sub-Committee, to introduce his report.

Mr. J. MELANDER (Norway): The sub-Committee dealing with these two Protocols have come to a unanimous conclusion which, in short, amounts to the deletion completely of the Protocol of Signature and the inclusion of the essential part thereto as

part of the General Agreement itself. It would come into Article XXXIX of the General Agreement as a new first paragraph. Therefore we have, practically speaking, not made any alteration at all to the Protocol of Provisional Application, but only minor drafting changes and there are a few consequential changes in the General Agreement. Especially I would refer to Article XXVI of the Draft Agreement where some changes have been made in paragraph 1. The most important change there is is that the General Agreement would be open for signature by any Government signatory to the Final Act, but without any time limit. The limit of June 30 1948 goes out. That of course is a change which has been made in the light of the alteration of Article XXIX which we made yesterday, and the change in Article XXVI made yesterday. The essential point is that the General Agreement will not enter definitively into force until it has been decided, one way or another, what to do with the Havana Charter if that comes into force, and what to do in the case of that Charter not coming into force.

I think personally that the solution of the sub-Committee is rather a simple one and it would probably be the best way of solving some of these difficult constitutional problems which we discussed when we discussed these two Protocols.

I may also mention that there is one change in the substance of the undertaking previously contained in the Draft Protocol of Signature and that is that we now say that the contracting parties undertake to observe to the fullest extent of their executive authority the general principles of the Draft Charter. Now that means that so long as the contracting parties accept the general principles of the Draft Charter, and there has really been no reservation on that at all, it will enable the contracting parties to maintain their reservations to specific Articles in the Draft Charter which are referred to in this formerly Protocol of Signature, now the new paragraph 1 of Article XXIX. That should in my view also simplify the problem relating to reservations generally.

That, I think, covers the most important points.

CHAIRMAN: I thank Mr. Melander for having presented the Report of the Sub-Committee and for having given such a full explanation for the reasons which led the Sub-Committee to adopt these recommendations.

Are there any comments on the Report of the Sub-Committee?

May we then take up the recommendations of the Sub-Committee which are given on pages 2 and 3 of the Report?

The first recommendation is to delete the words in Article XXIII "or its accompanying Protocol". Are there any comments?

Agreed.

The next recommendation relates to Article XXVI to amend the title and paragraphs 1 and 2. The title to read "Acceptance, Entry into Force and Registration". The text of the new paragraph is given on page 2.

Are there any comments? M. Royer.

M. ROYER (France) (Interpretation): Mr. Chairman, I would not like to delay the work of the Committee but there are a certain number of modifications which should be inserted in the French text. For instance the word "adhesion" which ought to be translated by "adherence" is here translated by the word "acceptance". That of course is not what we meant to be said.

CHAIRMAN: I believe we can leave that to the Legal Drafting Committee to fix up.

Are there any comments on the change of title?

That is agreed.

Are there any comments on paragraph 1 of Article XXVI?

Agreed.

Are there any comments on paragraph 2 of Article XXVI?

Agreed.

The next recommendation relates to Article XXIX, to amend the title and insert a new paragraph 1, altering the numbers of the present paragraphs accordingly. The new title would read "Relation of this Agreement to the Charter of an International Trade Organization". Are there any comments on the new title?

Agreed.

Are there any comments on the text of the new paragraph which is given on page 3 of the Sub-Committee's Report?

Agreed.

The fourth recommendation relates to the Protocol of Provisional Application. The recommendation is to amend the second paragraph to read as given on page 3 of the Report of the Sub-Committee. Are there any comments?

Agreed.

The next recommendation is to delete the provision for signature following after Article XXXIV at the end of the text of the Agreement, page 65 of document T/196. Are there any comments on this recommendation?

Agreed.

The final recommendation of the Sub-Committee is to dispense with the separate Protocol of Signature. Are there any comments on this recommendation of the Sub-Committee?

Agreed.

I wish to congratulate Mr. Melander and the Sub-Committee for the way in which the Committee have accepted the Report of the Sub-Committee.

The Delegate of Cuba.

Dr. Gustavo GUTIERREZ (Cuba): Mr. Chairman, we have yet to discuss the question of reservations.....

CHAIRMAN: Could I just interrupt you a moment? I was going to propose now that we adjourn for our refreshment. We usually take half an hour off at this time, so perhaps the Cuban Delegate would wait until we return before we take up the question upon which I think he was going to speak.

Dr. Gustavo GUTIERREZ (Cuba): I shall be very glad to accept that proposal.

CHAIRMAN: We will adjourn now for half an hour and re-assemble promptly at 5.10.

The meeting is adjourned.

(The meeting adjourned at 4.40 p.m. and resumed at 5.15 p.m.)

CHAIRMAN: The meeting is called to order.

Mr. J.M. LEDDY (United States): Mr. Chairman, as a preface to the discussion which we are about to take up on reservations, I would like to comment on the Report to which we have just agreed and the bearing which it has on the problem of reservations.

We have witnessed with some reluctance - I might say considerable reluctance - the disappearance of the provision for signature of the Agreement, even though we have recognised all

along that signature of the Trade Agreement did not legally commit the signatory country to accept these provisions or apply them. We fully believe that, in the circumstances, in view of the fact that some of the delegations, some of the countries, present felt unable to sign the Trade Agreement, even at the time at which they were willing to give provisional application to it, and in view of the position of some of the countries with regard to reservations, by and large it would be wise to dispense with the provision for signature of the Agreement.

From the point of view of international law and procedure that, of course, makes no legal difference. It is true now, as it has always been, that the binding obligation between the contracting parties takes effect only when the Agreement has been accepted by countries making up 85% of the total number represented at this meeting.

Now, I think before we get into the problem of reservations, we should look very carefully at the way the Agreement stands now and its effect upon the question of reservations.

First, there being no provision for signature of the Agreement, there is, of course, no occasion for any country to reserve its position upon signature. It would still be open to any country to reserve its position upon acceptance of the Agreement. I think what Dr. Gutierrez stated the other day with regard to that matter was quite correct: a country may accept the Agreement but with reservation. In that event, of course, the acceptance, in order to be valid in international law as I understand it must be then agreed to by the other countries which have also accepted the Agreement. But I would suggest that there probably will not be any occasion for a country to attach a reservation to its acceptance of the Agreement for this reason: that under the terms of the Agreement it may not enter into force except that a decision has been reached with regard to the supersession of the

provisions of the Agreement by the Charter. That will give every country who has a reservation to the Charter an opportunity to uphold it in Havana, and if it prevails in Havana and if it should be incorporated in the Charter coming out of Havana, then to propose to the contracting parties under the Suspension and Supersession provisions that those provisions of the Charter should supersede the provisions of the Agreement. But until a decision is reached upon that, until agreement is reached upon that, the Trade Agreement may not enter fully into force.

Now, there is one other point, that is, Signature of the Protocol of Provisional Application. Signature of that instrument commits the signatory Government, and it is on a par with the acceptance of the Trade Agreement. Therefore, any reservations to the Signature of the Protocol of Provisional Application must be accepted and agreed to by all other countries signing the Protocol of Provisional Application, but here again I should think that it would not be necessary for any country to reserve its position with respect to the Signature of that Protocol because, after all, it is a Protocol of Provisional Application. Part I of the Agreement, that is the Tariff part, is to be applied provisionally, and Part II, that is the general provisions, with respect to which I think reservations in questions apply, is to be applied to the fullest extent not inconsistent with existing legislation.

The Protocol of Provisional Application is subject to withdrawal by any country on sixty days' notice, so that if a country is not satisfied with what happens at Havana or with regard to supersession it will be in a position to withdraw from the Agreement at short notice.

Therefore, I suggest that the Report of the Sub-Committee with respect to the Protocol of Signature and the question of signing the Agreement has taken care of the problem of Reservations.

CHAIRMAN: The Delegate of Cuba.

Dr. G. GUTIERREZ (Cuba): I must say, Mr. Chairman, that the Report of the ad hoc Sub-Committee was so simple and so short that I could not find in its expression this very enlightened explanation

that Mr. Leddy has been good enough to give us. On checking the words of the United States Delegate with the text, I find his interpretation a very intelligent one and it gives an opportunity of finding a solution to the problem that we have before us. Therefore, I will ask if the Committee agree to have the words of the United States Delegate printed in a separate paper in order to have this legal interpretation which the Report, in its desire to be concise, has not given us.

Now, we understand that reservations made to the provisions of the Charter which have been embodied in the General Agreement extend to the Articles of the Agreement, to be disposed of according to normal diplomatic practice, and as we have not to sign the Agreement here but only to present the proper Instrument of Acceptance, and Governments will decide afterwards what to do, and probably that will be after the Havana Conference when we know exactly how the problem of supersession has been solved, as then, the Governments will have a better opportunity to decide, we hope that there will be no need for reservations.

Therefore, we consider this matter, from the point of view of the Cuban Delegation, quite finished according to the interpretation given by Mr. Leddy.

CHAIRMAN: Are there any other comments?

The Delegate of Syria.

Mr. I. TRABOULSI (Syria) (Interpretation): Mr. Chairman, I would like to raise a point which, I think, only interests the Syrian Delegation.

The reservations before us have a peculiar character - we were not a Member of the Preparatory Committee which drafted the Charter, but we were invited to attend the Preparatory Committee because we have entered into a Customs Union with Lebanon.

In the course of the discussion on the Charter the Delegations of Syria and Lebanon made a certain number of reservations regarding the Articles of the Charter, but only the name of Lebanon is mentioned in the Draft Charter which will be submitted to the World Conference at Havana. We have no objection to this procedure because we were assured that we would have full freedom to discuss the Charter at Havana the same as all the other countries which have not been invited to attend the meeting of the Preparatory Committee.

But, regarding the General Agreement, the situation here is somewhat different because Syria is considered as a contracting party to that General Agreement and as such it has the right to formulate reservations on the Articles taken from the Charter and put into the General Agreement.

Therefore, I would like to point out here and now that Syria considers as its own reservations all the reservations which have been made to these Articles by the Lebanese Delegation.

CHAIRMAN: The Delegate of Chile.

Mr. A. FAIVOVICH (Chile) (Interpretation): Mr. Chairman, in the course of the previous meetings we expressed our point of view on this question of reservations made to the General Agreement, and we take this opportunity to confirm what we have said with regard to maintaining the reservations which we have made here regarding the

Articles of the Charter which are incorporated in the General Agreement, and also with regard to other reservations which we might have made to other Articles of this Agreement.

In spite of the explanation just given by the United States Delegate stating that reservations could be authorised until the ratification of the Agreement, nevertheless, we deem it necessary once again to reiterate our point of view regarding this question of reservations.

CHAIRMAN: The Delegate of the Lebanon.

Mr. J. MIKAOUI (Lebanon) (Interpretation): Mr. Chairman, I would like to state that the Lebanese and Syrian Delegations agree wholeheartedly with the statement just made by the Chilean Delegate. Nevertheless, in the light of the statement which was made by the United States Delegate, we would like to have more time - once this statement appears in print - to study his explanation and to keep our Governments informed of the new evolution of this problem, and to have more time to define our final attitude towards this question.

CHAIRMAN: Are there any other comments?

The Delegate of Cuba proposed that the remarks which were made by the Delegate of the United States should be circulated as a Conference document. These remarks would, of course, in the ordinary way, appear in the verbatim record. I take it that what the Cuban Delegate has proposed is that there should be a special paper issued, embodying the remarks of the United States Delegate.

I would like to know if the Committee is in accord with this proposal.

Are there any objections to the proposal of the Cuban Delegate?

(Agreed)

I hope that after the other Delegations who have spoken on this subject have had the opportunity of studying the remarks of the United States Delegate it will be possible for us to clarify this issue of reservations in respect of all Delegations.

I think it is necessary now for us to return to the Final Act and consider in what way it should be drafted in the light of the discussion which has taken place since we last considered the question of the Final Act.

The text of the Final Act is given in Document W/315 and the additional paragraph proposed by the Tariff Negotiations Working Party is given in Document W/319.

I propose to take up this Final Act paragraph by paragraph and therefore will first of all deal with Paragraph 1, which is given in Document W/315.

There will, of course, be a consequential change in the last line from the bottom, which will require the deletion of the words "with accompanying Protocols."

The Secretary has just pointed out that the text of the Final Act is also given in Document T/196, on Pages 1 and 2.

The words "with accompanying Protocols" will be deleted from Paragraph 1.

The Delegate of France.

M. ROYER (France) (interpretation): Mr. Chairman, the Protocol of Provisional Application, therefore, would not be covered by the Final Act?

Mr. J.M. LEDDY (United States): Mr. Chairman, I think the Final Act should authenticate the text of the Protocol of Provisional Application, and if so, it would probably be necessary to have this paragraph defining the Protocol. Perhaps the best solution would be to strike "s" off"Protocols".

CHAIRMAN: Yes, I think what M. ROYER and Mr. Leddy have pointed out is quite correct. Therefore, if we take out the "s" at the end of the word "Protocols" we shall have made it clear.

M. ROYER (France) (interpretation): Mr. Chairman, I think it would be better to insert the words "Protocol of Provisional Application." The words "attached Protocol" relate usually to a subsidiary Protocol and therefore it would be better to define by its proper name the Protocol to which we refer.

CHAIRMAN: Would it then read: "with the framing of a General Agreement on Tariffs and Trade and the Protocol of Provisional Application" or "with the protocol of Provisional Application"?

Dr. COOMBS (Australia): "A Protocol of Provisional Application." The preceding line says "a General Agreement."

CHAIRMAN: Your suggestion is to substitute the words "with accompanying Protocol" by the words "and a Protocol of Provisional Application."? Is that agreed?

(Agreed).

Are there any other comments on Paragraph 1?

The Delegate of Australia.

Dr. COOMBS (Australia): There are one or two minor points, Mr. Chairman. Following the word "negotiations", about half way down the first paragraph, where it refers to the Governments initiating negotiations, we would wish to insert "between their representatives."

CHAIRMAN: Are there any objections to the proposal of the Australian Delegate?

Dr. COOMBS (Australia): We would also like to suggest that we add, at the end of the paragraph, the words "these texts will be submitted to the Governments concerned."

Mr. LEDY (United States): Of course, it is up to any Delegation here to submit the text to any of the Governments concerned at the time of signing the Final Act. It is hoped that some of the Governments represented here will sign the Protocol of Provisional Application, and the text, so far as they are concerned, will have been submitted to their Governments. I wonder whether we really need anything of that sort.

I should say that if the United States should sign the Protocol of Provisional Application we should not like to be put in the position of having signed it before submitting it to our Government.

Dr. COOMBS (Australia): The point I wanted to bring out, Mr. Chairman, was that we say - quite properly , I think - "These negotiations have terminated to-day and have resulted in the framing of a General Agreement," etc. I would not like to think that our activities had ceased at the stage of framing a General Agreement. We thought it would help, therefore, in making the position quite clear if we made some reference in this sentence to the fact that the next move is now with the Governments.

The same point would be made if we said: "These negotiations have terminated to-day and have resulted in the framing, for the consideration of the Governments concerned, a General Agreement."

Mr. LEDDY (United States): Mr. Chairman, I think we have gone a very long distance indeed to take account of the difficulties which were explained to the Committee, and have been explained to the Committee, from time to time by the Delegate of Australia, and I would like to ask your indulgence for our own sensibilities, in view of the fact that we had hoped we would be able to sign the Protocol of Provisional Application on October 15, the same day on which we sign the Final Act.

Dr. COOMBS (Australia): I would be prepared to endorse that suggestion, Mr. Chairman.

CHAIRMAN: Are there any other comments on Paragraph 1?

We will now deal with Paragraph 2.

The Delegate of Australia.

Dr. COOMBS (Australia): Mr. Chairman, I have a suggestion to make in relation to this paragraph. I suggest we delete the reference to the reservations. At present the paragraph reads: "It is understood that the signature of this Final Act.... does not in any way prejudice their freedom to uphold at the United Nations Conference on Trade and Employment the reservations which they may have made....."

It appears to me it would cover the point quite adequately, without implying a freedom of the countries concerned in relation to other matters, if we said: "This does not in any way prejudice their freedom to uphold at the United Nations Conference on Trade and Employment the reservations which they may have made in relation to the provisons of the Draft Charter," etc.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. SHACKLE: (United Kingdom): Mr. Chairman, I am wondering whether, if we simply put a full stop after "Trade and Employment" and leave out the rest of the paragraph, that would cover the change which Dr. Coombs has suggested. I feel that may be a little better, because otherwise there may be an appearance of inconsistency produced by the last words we have agreed to say in Article XXIX about the principles of the Charter.

There is one other point: that is, that we need to repeat, both here and in the next paragraph, the modification we have made in the first paragraph. I might add that "signature or" should come out.

CHAIRMAN: We can deal with these consequential and drafting changes after we have dealt with the proposal of the Australian Delegate. I would like to ask Dr. Coombs if he is in accord with the suggestion just made by Mr. Shackle.

Dr. COOMBS (Australia): It would meet our point, Mr. Chairman.

CHAIRMAN: The proposal now before the Committee is that the words "to uphold" would be deleted in the fourth and fifth lines and that the paragraph would end at the words "Trade and Employment."

M. ROYER (France) (Interpretation) Mr. Chairman, it would be better to say in French "their freedom of action".

CHAIRMAN: The Delegate of Chile.

Mr. ANGEL FAIVOVICH (Chile) Mr. Chairman, we would prefer to keep the present draft as it stands; but if Dr. Coombs' proposal does not exclude the possibility of upholding reservations at the Havana Conference, then this proposal would be acceptable to us.

CHAIRMAN: Are there any other comments on the proposal of Dr. Coombs?

The Delegate of China.

H.E. Mr. WUNZE KING (China). In order to meet the views of both the Australian and Chilian Delegations, I would suggest that we use the following wording: "does not in any prejudice their freedom of action at the United Nations Conference on Trade and Employment, in particular in respect of the reservations which they may have made through the provisions of the draft Charter", etc. etc.

Mr. J. M. LEDDY (United States). If there were freedom of action at the Conference surely this would include freedom of action to maintain the reservations as well as freedom of action to change decisions taken before, in the light of those decisions which were taken at the Havana Conference.

CHAIRMAN: Is the Committee agreed as to the words "freedom of action"?

The Delegate of Brazil.

Mr. E. L. RODRIGUES (Brazil) I think everyone here has the idea that you will have full freedom of action in the United Nations Conference of Havana. Because of this I am supporting what the Delegate of the United States has just said. I see

no difficulty in using this broader term because any other word, like "reservation" would mean a restriction that is inconsistent with the full freedom of the action.

CHAIRMAN: The Delegate of Chile.

Mr. ANGEL FAIVOVICH (Chile) (Interpretation) With the tacit approval of Dr. Coombs and following the statement just made by the United States Delegate saying that complete freedom of action would be granted to the contracting parties in the Havana Conference and that this would include the right to take any action on the reservations previously made or to ulhold new reservations, we would have no objection to this.

CHAIRMAN: We have now reached a large measure of agreement that the last words of this paragraph would read as follows: "does not in any prejudice their freedom of action at the United Nations Conference on Trade and Employment". Is that agreed?

Agreed.

We have now to deal with the consequential changes pointed out by Mr. Shackle in connection with the second line, that is to delete the words "signature or".

M. ROYER (France) (Interpretation). I think that it would be more in harmony with the decision which we have just made to state simply in this paragraph. "It is understood that the signatories to the Final Act or the application by any of the above mentioned governments of the Protocol of Provisional Application does not in any way ...." etc., etc., because in any case the eventual entry into force would occur before the Havana Conference.

CHAIRMAN: The Delegate of Syria.

Mr. I. TRABOULSI (Syria) (Interpretation). Mr. Chairman, I would like to know if the drafting of the present paragraph covers our special case, which I have just mentioned, because I would

like to point out that the reservations which we have made have not been registered regarding the Charter.

CHAIRMAN: It is proposed that this paragraph will read now: "that the signature of this Final Act or" as Mr. Royer suggests, "the application of the Protocol of Provisional Application" - "does not in any way prejudice the freedom of action at the United Nations Conference on Trade and Employment". Accordingly I think that would apply to the Delegate of Syria as well as to any other delegates here. There will be complete freedom of action at the Conference of Hanava.

Mr. J. M. LEDDY (United States) I think we should say "the signature of the Protocol of Provisional Application," because the application of the Protocol will not be until January 1, 1948. Therefore I suggest the wording as follows: "It is understood that the signature of the Protocol of Provisional Application by any of the above mentioned Governments does not in any way prejudice their freedom of action".

CHAIRMAN: Is Mr. Royer in agreement with that suggestion?

Mr. ROYER (France) (Interpretation) I accept.

CHAIRMAN: Are there any objections to the wording just proposed by Mr. Leddy? Accordingly the paragraph will read as follows:

"It is understood that the signature of this Final Act or of the Protocol of Provisional Application by any of the above mentioned Governments does not in any prejudice their freedom of action at the United Nations Conference on Trade and Employment."

Is that agreed?

M. ROYER (France) (Interpretation). We might ask the Legal Drafting Committee whether the words "It is understood that" are really necessary.

CHAIRMAN: With that understanding is the paragraph agreed?

Agreed.

Paragraph 3

Mr. R.J.SHACKLE (United Kingdom) I think it would be advisable to change the words "its accompanying Protocols" to "Protocol of Provisional Application".

CHAIRMAN: In accordance with Mr. Shackle's suggestion, in the second line "its accompanying Protocols" should be changed to "Protocol of Provisional Application". Is that agreed?

Agreed.

M. ROYER (France) (Interpretation) Mr. Chairman, I referred only to the French text. I would like to suggest in regard to the last line but one of the paragraph, after the words "shall have been signed" that the words "by that date" should follow.

CHAIRMAN: Are there any objections?

Agreed

We now come to the formula at the end.

Mr. J. M. LEDDY (United States). I believe that the Protocol of Provisional Application will be released for publication on November 18, provided it shall have been signed by November 15 by all the Governments. Was it not agreed that we were going to leave two or three days between the final date of signature and the publication date so that countries could be informed?

CHAIRMAN: I think that Mr. Leddy has pointed out a difference here between our understanding of what should be in the text. He would therefore propose that the words "by that date" should be replaced by the words "by November 15".

M. ROYER (France) (Interpretation). Mr. Chairman, I would like to draw the attention of the Committee to one small point. If one of the key countries signs this Protocol on the 16th or 17th of November, there will be no provision for the publication of these documents.

CHAIRMAN: The Delegate of Australia.

Dr. H. C. COOMBS (Australia) I think there would not be much point in publication. Under the Protocols of the Provisional Application as it stands, it provides that it will enter into force on January 1, 1948, if all countries have signed by November 15. If some countries have not signed by November 15, I imagine something will have to be done about re-arranging the Protocol. If it is just a matter of a few days delay it might be handled without any difficulty, I think, but the way it is set out here you must have signature by November 15 before the Agreement can come into force, and there is no point in publishing the Agreement until we are certain it will go into force.

M. ROYER (France) (Interpretation) Mr. Chairman, I do not press my point.

CHAIRMAN: Is the Committee agreed to change the words "by that date" to "by November 15, 1947"?

The Delegate of Australia.

Dr. H. C. COOMBS (Australia) Mr. Chairman, I think it is relevant here to ask, just as a matter of information, whether this means the publication of changes in the tariffs of other countries who have not signed.

CHAIRMAN: I think the answer is yes, because each and every Schedule is an integral part of the Agreement and therefore the United Nations would have to publish the whole Agreement, including the countries who did not sign on

on November 15.

CHAIRMAN: The Delegate of New Zealand.

Mr. J.P.D. JOHNSEN (New Zealand). I do not know whether it is necessary to make any special provision. I think it is essential that on the 16th November the Secretary-General should advise all signatories to the Final Act as to whether or not there have been the requisite signatories to the Protocol of Provisional Application to enable publication to be made, because all the countries signatory to the Final Act will wish to arrange for simultaneous publication.

CHAIRMAN: I think that it is understood that we shall have to notify all countries who are signatories of the Final Act but whether or not there should be a special provision for the notification in the Final Act is a matter for the Committee to decide.

Shall we agree that the words "by that date" should be replaced by the words "by November 15, 1947"?

Agreed.

Does the Delegate of New Zealand wish to pursue this point?

Mr. J.P.D. JOHNSEN (New Zealand): Yes. I would suggest, Mr. Chairman, that in order that there should be no doubt about it, we might include a suitable paragraph providing that provisional application be given by signatories of the Final Act.

M. ROYER (France) (Interpretation): Mr. Chairman, I wonder if it is really necessary to insert such a clause in the Final Act? I think that it would be sufficient if the Chairman of the Preparatory Committee could send a letter to the Secretariat of the United Nations requesting that this procedure should be followed.

Mr. J.P.D.JOHNSEN (New Zealand): That would be satisfactory, Mr. Chairman.

CHAIRMAN: I think that that might be done and that would obviate the difficulty.

We now come to the formula. The same consequential change: the words "with accompanying Protocols" to be changed to "and the Protocol of Provisional Application". Are there any other comments on the formula?

Dr. H.C. COOMBS (Australia): Yes, Mr. Chairman, I would suggest that it would be a slight improvement to substitute the words "to authenticate" for "have thereby authenticated". The

structure of the sentence is such that you have two purposes of signature, so to speak: one, as witness to what has gone before, and the second, to authenticate the text.

CHAIRMAN: The Delegate of Australia has proposed that the words "and have thereby authenticated" shall be substituted by the words "to authenticate".

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I suppose it is very meticulous of me, but I have a feeling that the present wording is clearer, because surely this is a multiple purpose signature in a sense. First it is in witness of what goes before, a body of provisions including various dates and actions and finally we have just action - to authenticate the text. I should have thought that if we say "and have thereby" it is really clearer than if we say "to authenticate", which seems to mix up the different purposes. Of course I may be quite wrong .....

Dr. H.C. COOMBS (Australia): My objection is that the present text does exactly that. Supposing we put, Mr. Chairman, "In Witness Whereof, and to authenticate the text ....." etc. "....the respective representatives have signed the present Act".

CHAIRMAN: Are there any comments on this suggestion of the Delegate of Australia? Dr. Coombs proposes that the formula should read as follows:- "In Witness Whereof, and to authenticate the text of the General Agreement on Tariffs and Trade and the Protocol of Provisional Application annexed hereto, the respective Representatives have signed the present Act".

The Delegate of China.

H.E. Mr. WUNSZ KING (China): Mr. Chairman, I would support the proposition made by Dr. Coombs, but in order to simplify the text and to alter the provisional text as little as possible, perhaps we might delete the words "and have" and just say "have signed the present Act thereby authenticating the texts"; and the words "text" should be "texts" I suppose.

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I feel that all the confusion arises over the use of the word "thereby". There seems to be some difference of opinion as to what the word "thereby" refers to. I read it as meaning "by the act of signature." I would not mind saying so instead of "thereby".

Dr. H.C. COOMBS (Australia): I am sure that grammatically, where set out as the language is at present written, "thereby" does not mean by the act of signing it in witness of what has gone before. That is, it is not related solely to signing - not clearly at any rate - because it is preceded by "In Witness Whereof" which relates back to the preceding part; and it is just because it is not clear that "thereby"relates only to the signing that it does seem to me simpler and clearer to make it quite obvious that this signature has, as Mr. Shackle pointed out, two purposes:- one, as evidence of the fact that you are witnessing to what has gone before, and secondly to authenticate the text. It should be quite simple to put those two things together and say: "In Witness Whereof, and to authenticate the text, the respective Representatives have signed the present Act".

CHAIRMAN: Mr. Johnsen.

Mr. J.P.D. JOHNSEN (New Zealand): Mr. Chairman, I would support the view of the Delegate of Australia.

CHAIRMAN: Are there any other comments on the proposal of the Delegate of Australia?

The Delegate of India.

Mr. B.N. ADARKAR (India): Mr. Chairman, we would also support the proposal made by the Delegate of Australia.

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I think the best method of all really would be to take out all the words before "the text of" and to make a separate sentence:- "The texts of the General Agreement on Tariffs and Trade and the Protocol of Provisional Application annexed hereto are hereby authenticated". In witness whereof ....." Then the purpose will be clearly set out before the words "in witness whereof".

CHAIRMAN: Mr. Shackle has proposed a new version which seems to meet with the approval of Dr. Coombs. Are there any objections to the wording proposed by Mr. Shackle? Could Mr. Shackle read it to us again please.

Mr. SHACKLE (United Kingdom): "The texts of the General Agreement on Tariffs and Trade and the Protocol of Provisional Application annexed hereto are hereby authenticated." [I should have inserted the word "of" before "Protocol of Provisional Application") ".....and of the Protocol of Provisional Application".

CHAIRMAN: And then it goes on "In witness whereof the respective representatives have signed the present Act".

Mr. Leddy.

Mr. J.M. LEDDY (United States): I am sorry to make a further proposal but I wonder if we could not simply say, at the end of the first sentence, "These texts are hereby authenticated". "These negotiations have terminated today and have resulted in the framing of a General Agreement on Tariffs and Trade and of the Protocol of Provisional Application, the texts of which are annexed hereto" -

"These texts are hereby authenticated".

CHAIRMAN: That will be to add to the first paragraph the words "These texts are hereby authenticated". Is that agreed?

Agreed.

Then the formula would read:- "In Witness Whereof the respective Representatives have signed the present Act". Is that agreed?

Are there any other comments on the Final Act?

Mr. R.J. SHACKLE (United Kingdom): I take it that the square brackets will disappear from the list of countries.

CHAIRMAN: It is of course understood that the square brackets disappear from the list of countries.

Agreed.

Can we now take up the Protocol of the General Agreement on Tariffs and Trade concerning relations with Germany, Japan and Korea while under military occupation? This is given in document W/311, and there was circulated this morning document W/340 giving a Note to be included in the Annex of Interpretative Notes.

Mr. J.W. EVANS (United States): Mr. Chairman, I regret that, because of the haste with which we formulated the later suggestion in W/340, we failed to state at the outset that it was intended to serve as a substitute for the Protocol formerly proposed. I assume however that that was probably clear to all the delegates.

Now, since the circulation of this document, a number of delegates have objected to certain of the wording, and I should like now to propose some changes in our own text which may save the time of various delegations. With those changes the text would read:

"With regard to the status of areas under military occupation, it is anticipated that this question will be given further study." Then the rest of the sentence will continue. Then delete the words "unless and until further discussions result" and so forth. Then we pick up the wording with "It is therefore understood that, until otherwise agreed, the provisions of this Agreement shall not bind any area ....." and so forth.

There is one other change in the last line. The words "signatory to this Agreement" should read "contracting party".

CHAIRMAN: The way this Protocol will now read after the changes proposed by Mr. Evans is as follows: "With regard to the status of areas under military occupation, it is anticipated that this question will be given further study. It is therefore understood that the provisions of this Agreement.....".

Mr. J.W. EVANS (United States): May I interupt, Mrr Chairman, it now reads ".....understood that until otherwise agreed the provisions.....".

CHAIRMAN: Yes, "It is therefore understood that until otherwise agreed the provisions of this Agreement shall not bind any area or part thereof under present military occupation, nor any occupying authority therein, nor any contracting party to this Agreement with respect to trade in either direction with such area".

I am sorry, the last lineswill read: "nor any contracting party with respect to trade in either direction with such area".

Dr. H.C. COOMBS (Australia): Mr. Chairman, we cannot see why this Note is necessary. So far as we can see, there is nothing in the Agreement to indicate that the provisions of the Agreement would apply to the occupied territories, and therefore it is no more necessary to say that it shall not apply to them than it is to say that it will not apply to some country which is not a Member of this Committee.

The question of territories covered by the Agreement is dealt with in Article XXIV, "Territorial Application", where it says: "The rights and obligations arising under this Agreement shall be deemed to be in force between each and every territory, which is a

separate customs territory and in respect of which this Agreement has been accepted under Article XXVI or is being provisionally applied". Well, it seems to me that no part of that description applies to the occupied territories, and that therefore it is not necessary to make any reference to this matter at all.

So far as the substance of the question is concerned, it is the view of my Government that these questions are ones which can properly be dealt with in the peace treaties with the countries concerned, and we believe that there is a precedent for that dealt with in the Peace Treaty with Italy, where there is some provision for trade relationships between Italy and Members of the United Nations, and we believe that that is the proper place for this matter to be dealt with.

Since, therefore, it is not proposed - nor, in our opinion, is it desirable - to include anything in this Agreement to apply the provisions of this Agreement either in whole or in part to the territories which are under military occupation, we see no need to make reference to them at all.

CHAIRMAN: Mr. Evans.

Mr. J.W. EVANS (United States): Mr. Chairman, I think that Dr. Coombs may have over-looked one or two of the reasons which caused us to submit this Note. (Incidently, it would not be a Protocol, it would simply be a Note in the Protocol of Notes).

In the first place, while it is not, I think, at all clear that the Agreement would or could apply to the occupied areas, there is at least room for some ambiguity in Article XXVI, which says: "Each government accepting this Agreement does so in respect of its

metropolitan territory and of the other territories for which it has international responsibility". Now, I agree that that ruling might be read, or it might not be read, to include the occupied areas.

There is a much more important consideration, however, which brought us to propose a wording of this sort. During the period of early occupation, the United States Government - and, I believe, the other Governments responsible for the occupying of the various areas of Japan and Korea - found it necessary, in view of the extremely upsetting conditions in those countries, to carry out what amounted to relief factors. Those relief factors, however, were often inconsistent with what could quite properly be called State Trading. For example, a United States commercial company purchased in the United States and sold in Germany food and other essentials of life, but there could be no question of that corporation making over those goods on equal terms to other countries, and in its operations I feel quite sure that it was literally violating the Charter as written, unless we appeal under such exceptions, perhaps, as Balance of Payments Exceptions, and when you begin to wonder whether you could apply those Balance of Payments Exceptions, you set a difficult problem of the interpretation of the General Agreement.

We have discussed with the American authorities in Germany the possibility of their undertaking both the obligations and receiving the benefits of the Charter and of the General Agreement. I think that the general feeling there is that they are very rapidly, as rapidly as they can, getting to a position where they could do precisely that. In the meantime, however, you will not obtain any definite agreement that the operation of the United States Commercial Company, for example, would be continued, and if it operated in the

form it operated before, the United States Government would be said to be in conflict with this General Agreement if you simply considered the occupied areas as if they were other non-Members.

The purpose of this Note, therefore, is to neutralize completely for the time being these territories until this has been more definitely settled, treating them neigher as Members nor as Non-Members.

May I just add one remark. Dr. Coombs quite properly referred to Article XXIV since we have labelled this as a Note to Article XXIV, but that is another error in the draft circulated - it should be Note to Article XXVI. It is that section of Article XXVI which I read to which we particularly wanted this Draft attached.

CHAIRMAN: Are there any other comments?

The Delegate of France.

M. ROYER (France) (interpretation): Mr. Chairman, I think we all agree on the substance of this question; that is to say, that the provisions of the General Agreement should not be extended to Occupied Territories, but the question is how to translate our words into a text, and here I support the observations made by Dr. Coombs.

Mr. Evans referred us to Paragraph 4 of Article XXVI, but it was always our understanding that the provisions of Paragraph 4 of Article XXVI did not apply to the Occupied Territories and that the territories for which a Government has international responsibility did not cover the Occupied Territories.

Furthermore, we have also here a Resolution passed by the Economic and Social Council on 1 August 1947, stating that there is a distinction between the military authorities of the Occupying Powers and the Powers invited to the Conference. They would not be invited to the Conference in the same capacity as the other Powers invited to the Conference. Therefore it seems to me there is no legal difficulty here.

I would have no objection to the Note presented by the United States Delegation, but nevertheless it seems that this Note has a different character from the Interpretative Notes which we are annexing to the Agreement, from a legal point of view.

I wonder if we could not make it simpler and have a Note stating that the expression in Paragraph 4, "other territories for which it has international responsibility" does not apply to the territories which are at the present time occupied by the military authorities.

CHAIRMAN: Are there any other comments?

The Delegate of the United States.

Mr. J.W. EVANS (United States): Mr. Chairman, M. Royer's suggestion would, of course, be a simple way of taking care of the problem if the only question involved were the possible misinterpretation of Article XXVI. The point I tried before to make clear - I am afraid I did not make a very good job of it - is that, at least until recently, and possibly still, the United States Government has engaged in certain commercial operations with the areas which it is occupying which were, in fact, discriminatory in favour of those areas and would be ruled out by the Charter, even if those areas were considered non-Members.

Now if it were not for the extreme complication of getting the necessary information, in view of the awkward character of the Occupying Authorities in some of these zones, it is quite possible we could have resolved that question and have determined here in Geneva that those activities are no longer continuing, and it is perfectly all right to make no allowance for them. The complications are such, however - particularly when you consider the remoteness of two of the occupied areas - Japan and Korea - that it has not been possible to make that determination, and unless and until we can do that we must reserve the right, at least for the moment, to discriminate in favour of the territories we occupy. Our feeling is that simply to remove any impression that the occupied areas may have the status of Members does not cover the entire problem.

CHAIRMAN: Are there any other comments?

The Delegate of the United Kingdom.

Mr. SHACKLE (United Kingdom): Mr. Chairman, on the understanding that this Note, which clearly bears on this text, is intended as a temporary solution, I do not think at this stage I would wish to raise any objection to it. At the same time,

it is of course a text which has only just appeared and which my authorities in London do not know of. I anticipate there will be a final look at this text before it is adopted. If that is so, in that short interval I will communicate the text to London. Subject to what is received from London as a result of that, I woud not at this stage wish to raise an objection.

CHAIRMAN: The Delegate of France.

M. ROYER (France) (Interpretation): Mr. Chairman, I acknowledge that the formula which I had proposed does not cover all the aspects of this question and therefore I am ready to withdraw the proposal. But I would like to ask the United States Delegate whether he would be ready to delete the mention of the Note to Article XXVI and replace it by the words "Final Act." If the heading were to be "Note to Article XXVI" one could draw the conclusion that the separate customs territories which are referred to in Article XXVI - the territories which are at present occupied by the military authorities of the contracting parties - could also be covered by these words.

I would like to refer here to Article 68 of the Charter. When Article 68 of the Charter was discussed, the French Delegation made a reservation stating that the provisions of this Article could not be applied to part of Germany or an occupation zone in Germany and therefore the provisions of Article 68 could not be applied to the Occupied Territories.

It seems to me that, as the United States Delegate has pointed out that the main difficulty does not derive from the obligation of Article XXVI, but from other provisions of the General Agreement as they relate to the trade which is carried on between the United States and the Occupied Territory, the United States Delegate could agree to the substitution which I have just proposed.

Mr. EVANS (United States): Mr. Chairman, I will very gladly agree; I think it is an improvement.

CHAIRMAN: The Delegate of China.

H.E. Mr. WUNSZ KING (China): Mr. Chairman, so far as the Chinese Delegation is concerned, we understand and appreciate the reasons why the United States Delegation has attached some importance to this question. However, we are also inclined to think that the questions relating to the status of areas under military occupation should fall solely within the competence and province of the future Peace Conference or Conferences in regard to Germany and Japan. At the same time, we would like to have the opportunity of examining more closely the text which has been put forward by the United States Delegation.

We do feel it would be unwise for the moment to call on contracting parties, which must also become the participating Powers in the Peace Conferences in the future, to commit themselves to anything definite at this moment with regard to these questions. And in view of the divergence of views so far expressed, I am wondering whether the United States Delegation would be kind enough to consider the possibility of entering a reservation with regard to Article XXIV so far as this particular point is concerned.

CHAIRMAN: The Delegate of the United States.

Mr. EVANS (United States): Mr. Chairman, after the recent decision not to have reservations, I cannot enter a reservation. I believe that perhaps the difficulty is created more by the Note we circulated than the one I read at the beginning of this meeting.

I should like to call the attention of the Delegate of China to the present proposed wording, which simply says it is anticipated the question will be given further study, and later says "until otherwise agreed."

One of the purposes of that change was to leave entirely open the question as to where and when the final determination as to the status of these areas would be taken and also to provide for the possibility that the signatories to this Agreement who were also signatories to the Peace Treaties will have agreed among themselves to some specific provisions covering these areas, in which case it would presumably be necessary for them to amend the General Agreement or to take care of the matter in the Charter and to see that that supersedes this portion of the General Agreement.

I do no think there is any prejudice whatever, in the latest draft of the wording, to future action on the Peace Treaties, nor is there any positive obligation with respect to the occupied areas in the wording as now drafted.

CHAIRMAN: I would suggest that part of the difficulty arises from the fact that the Delegates have not had the revised text before them very long. I suggest the United States Delegation should re-issue this Proposal in the form of a new text, adopting the suggestion of the Delegate of France that this should be appended as a final note to the Interpretative Notes rather than connected with any one Article, and that we take it up again when the Members of the Committee have had more time to study the text.

If possible, I would suggest the United States Delegation should get the revised note in to the Secretariat this evening; it could then be circulated to-morrow morning and we might be able to take it up again on Friday or Saturday.

Mr. John W. EVANS (United States) I agree to that.

Dr. H. C. COOMBS (Australia) There is just one other point. When the United States Delegate is making changes, he might consider whether the word "bind" is the most appropriate word to use, because it seems to me it would be better if it read: "shall not apply in any area, nor to any occupying authority, nor to any contracting party". I do not think you could bind an area.

Mr. R. J. SHACKLE (Great Britain): I wonder if it would not be better if, instead of saying "bind any area" it would not be better to say "bind in respect to any area".

CHAIRMAN: The Delegate of the United States.

Mr. John W. EVANS (United States) I should not object to the change, which I think is grammatical and which is more elegant. There was a reason for using the word "bind". We wanted to get away from the implication that the principles would not necessarily be followed in any case, so the word "bind" was used. There was no obligation to apply them, but no request as to whether or not they would be applied. I do not think it is important. Unless anyone else on the Committee would object we have no objection to changing it to "apply" and I should be glad to make the change.

CHAIRMAN: Does Dr. Coombs want to make any observations about the remarks of Mr. Shackle?

Dr. H. C. COOMBS (Australia). I am not quite sure what "in respect of" means in that way. It seems to me it might mean anything which affects that area. It may not have the same sense that Mr. Evans means it to have. However, I do not feel very strongly about it, Mr. Chairman.

CHAIRMAN: The Delegate of France.

M. ROYER (France) (Interpretation). Mr. Chairman, if the United States Delegate has decided to review his text, I would like to ask a question. I am referring to the last words of this note which reads: "in respect to trade in other countries with such areas". I would like to know if this applies only to the contracting party or to the preceding words, that is "territory or any occupying authority therein", and to all the preceding words. I do not think that is the correct interpretation, but if the first interpretation which I have given is correct, then this applies only to the contracting party.

Then I wonder if we could not make the text clearer than it is now, because, especially in the English text which states "with respect to trade ineither direction with such areas". One cannot say that this means trade with the contracting party, and therefore I wonder if we could not state simply "in respect of its trade in such areas".

Mr. John W. EVANS (United States) The interpretation intended was that my phrase only applied to any signatory or contracting party. It seems unnecessary to affect the sense of the two earlier phrases. I do not think that we would object to changing to M. Royer's suggestion.

CHAIRMAN: Are there any other comments on the text?

Dr. G. A. LAMSVELT (Netherlands) I would prefer to retain the word "bind" for the reasons given by Mr. Evans. If I understand him aright, he means by this word that the areas in question are not under any obligation, but could eventually apply the provisions in the Agreement. It goes without saying that this is of great importance to the Netherlands.

CHAIRMAN: In view of the remarks of the Netherlands Delegate, are the members of the Committee agreeable to retaining the word "bind"?

Dr. H. C. COOMBS (Australia). Mr. Chairman, I dislike the word. It does not seem to me to be clear. I think the point the United States Delegate has in mind would be covered by saying "It is understood that the provisions of this Agreement shall not require any occupying authority", or that "the occupying authority nor any signatory to this Agreement shall not be required to observe the provisions of this Agreement in respect of their trade with such areas", or some words to that effect, or you could put it round the other way.

Mr. John W. EVANS (United States) May I suggest just one other change. Suppose we say "shall not apply to any area or territory or obligate any occupying authority therein"? It does not completely meet the point we had in mind when we used the word "bind", but I think the succeeding phrase would somewhat take the curse off the first one.

Dr. H. C. COOMBS (Australia) It would only be binding on an occupying authority.

Mr. R. J. SHACKLE (United Kingdom). I think that is all right Mr. Chairman. The only point is provided you put in "shall not apply in any area". I suggest that instead of saying "applying in" we should say "applying to".

Dr. C. A. LAMSVERLT (Netherlands) Mr. Chairman, I prefer to wait until I see the new text before me.

CHAIRMAN: Are there any other comments on the text? The United States Delegate will take into account the remarks that are made here and endeavour to work out a text which will meet the objections which have been raised.

We can then leave this matter for the present. I propose to-morrow morning first to take up the Recommendation of the Tariff Negotiations Working Party regarding India and Pakistan which is given in Document W/229; then the amendment to Article I which the Australian Delegation proposed on September 2, 1947, and which is contained in Document W/227. The Australian Delegation have circulated this for the convenience of members of the Committee though it is some time ago since it was introduced verbally in the Committee.

After that I propose to take up the Report of the Sub-Committee on the Schedules, which I believe will be circulated to-morrow morning. I think that will give us a full day's work and enable us to take up the third reading on Friday and Saturday if that is necessary.

Mr. J. M. LEDDY (United States). I wonder whether, if we complete our work to-morrow, we should not wait until the Drafting Committee has reported, before we have the third reading. I do not see much point in going over again what we have agreed to in substance. I do not see much point in going over it again before the Legal Drafting Committee has finished its work.

CHAIRMAN: Does that proposal meet with the approval of the Committee?

M. ROYER (France) (Interpretation). Mr. Chairman, as a representative of the Legal Drafting Committee I would like to add that we are ready to present a draft to this Committee, but I am not certain that the Committee has come to a decision on all parts of the Annexes. There are still square brackets around certain provisions, and I would mention "and ham" in one of the Annexes.

CHAIRMAN: I thought we had dealt with all the square brackets, but it is true we have not dealt with the Annexes either at the first or the second reading. Therefore it is quite true we should deal with the Annexes after we have dealt with the other matters which we have to dispose of, it being understood that we will deal with the Annexes. Is the Committee agreed that we put off the third reading until we get the report of the Legal Drafting Committee?

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, would it be possible to make any forecast as to when the Legal Drafting Committee will have the text ready?

CHAIRMAN: Would the Chairman of the Legal Drafting Committee please reply.

M. ROYER (France) (Interpretation): Mr. Chairman, taking into account the Articles of Part I and Part III which have not been finally adopted by the Committee, I can state that tomorrow morning we will terminate our work on Part I and Part III of the Agreement. I do not suppose that the examination of Part II will take us much time, but certainly our work would be facilitated if the Secretariat were to send us tomorrow morning the decisions of the Committee on the points which have been referred to the Legal Drafting Committee for examination.

CHAIRMAN: The Secretariat will circulate tomorrow morning clean texts of Articles XXVI, XXIX and XXIII, which are the Articles which have been subject to most change since we had this revised text circulated last week, and also a new text of the Final Act and the Protocol of Provisional Application. I trust that will be sufficient for the purposes of the Legal Drafting Committee.

M. ROYER (France) (Interpretation): We should also like a list of the points which have been referred to the Legal Drafting Committee.

CHAIRMAN: The Secretariat will do their best to give that to you.

I take it, then, that the Committee is agreeable to dispense with a third reading until we have the Report of the Legal Drafting Committee.

Dr. H. C. COOMBS (Australia): Shall we have the continued services of our technical assistants, Mr. Chairman?

CHAIRMAN: I apologise to the Committee for having kept them in the dark about this very important matter, but a telegram was sent to New York following the last meeting of the Tariff Negotiations Working Party in which we recommended that the interpreters should be kept here, and we have had a reply today saying that they will be available until September 27, after which they should go to New York by the quickest possible route.

We will therefore deal with the work which has been outlined, including the Annexes, and after that we will wait for a third reading until the Report of the Legal Drafting Committee is submitted.

The meeting is adjourned.

(The meeting rose at 7.45 p.m.)