THIRD COMMITTEE: COMMERCIAL POLICY

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

NOTES OF THIRTY-SIXTH MEETING

Held on Saturday, 14 February 1948, 3.00 p.m.

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

Consideration of Draft Report to the Third Committee (E/CONF.2/C.3/A/W.52)

The Sub-Committee considered the draft report, paragraph by paragraph, and made the following changes:

1. It was agreed that the Summary Record of the Thirty-First meeting of the Third Committee (E/CONF.2/C.3/A/W.31), should be corrected rather than revising the explanation relating to paragraph 5 on page 3, as suggested by the Australian delegate. The Summary Record states "Sub-Committee A recommended that Article 16 should not be altered and that the new paragraph 6 be included in Article 35" whereas Sub-Committee A, after considering both the new paragraph 6 relating to tariff descriptions based on distinctive regional or geographical names recommended by Sub-Committee C for inclusion in Article 35 unless incorporated in Article 16 and the suggestion made by the Chairman of the Third Committee to include in Article 16 a provision of even broader scope, had informed the Third Committee that there was no support for inserting such a provision in Article 16.

2. Page 4, sub-paragraph 2 (a) - on the suggestion of the Colombian delegate it was agreed to delete the words "did not imply that a Member might be entitled to increase its tariffs generally, but" and to insert the word "mean" after the word "merely" in the fourth line.

The Colombian delegate suggested the addition of a further sentence at the end of the second explanatory paragraph relating to sub-paragraph 2 (a) but after some discussion it was agreed instead to delete the two sentences at the top of page 5.

3. Page 5, sub-paragraph 2 (b) - it was agreed to delete this explanatory paragraph and to substitute the following:
"Former sub-paragraph 1 (c) has been expanded to assure that concessions incorporated in the General Agreement on Tariffs and Trade which were previously provided for in bilateral agreements would be considered as concessions under Article 17 in the same way as concessions already granted by original Members of the G.A.T.T. for which compensation could be asked."

4. Page 5, paragraphs 2 and 4 - on the suggestion of the United Kingdom delegate, it was agreed to delete the sentence "The Haitian proposal (Item 28) received no support" under paragraph 1 on page 3 and to amend the third paragraph on page 6 as follows:

"The amendments proposed by Haiti (Item 28) and El Salvador (Item 41) to the effect that Members should be released from the obligation to negotiate because of their economic development and revenue needs were met in part by the addition to paragraph 4 of the phrase 'and the general fiscal structures of the Member countries concerned'."

6. Page 7, General comments - on the suggestion of the United Kingdom delegate it was agreed to add the words "in view of the provisions of Section C of Chapter IV" after the word "that" in the first line of the second paragraph.

7. Page 8 - on the suggestion of the United States delegate it was agreed to delete the remainder of the second paragraph after the words "paragraph 3" on the grounds that such a brief description of new paragraph 3 might be misleading.

The Mexican and Peruvian delegations each reserved its position provisionally on paragraph 5 of the new text of Article 17.

The Peruvian delegate reserved his delegation's position on Article 16, paragraphs 2, 3 and 4 and the interpretative note, pending final settlement of Article 15 and made the following statement:

"Our attitude towards existing preferences depends on the decision regarding the establishment of new ones. Although this Sub-Committee has not studied paragraphs 2 and 3, we wish to make this statement in order to make our position very clear, especially as the new text of Article 16 before us includes a new paragraph 2 (c) bis and paragraph 4, and the interpretative note, which are closely related to the matter of preferences."

The Uruguayan delegate maintained his delegation's reservation on Annex A of Article 16 and made the following statement: /*Although it
"Although it recognizes that the formula contained in the Annex has been improved to some extent, Uruguay considers it advisable to maintain the reservation made in Committee III during the consideration of amendments on first reading.

Supporting, as it does, the unconditional most-favoured-nation clause, Uruguay has always been opposed to the benefits of this formula being impaired by preferences in the form of tariffs or quota restrictions, and has even more reason to be so in the case provided for in Annex A regarding meat, since these preferences are not at present applied, having been suspended since the beginning of the war.

In Committee III, Uruguay proposed as a fair solution that, at least, these preferences should not be applied in future to the detriment of those countries that have sacrificed the consumer needs of their population and supplied the United Kingdom with all their available exports of this product."