THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE A (ARTICLES 16, 17, 18, 19)

Notes of Seventh Meeting, 22 December 1947, 10.30 a.m.

Chairman: Dr. G. A. LAMSVILT (Netherlands)

ARTICLE 17 - REDUCTION OF TARIFFS AND ELIMINATION OF PREFERENCES

Agenda Item 1. Purpose of negotiations - Continuation of discussion.

Item 29 - (Philippines) (Revised Annotated Agenda, E/CONF.2/C.3/6)

The proposal to insert the word "gradual" before the phrase "elimination of the preferences" referred to in paragraph 2 of Article 16 paragraph 1 was discussed and substantial agreement reached on the following points:

1. There are no exceptions to the obligation to negotiate for elimination of the preferences referred to in paragraph 2 of Article 16. However, the present text of Article 17 cannot be construed to mean that such preferences must necessarily be eliminated abruptly.

2. The point raised by the delegate for the Philippines would be covered in any case

   (a) by the provision "... negotiations directed to .... the elimination of the preferences referred to in paragraph 2 of Article 16 on a reciprocal and mutually advantageous basis";

   (b) by the interpretation that Members are not required to reduce or bind the tariff or reduce or eliminate the margin of preference on a particular product, as agreed at the previous meeting.

The delegate for the Philippines indicated that he would withdraw his proposed amendment to paragraph 1 if the Sub-Committee agreed finally to recommend amending the text of Article 17 by the addition of point two (b) above, as suggested by the delegate for United States.

Agenda Item 2 - Amendments to rules for negotiations

Items 30 and 46 (Cuba and Geneva Note) (Revised Annotated Agenda, E/CONF.2/C.3/6)
There was considerable support for incorporating into the text of Article 17 the substance of the Geneva Note or of the Cuban proposal regarding prior international commitments. It was felt by a number of the members of the Sub-Committee, however, that if this course were adopted, the precise wording would have to be examined very carefully. A decision was deferred until the next meeting.