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

REPORT to COMMISSION A

by

SUB-COMMITTEE on ARTICLE 33

1. Commission A appointed at its meeting on Wednesday, 25th June, a Sub-Committee on Article 33 consisting of representatives of the Australian, Canadian, Czechoslovak, New Zealand, United Kingdom and United States Delegations under the Chairmanship of M. Max Suetens (Belgium).

The Sub-Committee held five meetings, including a Joint Meeting with the Sub-Committee on Articles 31, 32.

2. The Sub-Committee was set up to consider the amendment to Article 33 (E/PC/T/W.101) put forward by the New Zealand Delegation. The purpose of this amendment was explained by the Leader of the New Zealand Delegation, the Rt.Hon. Walter Nash, in a statement to the Executive Session, and by the New Zealand Delegate in a statement to Commission A. These two statements were supplemented by the New Zealand Delegate during the Sub-Committee discussions.

3. The Sub-Committee understood that the above amendment was designed to meet the special problems that might be created for Members which, as a result of their programmes of full employment, maintenance of high and rising levels of demand and economic development, find themselves faced with a high level of demand for imports, and in consequence maintain quantitative regulation

of their foreign trade.

4. After careful consideration of this problem the Sub-Committee reached the conclusion that Article 26, as redrafted in document E/PC/T/163, fully covered the use of quantitative regulation of imports by economies of the type described in the preceding paragraph.

5. The Sub-Committee recognized that there might be doubt whether the use of export controls by such economies for the purposes of internal stabilization was fully covered by the Charter. A Working Party consisting of representatives of the Canadian, New Zealand and United Kingdom Delegations was set up to examine this question and recommended that a sub-paragraph be added to Part I of Article 37 to take account of this point.

The Sub-Committee recommends the insertion of the following text after sub-paragraph (h) of Part I of Article 37:

"() involving restrictions on exports of domestic materials necessary to assure essential quantities of such materials to a domestic processing industry during periods when the domestic price of such materials is held below the world price as part of a governmental stabilization plan; Provided that such restrictions shall not operate to increase the protection afforded to such domestic industry, and shall not depart from the provisions of this Chapter relating to non-discrimination."

6. In the opinion of the Sub-Committee the new text of Article 26, together with the proposed addition to Article 37, would fully meet the position of economies of the type described in paragraph 3 above. In the circumstances the Sub-Committee

thinks that further special provision for such economies, as contemplated in the New Zealand amendment to Article 33, is unnecessary.

7. The New Zealand Delegate considered that, in view of his Government's opinion that economies of the New Zealand type could better be accommodated in the manner proposed in the New Zealand amendment to Article 33, he should abstain from expressing an opinion on the contents of this Report. Apart from this abstention, the Report has been unanimously adopted by the Members of the Sub-Committee.