THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE C ON GENERAL COMMERCIAL PROVISIONS
(ARTICLES 32 - 39)

NOTES ON EIGHTH MEETING

Held on 5 January 1948 at 5.45 p.m. in Committee Room K

Chairman: Mr. C. E. MORTON (Australia)


Upon the invitation of the CHAIRMAN the representative of Czechooslovakia stated the views of his delegation on Article 33. The Chairman requested the Working Party, consisting of the representatives of Cuba, Lebanon, United Kingdom and the United States, to take into consideration the views expressed by the representative of Czechooslovakia when preparing their Report to the Sub-Committee.

Paragraph 1

Item 16 - The Sub-Committee discussed the question of "hidden dumping" by associated houses (Note to paragraph 1 of the Geneva Draft).

The CHAIRMAN stated that there was a body of opinion in the Sub-Committee that the content of this Note should be retained and he requested the Working Party to consider whether a case of "hidden dumping" resulting from sales below landed cost by a firm in an importing country directly associated with the exporting firm, can be considered to be covered by the text of paragraph 1, and if it is not so considered, whether the Note or the text should be so amended as to determine the extent of the protective action which may be taken by the importing country.

Paragraph 2

Item 17 - The Sub-Committee discussed the Note to paragraph 2 in the Geneva Draft dealing with multiple currency practices and agreed to retain this Note.

Paragraph 3

The Sub-Committee approved the text of paragraph 3 as given in the Geneva Draft.

Paragraph 4
Paragraph 4

The Sub-Committee approved the text of paragraph 4 as given in the Geneva Draft.

Paragraph 5

First Sentence

In the discussion of the first sentence of paragraph 5 there was a body of opinion in the Sub-Committee that the Note to this paragraph, as given in the Geneva Draft, expressing the apprehension of the delegates of Belgium-Luxembourg, Czechoslovakia, France and the Netherlands, lest the provisions of this paragraph be abused, was unnecessary and should be deleted. It was felt that this Note had neither an explicative nor an interpretative value, and that Article 89 could be invoked in defence against any abuse.

On the suggestion of the representative of France, it was agreed to incorporate in the Report of the Sub-Committee, a statement to the effect, that the Sub-Committee considered that the general provisions of the Charter, and especially Article 89, presented adequate means of dealing with any abuses by a Member levying anti-dumping or countervailing duties.

Second Sentence

The Sub-Committee discussed the proposal of Denmark (Item 18) to insert a new sentence requiring an allegedly offending Member to enter into negotiations regarding anti-dumping or countervailing duties imposed. The representative of Denmark withdrew the second sentence of his amendment.

The CHAIRMAN stated that the Sub-Committee was of the opinion that the amendment suggested by Denmark was already covered in the Charter, implicitly in Article 37:3 (b) and explicitly in Article 81, and that there was no support in the Sub-Committee for this amendment.

The Sub-Committee discussed the second amendment of Denmark (Item 19) to delete the second sentence of paragraph 5.

The CHAIRMAN stated that the Sub-Committee was of the opinion that some protection should be afforded to a third country whose export trade was injured by dumping by another Member country, and that there was no support for the second amendment of Denmark.

The Sub-Committee adopted the first and second sentence of paragraph 5 as given in the Geneva Draft.