Sub-Group II-B

PROPOSALS AFFECTING ARTICLES I, II, III, XIX, AND XXIV

Notes on the discussions in the Sub-Group in December
(The item numbers in these notes are the same as in W.9/45)

Article I

1. Germany, Sweden and the United Kingdom agreed with the secretariat proposal that it should be made clear in paragraph 1 that most-favoured-nation treatment extends to the application of internal taxes on exported goods. Cuba, however, wished to study the question further and to obtain instructions.

2. It was agreed that the second paragraph of the interpretative note to paragraph 1 should be deleted.

3. Most members agreed with the first part of the revised Scandinavian proposal (W.9/53) to insert an interpretative note to paragraph 1 stating that the provisions of the most-favoured-nation clause should not be frustrated by arbitrary tariff descriptions. (The secretariat proposal on tariff descriptions - item 4 - would be covered by this interpretative note.)

Germany undertook to submit a paper relating to the Danish proposal on sliding scale duties.

5. This proposal by Germany has not been fully discussed.

6. The German proposal concerning the term "charges of any kind" was opposed by Canada, New Zealand, Sweden and the United Kingdom.

11, 12, and 13. These proposals relating to preferences have been dealt with and the results were reported by the Chairman to Working Party II (W.9/114).

14. Turkey has withdrawn the proposal for compensation where preferential tariffs are not abolished.

Article II

16. The drafting changes in paragraph 2(a) proposed by the secretariat were not approved.

It was agreed to delete the interpretative note to paragraph 2(a).

Some members opposed the secretariat proposal that the wording of paragraph 2(c) should be consistent with that of Article VIII.1 on the ground that there is a substantive difference in the wording of the two provisions and that the proposed amendment of Part I of the Agreement would impose a stricter obligation on contracting parties.

Spec/4/55
It was agreed to refer the secretariat proposal relating to the interpretative note to paragraph 4 and the United Kingdom proposal in W.9/70 to Sub-Group III-B, which is studying Article XVII and Article 31 of the Havana Charter.

Some members thought that paragraph 5 could be removed to an annex and some that it could be deleted. The United States representative undertook to enquire whether his Government would agree to its deletion.

17. The amendments proposed by the secretariat in the first two sentences of paragraph 6(a) were approved (with the concurrence of the Fund representative), subject to further consideration by Canada, Cuba and the United States.

Article III

23. The Swedish proposal was discussed briefly and the representative of Sweden undertook to give a further explanation.