THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE 'H'

SECTION C - SUBSIDIES

AGENDA OF FIFTH MEETING

To be Held on Friday, 16 January 1948 at 6.00 p.m.

(Reference: E/CONF.2/C.3/8)

1. Article 26 - Additional Provisions on Export Subsidies

Paragraph 1

The United States delegation proposes to insert the following words at the beginning of paragraph 1:

"Except with respect to primary products on which a Member has in effect a price support or stabilization programme,..."

Paragraph 2

Changes proposed by the United States - (item 16)

Paragraph 3

(a) Deletion proposed by the United States.

(b) Proposal by Argentina to delete all words after "date" in line 3 - (item 6).

(c) Tentative redraft of this paragraph submitted by the delegation of the Netherlands (see E/CONF.2/C.3/H/2).

Paragraph 4

Deletion proposed by the United States.

Proposed New Paragraph

Proposal by Venezuela to add a new exception to the provisions of paragraph 1 - (item 7) (see C.3/SR.26 for Notes on Committee discussion).

Article 27 - Special Treatment of Primary Commodities

General

The delegation of the United States proposes deletion of this Article.
Paragraph 1
Proposal by Venezuela to substitute "may also result" for "has also resulted" in line 1 of sub-paragraph (a) - (item 8).

Paragraph 2
(a) Proposals by Argentina and Peru to delete this paragraph - (item 10).
(b) Clarification of the intended application of this paragraph - (see report from Legal Department).

Paragraph 3
(a) Proposals by Argentina and Peru to delete this paragraph (item 10).
(b) Reservation by the United States - (item 11).

3. Proposed New Article
The delegation of Brazil has proposed the following new Article 27 A:

1. No Member shall grant, directly or indirectly, any subsidy on the domestic production of any commodity, in respect of which the tariff has been reduced or bound by negotiation pursuant to Article 17.

2. No Member shall grant, directly or indirectly, any subsidy on the domestic production of any commodity the major part of which is destined for exporting.

4. Article 28 - Undertaking regarding Stimulation of Exports
(a) The delegation of Argentina proposes deletion of this Article - (item 12).
(b) Reservation by the United States, and proposal to redraft the Article as follows:

Notwithstanding the provisions of paragraphs 1, 2 and 3 of Article 26 and of paragraph 3 of Article 27, no Member shall grant any subsidy on the exportation of any product which has the effect of maintaining or acquiring for that Member a share of world trade in that product in excess of the share which it had during a previous representative period, account being taken insofar as practicable of any special factors which may have affected or may be affecting the trade in that product. The selection of a representative period for any product and the appraisal of any special factors affecting the trade in the product shall be made initially by the Member granting the subsidy;
subsidy; Provided that such Member shall, upon the request of any other Member having an important interest in the trade in that product, or upon the request of the Organization, consult promptly with the other Member or with the Organization regarding the need for an adjustment of the base period selected or for the re-appraisal of the special factors involved, notify the Organization and Members likely to be affected and, upon request, shall consult with respect to the representative period chosen by that Member. If, within a reasonable period of time, no agreement is reached in such consultation, the question of the representative period and the appraisal of any special factors shall be submitted to the Organization, and the Organization shall make a finding as to any adjustment required in the representative period. This finding shall be binding upon the Member imposing the subsidy.

(c) Examination of Article references - (item 14).

5. Article 29 - Procedure
The delegations of Argentina and the United States propose deletion of this Article.

(Note: In Committee, the Argentine representative proposed, as an alternative to deletion of the Article, substitution of the word "recommendation" for "determination" - see E/CONF.2/C.3/SR.27).

6. Arrangement of Section
Proposals by International Chamber of Commerce (E/CONF.2/14).

7. Any other business