SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

VERBATIM REPORT.

FORTY-THIRD MEETING OF COMMISSION "A"
HELD ON MONDAY, 18 AUGUST 1947 AT 3.30 P.M. IN THE PALAIS DES NATIONS, GENEVA.

H. E. Mr. ERIK COLBAN (Chairman) (Norway)

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Delegates are reminded that the texts of interpretations, which do not pretend to be authentic translations, are reproduced for general guidance only; corrigenda to the texts of interpretations cannot, therefore, be accepted.
CHAIRMAN: The Meeting is called to order.

We now come to Annex B to Article 14, which you will find on Page 8 of Document E/PC/T/178 - List of Territories of the French Union.

Does the French Delegate accept the text?

M. ROYER (France) (Interpretation): Mr. Chairman, we do accept the text, but I would just like to draw your attention to a few typographical errors. First, there should be an asterisk in the French text after "Treaty Basin of the Congo", as there is in the English text. In line 4 of the French text we should delete the comma. There should be an asterisk added after "Cameroons under French Mandate". It does not exist in the English text, because it is inserted in regard to imports into Metropolitan France. Also, in both texts should be added "French Establishments in India."

(CHAIRMAN (Interpretation): Is there any objection to introducing a date into the title?

M. ROYER (France) (Interpretation): We have no objection to inserting the date of 10 July 1939, which was the date adopted.

(CHAIRMAN (Interpretation): My only idea was that the relations between these territories and the French Republic might be modified some time and therefore I was wondering if it was necessary to put a date. I only wanted to ask if it was necessary. If it is not necessary, it seems useless to put it in.

M. ROYER (France) (Interpretation): Mr. Chairman it was the suggestion of the Secretariat to put in the dates on which the negotiations were based. These dates, of course, only concern
the tariff negotiations, but we have no objection to putting them in.

CHAIRMAN: As there is no expressed desire on the part of the French Delegation to put a date in, and no other Delegation has suggested the insertion of a date, I think we can accept the Annex without a date.

Are there any further remarks?

Annex B is approved, with the slight drafting corrections suggested by the Delegate of France.

Annex C - which is a corresponding list concerning the Customs Union of Belgium, Luxembourg and the Netherlands.

Mr. J. M. LEDDY (United States): I note that the Delegate of the United Kingdom has a reservation on this. Our own position is not concerned with the Annex as it stands, but the relation between the Annex and the statement circulated by the Benelux Delegation some time ago as to the new preferences extended to overseas territories arising out of the Customs Union between the Belgo-Luxembourg Union on the one hand and the Netherlands on the other. On the other hand, I do not think there is any real difference of substance; it is just a question of establishing, to our mutual satisfaction, the products concerned.

I think it has been discussed between us what were those products and I believe they can go forward in connection with the Trade Agreement. I think the wise thing would be to approve the Annex as it is, subject to the working out of a mutually satisfactory agreement as to the products concerned in connection with the overseas territories.

Mr. R. J. SHACKLE (United Kingdom): I should say that the
object of our reservation is just the point to which Mr. Leddy has referred. Our position, I am afraid, is that we do not quite know what products are likely to be affected and, until we do know, we felt we had to maintain our reservation. I think we would be agreeable to come to an understanding such as Mr. Leddy has suggested. If and when we are satisfied as to the products concerned, we may be in a position to withdraw our reservation.

CHAIRMAN: The Delegate of Belgium.

M. FORTHOMME (Belgium): Mr. Chairman, I would like to point out that the idea of basing the acceptance of this list on such-and-such products being included or not included seems to introduce a form of judgment which has not been used in the matter of approving various things that have been brought up before this Commission, such as tariff changes and other preferential lists.

I would point out that we do not think the preferential system which was outlined in different documents the Belgian Delegation has circulated to this Commission is in any way at variance with the terms of Article 14.

I would like to make a preliminary remark. The preference only operates in the metropolitan territories in favour of overseas territories. It is a preference which is operated in order to give under-developed regions positive aid in their programmes. It is not a preference aimed at giving highly developed countries a reserved or special position in certain export markets.
Now as to the basis of this preference. The agreement on the Customs Union dates back to 1944. At the time it was signed in 1944 it was expected that it would be completely in force, all practical details worked out before the end of the year. It was at the time when the Allied Armies were surging to the liberation of Belgium and it was expected that in a very short time the Netherlands territory would also be liberated. Instead of that the war took a very unexpected turn and the liberation of the Netherlands was delayed for several months; several months which caused the greatest havoc in the Netherlands, destroyed much of the face of its economy, and the result was that it has taken us three years to work out the practical application of the agreement signed in 1944.

The contents of this Agreement, found among other things in the document which we have prepared and which we have given to certain delegations in the course of the Tariff negotiations, and I think if I read it rapidly it would explain what we mean by progress;

"The legislation in force in Belgium since 1924 gave an all-over complete exemption for all products from its overseas territories. The customs Union concluded in 1944 between Belgium-Luxemburg and the Netherlands implies the maintenance of free entry for all these products originating from all the overseas territories of the parties to the Union."

"This is, however, qualified as follows:

(a) a great number of products, which are produced in the overseas territories enter the Union free of duty whatever their origin. There is in consequence no effective preference for such products.

The interpretation BENELUX puts on paragraph 3 of Art.1 precludes a preference resulting in the future from the imposition of a duty on any such products. In spite of the legislation providing for free entry of the products of overseas territories, duty would be applied to them in order not to create what, in practice if not technically, would be new preferences."
(b) as a contribution towards the general elimination or reduction of preference margins BENELUX is prepared to negotiate on effective margins existing for a number of products, with a view to their reduction or even elimination."

I would add that at the very beginning of the session, at the time the new Customs Tariffs of the Benelux Union was explained, we indicated this question of preferences. It may be that we had a certain diffidence at the time about the extent of those preferences. We explained the principles but we remained in fairly general terms. The reason for that is that we were at the outset of a negotiation which was designed, in the terms of the London report, towards a substantial elimination and reduction of preferences. It appeared to us at that time to assert bluntly that we intended to maintain the full extent of the preferences set out in the law in 1984. It might have sounded uncompromising and it might have given the negotiations a very inauspicious turn. In fact the minds of our governments were open. We knew what our rights were, and we were willing to sacrifice a good deal of them; the common objective of freer trade and general prosperity. However, the course of negotiations in the Charter discussions have shown that there is a tendency here in Geneva to take a narrower view of the undertakings to eliminate preferences. We see that as far as practical purposes go no values seem to be attached as a concession to the fact that most nations accepting the Charter give up the right to create new preference except under very strict limitations. Yet it should be borne in mind that in giving up this right we gave up the possibility to enter into preferential arrangements which
would offer a wide scope for action for countries which are not yet bound by existing preferential arrangements.

Moreover, we have found that in the tariff negotiations it was asserted that preferences would be given a very high price. We have also seen here persistent and very successful endeavours to write into the Charter provisions and notes covering and sanctinning every aspect of existing preferential systems. We have even witnessed the latest of these endeavours this morning.

In these conditions it has become quite impossible for the Benelux delegations to contemplate relinquishing any part of their preferential system without some form of compensation. However, under instructions from our Governments we were prepared to receive any requests for the reduction or elimination of any particular products and to negotiate them in the most generous spirit.
CHAIRMAN: I understand that the List contained under C is approved by the Governments directly interested, and in the circumstances I do not see that we can do anything but approve it.

MR. J.M. LEDDY (United States): With regard to the statement by the Belgian Delegate, I do not think we would agree that the progress of negotiations this far can be a final judgement of what may be an ultimate result. As I said, we would not wish to make a formal reservation at all. The question is that it probably relates to certain new preferences as compared with the preferences existing before the formation of the Customs Union, and we understand that those preferences will relate to certain products, and all we wish to know is what those products are, and we wish to say that we would like to discuss that in connection with the Trade Agreement. We enter no formal reservation on Annex C.

M. ROYER (France) (Interpretation): Mr. Chairman, we have no reservations whatever to the List, and we have full confidence in the Delegations which have composed this List.

We would just ask if these Delegations would agree to add in the List concerning the Belgian Congo an asterisk and a little Note similar to the one which exists in Annex B saying "For imports into Metropolitan countries only".
M. Pierre FORTHOMME (Belgium) (Interpretation): I would like, Mr. Chairman, to reply here to the Delegates of the United States and France - first, concerning the list of products. All those products are from the Belgian Congo. Of course, to know all these products one should go very carefully through certain scientific steps.

Concerning negotiations, I would like to say once more what I have said already several times, that we are prepared to receive requests on all products, and to negotiate in the most general spirit possible; and to reduce preferences as far as is compatible with the mutual interests of parties and, of course, with concessions.

At the beginning we were ready to abandon preferences without asking for any compensation, but as we have seen, during the negotiations, that the negotiations were product by product, concession by concession, request by request, I am sorry to say that we cannot act in another way. Therefore, I would like to repeat that we would like to negotiate and are prepared to do so, without wanting in any sense to erect any barriers which would not allow the Charter to realize its real aim, which is to liberate trade.

May I add a word in respect of the specific request by the Delegate of France? We completely agree to his proposal to add an asterisk and a note to the effect that this applies only to the products coming from the overseas territory.

CHAIRMAN: May I take it that we agree to the adoption of Annex C, with a note on the lines just indicated by the Delegate of Belgium?

Dr. A.B. SPEEKENBRINK (Netherlands): Mr. Chairman, I
fully support what Mr. Forthomme has said. As we are faced now with a formal reservation on one of the Annexes of Article 14(2), I am sorry that I myself must now enter a formal reservation on behalf of my Government with regard to Article 14(2) Annex.

Mr. R.J. SHACKLE (United Kingdom): The position is, as I understand it, that certain preferences permit free entry, which has been given for a long time in Belgium, and the preference is now extended so as to apply to the Colonies, the Netherlands, and to all the territories of the Benelux Union. That clearly is an extension of preferences.

If we are asked to agree to that - which is the effect if we agree to this Annex - we want to know what the products are, and at present we do not know. That is the position which gives rise to my reservation. I do not know what the products are, and I do not see how I can withdraw my reservation. I am perfectly prepared to report to my Delegation what has been said here; what Mr. Forthomme has said and has offered to negotiate; but I am afraid that for the moment I must maintain my reservation. I am sorry but I do not see any other way out.

Mr. J.M. LEDDY (United States): Mr. Chairman, I think that is really the difficulty. We just do not know what it is we are negotiating about the preferences newly extended by Belgium to the Netherlands overseas territories, and newly extended by Netherlands to its own overseas territories and the overseas territories of Belgium.

We are not questioning the need for this sort of arrangement because of the Customs Union, because it is a complicated situation, and it is probably necessary to carry out these
arrangements, because of political as well as economic difficulties. All we want to know is what the products are that we are negotiating on, and I think it is only reasonable to ask what they are. We did not want to make a formal reservation on this Annex, because we do not quarrel with the principle; but we just would like to have agreement that the products concerned would be established in connection with tariff negotiations.
CHAIRMAN: I repeat my question, is the Committee in agreement with the text of Annex C with the additional note accepted by the Delegations of Belgium and the Netherlands.

Mr. LEDDY (United States): I think, Mr. Chairman, we would like to add our reservation on this matter provisionally.

Mr. SHACKLE (United Kingdom): That is our point of view, too, Mr. Chairman.

Mr. FORTHOMME (Belgium): Mr. Chairman, I would like to point out three things. The first thing is that we do not estimate that there is an extension of preference at the base date. The agreement dates from 1944, but a series of fortuitous circumstances has made this agreement difficult to put into practice until now. That is, if we considered extending preferences at this present base date because of these fortuitous circumstances, again a case of what I have already protested against several times in this Conference - that what exists is unconditionally approved, and what happens not to exist but only to exist virtually is immediately scrutinised.

The second thing I have to say is that as to the products which are liable to negotiation, we cannot give a list, because as I say they are all the products of the Belgian Congo; and thirdly, we do not see the interest of that, as we say that we are bound to negotiate any product that any Delegation at any time wishes to nominate as a product it wants to negotiate on. I do not think it is possible to define more widely the scope of a negotiation.

The other point I want to make is that it is very difficult and I think impossible to negotiate on preferences while there is a reservation on the list of territories to which this preference applies.
CHAIRMAN: The Delegate of the United States has made a provisional reservation and the United Kingdom modified his reservation in the same sense. With these two provisional reservations, is Annex C agreed?

Mr. SPEEKENBRINK (Netherlands): I will make mine provisional too.

CHAIRMAN: The Netherlands reserve applies to the whole of Article 14 rolled into paragraph 2.

Mr. SPEEKENBRINK (Netherlands): It admits an Annex.

CHAIRMAN: We pass on to annex D, page 10, List of Territories of the United States of America.

The Delegate of Cuba.

Mr. GUTIERREZ (Cuba): Mr. Chairman, the Cuban Delegation withdraws the reservation at the end of Annex D as well as Annex A on the understanding that it is covered by the reservation we have made on Article 14, paragraph 2.

Just to correct the translation, not only here but in Annex A also.

CHAIRMAN: Well then, only the reserve on page 2 of Doc. T/176 remains.

Mr. GUTIERREZ (Cuba): Up to now.

CHAIRMAN: May I then take it that Annex D is unanimously approved?

On page 11 there is Annex E: List of Territories covered by preferential arrangements between Chile and Neighbouring Countries. The Delegate of Chile.
Mr. FAIVOVICH (Chile) (Interpretation): Mr. Chairman, I would like to complete the text. There has been an omission and Argentina and Bolivia should be added.

CHAIRMAN: You have heard the statement of the Chilean Delegation. Is there any objection? Annex E will contain then Chile, Argentina and Bolivia. The Delegate of the United States.

Mr. LEDDY (United States): I think this applies to the arguments already heard in respect of Articles 13B and 38, para.4. It was argued that the arrangements should be subject to the procedures set forth in 13 B or 66, paragraph 3.

And may I point out that the Delegate of Chile has already reserved his position on Article 14, which covers the Annexes.

CHAIRMAN: Is there any other Delegate who is in favour of the addition of Argentina and Bolivia in the list of Annex E.

Mr. TORRES (Brazil): Mr. Chairman, I would like to ask the Delegate of Chile whether the preferential arrangements between Chile and Argentina are already in effect.
M. Angol FAIVOVICH (Chile) (Interpretation): I am rather surprised at the observations made by the representatives of the United States of America and Brazil. What we are dealing with here are preferential exceptions already in effect and we do not touch on the theses which we have defended somewhere else on the future situation. Here we are covering only agreements in force at the date of April 10, 1947 between these three countries.

Mr. J.C. TORRES (Brazil): Am I to understand, Mr. Chairman, that the reply of the Chilean Delegate means that the preferential arrangements between his country and Argentina and Bolivia are in force at this time?

M. VAIVOVICH (Chile) (Interpretation): That is exactly what I indicated.

CHAIRMAN: The Delegate of the United States.

Mr. LEDDY (United States): Does this mean that the arrangements were in force at April 10, 1947, or at the date established for the negotiations? If they were in force on April 10, 1947, we cannot accept them as a basis for negotiations with Chile.

CHAIRMAN: I am afraid I do not know anything about the existence or non-existence of these preferential arrangements, so I must ask Members of the Commission whether, in the light of the declaration made by the Delegate of Chile, they agree to the insertion of the words "Argentina and Bolivia" in Annex E.

I would remind you that the United States Delegate has already referred to the fact that the Chilean Delegate has made a general reservation on this Article, which will, of course,
enable his Delegation to bring the question up at a later date, with full particulars as to the arrangements between Chile and Argentina and Bolivia.

It is only a tentative suggestion on my part, but perhaps the Chilean Delegate would, on the basis of his general reservation, be content to take the list as it stands in the Legal Drafting Committee's Report and include Argentina and Bolivia in his general reservation, so as to bring it up later on with the necessary particulars - I repeat this - concerning the agreements entered into between his country and Argentina and Bolivia, which would enable the Members of the Commission to see clearly how the matter stands.

CHAIRMAN (Interpretation): This would be especially in order to permit the Chilean Delegation to submit at Havana more precise information on the arrangements concluded by Chile with Argentina and Bolivia.

Are we agreed on Annex E in its present form?

Mr. TORRES (Brazil): Mr. Chairman, are you suggesting that with the reservation of Chile a Note be inserted in the Report, stating the reasons for the reservation?

CHAIRMAN: No. I do not want to limit the free action of the Chilean Delegation. I think the Chilean Delegate must be entirely free to submit all kinds of considerations on Article 14 at Havana ——

Mr. TORRES (Brazil): And Annex E remains as it is?

CHAIRMAN: —— and in his considerations explain the arrangements entered into between his country and Argentina and Bolivia, as a basis for discussion at Havana.
CHAIRMEN: I take it that Annex E is agreed.

Annex F. List of Territories covered by Preferential Arrangements between the Syro-Lebanese Customs Union and neighbouring Countries. Are there any observations? It is agreed.

You will remember that the Chairman of the Sub-Committee directed our attention to the Report containing considerations of some importance to certain delegations. We should now briefly go through the Report with regard to Article 14. As far as I can see myself we have already adopted in our text everything of material importance in the Report. There is a point at the bottom of page 4 and on page 5, the sub-Committee says: "In order to make this perfectly clear..." and so on. In other words, as far as I can understand it the doubts that have been expressed in the sub-Committee have been cleared away, and I do not think that anybody would disagree if we do not insert any note on this point.

Dr. H.C. COOMBS (Australia): Mr. Chairman, we agree that it is not necessary to record this text in full, but we would wish the Commission to record the interpretation given to this text by the sub-Committee.

CHAIRMEN: You have this text of the Report in your hands. I, myself, read it very carefully, and I think that the conclusion to which the sub-Committee arrived is perfectly correct, and unless any member of the Commission objects we would state in our report that we have approved of that interpretation. Approved.

May I ask the the Chairman of the Sub-Committee whether there is any point on Article 14. I do not think myself that there is.

Dr. H.C. COOMBS (Australia): It has been suggested, Mr. Chairman, that it might be desirable to add to the text of this Report, on page 4, the fact that in the second paragraph reference...
to the fact that other annexes may be required to meet the circumstances of countries who will be present at the World Conference but are not represented here. Apart from that I see nothing in Article 14 on which any action is required by the Commission.

CHAIRMAN: I think that is a good suggestion. It is evident that some of the delegates may have come with their lists already before our meeting. I added that point to my list, but it seems to me that that point could be understood. Are there any objections?

Mr. J.M. LEDDY (United States): In the report which came to us from the Committee that point was taken care of by a very small provision in sub-paragraphs (b) and (d) of paragraph 2 of Article 14. Sub-paragraph (b) states "preferences which are listed in Annexes B, C and D. of this Charter." The same thing was done in sub-paragraph (d). There is no need for such a provision with regard to Annex A. or with regard to the preferences under sub-paragraph (c). I wonder whether we could not just go back to the report of the Sub-Committee to make it quite clear.

CHAIRMAN: I take it that we are all in agreement with this.

We pass on to Article 15. You will see that there is a note on page 12 by the Legal Drafting Committee: "On the assumption that the omission of the title of this article ... occurred inadvertently, the Legal Drafting Committee re-inserted the title contained in the New York Report." Are there any objections to the maintenance of that title, which is "National Treatment on Internal Taxation and Regulation."
MR. A. PAIVOVICH (Chile) (Interpretation): Mr. Chairman, the Chilean Delegation made a reservation on the text of paragraph 1 of this Article. We made a reservation waiting for the text of Article 25 on Quantitative Restrictions. As Article 25 of Chapter IV was not satisfactory to us, we have to maintain this reservation on Article 25, and in order to be logical we must also make a reservation here on the second part of paragraph 1 starting with the word "Moreover" to the end of this first paragraph.

While we are on this, we would like also to indicate that we reserve our position on paragraph 3 of this Article. Later on, perhaps, when the technical services of Chile have been able to study the implication of this text, we might be able to withdraw the reservation.

CHAIRMAN: There is also a reservation from the Delegate for China. He reserved his position on paragraph 1 provisionally and proposed the deletion of the second and third sentences. I would like to ask the Delegate of China whether he can forego this reservation?

H.E. DR. WUNSZ KING (China): Mr. Chairman, the Chinese Delegation maintains this reservation.

CHAIRMAN: We have a third reservation: "The Delegate for Cuba reserved his position and proposed a new paragraph permitting the exemption of domestic products from internal taxes for development purposes". That proposal is contained in document E/PC/T/W/280, and you will find it on page 2:– "The Cuban Delegation considers it necessary to introduce a sub-paragraph to
the new paragraph 1 of Article 15 along the following lines.....", and then you have the proposal.

I would like to know whether there is any support in the Commission for the inclusion of this, or whether it should remain as part of the Cuban reservation on paragraph 1. Does any Delegate wish to support the Cuban proposal?

(Intervention): In these circumstances, I believe that the only way to deal with the Cuban suggestion is to consider that it is covered by the reservation indicated on page 13 of document E/PC/T/178, Note 3, reading "The Delegate for Cuba reserved his position.....", and so on. I hope that this will satisfy the Delegate of Cuba.

MR. H. DORN (Cuba): Thank you, Mr. Chairman.

CHAIRMAN: We now have three reservations. May I take it from that apart/that we are in agreement with regard to the text of paragraph 1 of Article 15?

The Delegate for Norway.

MR. J. MEELANDER (Norway): Mr. Chairman, the Norwegian Delegation finds it necessary to make a general reservation on Article 15. We find that not only Article 15, paragraph 1, but also paragraphs 2, 3, 4 and 5 are not satisfactory. There are especially two aspects of the problem which is to be dealt with by Article 15 which we feel are not solved here at the Geneva Conference.

I do not want to hold up the Commission in going into detail. I would just mention that the first point is the question of price regulation. We feel that, in order to satisfy the requirements of the Charter and in order to conduct an economic policy for full
employment and increasing standards of living, it will also be necessary to take measures to control or stabilize prices on a reasonably stable level. To meet those objects, it will be necessary to have a price control system in many countries, and in order to be able to conduct that price stabilization policy, we feel that Article 15, paragraph 1, will have to be altered.

Secondly, we also feel that in many countries - in Norway especially - it will be necessary to regulate production on lines which are not quite in conformity with the present draft of Article 15 paragraphs 2, 3 and 4. Here, also, we do not want to make any specific proposals at this stage, because we feel that the measures we have in mind require some further consideration. In any case, however, the Norwegian Delegation will produce a document setting out in more detail the objects we have in mind and the methods which we feel can be applied to solve these problems, and we hope that at the Havana Conference it will be possible to reach a more reasonable and practicable solution.
M. Pierre FORTHOMME (Belgium): (Interpretation): I should like, Mr. Chairman, to point out that our acceptance of Article 15, in its present text, is based on the fact that it is a compromise. Should this Article be discussed again and re-arranged, we reserve our right to ask that it be studied on the basis of the amendment submitted by the Benelux Delegations in Document W/92.

Mr. J.G. TORRES (Brazil): Mr. Chairman, I would only like to ask the Commission for its views on the following problem: There are countries which apply taxes on imports and exports totally on a non-discriminatory basis, and merely for fiscal purposes. I would like to be enlightened as to whether these taxes are to be considered under Article 15 as internal taxes, or whether they fall under Article 24, subject to negotiation.

Mr. J.G. TORRES (Brazil): Mr. Chairman, I am sorry to
insist upon this point; but we in Brazil have certain taxes
which we apply on imports for social security purposes, and
they apply to every product of every country. We are, however,
at a loss to interpret Article 15, because we do not know
whether those taxes would be considered as internal taxes, and
if so, could continue subject to negotiation; or whether they
are not a matter to be considered under Article 15, but instead
under Article 24.

If they come under Article 24, they are not considered to
be internal taxes and the position is clear. But if, on the
other hand, they are deemed to be internal taxes, I would like
to have the views of the Commission, because in that connection
we would have to see just what our position would be vis-à-vis
Article 15.

CHAIRMAN: The Delegate of Canada.

Mr. J. J. DEUTSCH (Canada): Mr. Chairman, is not this
the position: that where these internal taxes apply to a
commodity which has been bound during the negotiations under
Article 24, that internal tax would either have to be bound as
part of the tariff rate or, if it is not so bound, it would be
ruled out by Article 15. In cases where the tariff rate is
not bound, then the internal tax in the sense mentioned by
the Brazilian Delegate, could be continued. Article 15 would
not affect it.

CHAIRMAN: On the basis of general application?

Mr. J. J. DEUTSCH (Canada): That is right; but where
the tariff rate is bound, then you cannot maintain an internal
tax over and above the bound rate. Article 15 would rule it
out.
Mr. DORN (Cuba): May I ask only a question in order to clear up the legal situation envisaged by this question. Does this text concern imports levied on domestic products, or not?

CHAIRMAN: Yes, they may be products produced in the country.

Mr. DORN (Cuba): In that case I think Article 15 would apply, because that is a question of whether it is possible or not to have an internal tax on imported products only, exempting at the same time the corresponding domestic product.

That was exactly the situation we had before, and therefore I am very interested in the answer to the question, if it is possible to maintain these special taxes on imported products only.

Mr. LEDDY (United States): With regard to the statement of the Delegate of Canada, I think that Article 15 does not lay down any rule as to binding on internal taxes, but only requires that they be no higher on imported products than domestic products. I doubt my ability to agree here on a complete legal definition of what is an internal tax, but two things are perfectly clear. One is, if the tax is collected after the goods leave the customs, that is an internal tax, and its influence must be non-discriminatory. Secondly, if the tax is cleared at customs and has no relation to the tax imposed on domestic products, that is an import charge and not an internal tax.

CHAIRMAN: I hope the Canadian Delegate will speak very briefly.

Mr. DEUTSCH (Canada): It seems to me that it all hinges on whether or not the tariff with the tax has been bound, and whether or not the binding included the tax. The point is that
you cannot nullify a binding by an internal tax. That seems to me the essence of this article. If the item is not bound, then an internal tax which operates in the same way as a customs duty is not bound at all, and it seems to me it just hinges on whether it is bound, and how it is bound: Whether we are including or excluding the tax.

Mr. DORN (Cuba): Would it be possible to put as an interpretive note the explanations given by the Delegates of US and Canada to the text of the Charter?

CHAIRMAN: I hope the Commission will not try to give any ruling on this subject. I have my own very definite opinion but I am not going to tell you, because it is so easy to fix one's mind on some aspect of the case, instead of having clearly before one the purpose of the process in Article 15. As I said at the beginning, in practice it does not seem to be very important whether you call it internal duty or customs duty, as in both cases you are liable to negotiate for the reduction at the request of the Organization.

Mr. TORRES (Brazil): Mr. Chairman, in Article 15, in the last sentence we only speak of negotiation for those taxes referred to in the preceding sentence. It is my impression that we are not subject by the internal taxes to this process of negotiation. The interpretation of the US Representative as given is perfectly satisfactory to us, because these taxes I have referred to are collected at the time the product is received, and that would be perfectly satisfactory to us, because it would then be understood that they are on an equal footing with the import duty, and would come under Article 24.
The reason why I raise this rather difficult question is that we wish this matter to be fully understood and not to be requested tomorrow that these taxes are to be dropped automatically under Article 15.

CHAIRMAN: After all, Article 15 has as its main purpose the treating of national goods and imported goods on the same footing. I think it is practically impossible to come to any exact legal definition of the difference between all the cases in which you have before you an internal tax and the cases in which you have before you a customs charge, and I hope we may leave this discussion, which has disclosed, at any rate, an interesting and important point.

The Delegate of France.

M. ROYER (France) (Interpretation): I do not desire to prolong the discussion, but I think it would be useful if the Commission clearly stated that the interpretation given by Mr. Leddy is not an authoritative one. Mr. Leddy has said that whatever is collected at the customs can be construed as being a customs duty, and this would tend to assimilate all French taxes to customs duties. For instance, in France we have a tax on turnover and a luxury tax; these are collected by the customs authorities, but they are, however, internal taxes. This might lead to some confusion.

As regards Brazil, I do not know what the position is exactly, but either we have to deal with an internal tax at the same rate on both nationally-produced and imported articles, which I think is not the case with Brazil - unless I am mistaken, or with some additional charge on the imported product, and in these cases I think there may be some confusion with customs duties.
CHAIRMAN: I would like to ask the Delegate of Brazil whether, particularly in view of the very interesting remarks just made by the Delegate of France, he finds he has go sufficient clarity on the problem.

Mr. TORRES (Brazil): Mr. Chairman, the debate has taken a course which shows there is some difficulty with the interpretation of this Article, and we would be rather worried if this discussion were to be closed after these conflicting statements have been made, because, if the opinion of the Commission is that these taxes to which I have referred—which are mainly for social security purposes and are revenue taxes which are collected from every country, and which are not discriminatory, in the sense that they are collected from every country—are to be dealt with under Article 24, subject to negotiation, we are perfectly in agreement.

If, however, there is some question that they may be discriminatory and they have to come under Article 15, we would be at a loss to see our position very clearly.

In this case, you seem to have indicated in your statement that these taxes, in any case, were all subject to negotiation. I do not think Article 15, as it stands now, authorizes that interpretation, but, if that is also the view of the Commission, then I think it would be necessary to make a slight drafting amendment to say that all existing internal taxes are subject to negotiation, and not refer merely to those taxes relating to products which do not have a substantial home production.

CHAIRMAN: I take it we all agree that if the tax is imposed without discrimination upon imported goods only and not on internal production, it comes under Article 24. That ought to give satisfaction. There cannot be any doubt about that.

Mr. J.J.DEUTSCH (Canada): I just want to say, Mr. Chairman, that I agree with your interpretation.

Mr. LEDDY (United States): Adding only thing; that it is collected at the time of importation and not afterwards.
CHAIRMAN: I do not think that would make any real difference. It would not perhaps be collected at the time of the importation, but if, for administrative reasons, it took place at once I take it that as long as we do not import the national product in the same way, it still comes under the clause of Article 24. I think we can close the discussion now. May I take it that with the reservations already made we can now approve Article 15, paragraph 1. Agreed.

Paragraph 2, on page 14 of Document 178: there are no notes and no reservations. Is it approved? Approved.

Paragraph 3: there is a footnote on page 15: "Several delegates not members of the sub-committee reserved their position regarding this paragraph, pending settlement of the outstanding issues on Chapter IV." Now Chapter X has been disposed of, and I would strike out this reservation unless any Member of our Commission wants to make any further reservations. But evidently the general reserves already noted cover this as well. The question is only whether there are any additional reserves on paragraph 3. I hope there are none. Paragraph 3 is approved.

We pass on to page 16, paragraph 4. I have noted here that in Document 175, page 3, that is the Report of the Sub-Committee dealing with films, that they suggest that there should be the following amendment to the beginning of paragraph 4 of Article 15: "Any internal quantitative regulation relating to cinematograph films and meeting the requirements of Article 15-B". You will see that as it stands it is approved as unobjectionable. The question whether we agree to it depends on what we think of 15-B.
We find at the bottom of page 3 of document 175, 15-B. We have had this in our hands for several days, and I would like to know whether any delegate has any remark to make.

Mr. R.J. SHACKLE (United Kingdom): The solution proposed in this Paper is one which on certain points still requires some further discussion on our part with some countries, and I am afraid that it is not possible that the discussion of those details should be concluded in time for us to have this text ready before the Charter is to be published. At the same time we are working very hard on points of detail, and we are hopeful that they will be settled soon, and that is really all I can say about it.

I should perhaps have made clear that my remarks related to Article 15-B.
M. P. FORTHOMME (Belgium) (Interpretation): Mr. Chairman, we have no direct interest in the discussion, which still continues, in connection with Article 15B, but I have one remark to make. It will be impossible for us to accept this Article, whatever its final wording, if it contains certain provisions such as this: "If any Member establishes or maintains internal quantitative regulations in relation to cinematograph films....etc.", because this formula covers, as well, non-exposed films, while the Article is intended, in fact, to cover exposed films intended for actual showing in cinema theatres. Therefore, we suggest the following amendment:— "If any Member establishes or maintains internal quantitative regulations relating to exposed, positive cinematograph films".

MR. R.J. SHACKLE (United Kingdom): Mr. Chairman, I should have no difficulty in accepting Mr. Forthomme's suggested amendment although, in fact, I really think that it is clear that this applies to exposed, positive films at cinemas, because it is certain that no screen quota could be imposed on unexposed films, because nobody would want to see them.

DR. COOMBS (Australia): Mr. Chairman, the essential word does seem to me to be "exposed". I am not sufficiently familiar with the technical part of this to be sure that all films that are imported would be positive. I suggest that we just refer, therefore, to "exposed cinematograph films".

MR. R.J. SHACKLE (United Kingdom): I think my previous remark really applies to the showing of negative cinematograph films, which I am sure would not be very popular.
DR. H.C. COOMBS (Australia): That is not the point.
Mr. Chairman, May I presume that, for some reason, films might
be imported under one form/converted to another. I am not quite
sure how this could be done, but it might be necessary to control
both negative and positive. It may not be, but it may be. I
do not want to leave the Article inadequate, if it is necessary for
the purpose contemplated to have it applicable to both.

CHAIRMAN: I wonder whether we could not agree to insert
Article 15B in the text of the Charter in square brackets with a
commentary saying "subject to revision of the text", or something
like that.

The Delegate for the United States.

MR. J.M. LEDDY (United States): I wonder whether we could
not take up Article 15B after we have finished the rest of
Article 15, Mr. Chairman, because these changes in Article 15B
depend upon the decision taken on Article 15.

CHAIRMAN: I think that we should have a short break for tea
until 5.10.
(The Meeting resumed at 5.40 p.m.)

CHAIRMAN: Will the delegates please take their seats.

We have had a long discussion about Article 15-B. There was a question that we should postpone further consideration of it, but unless the delegates feel strongly about it I would very much prefer to finish the discussion so as not to lose the benefit of the observations which have already been made.

I think we all agree with the suggestion made by one delegate and agreed to by several others, to insert in the second line of the new draft Article 15-B the word "exposed" before "cinematograph films".

I would like to know whether there is any observation on the rest of the text of Article 15-B. I quite agree that it may be difficult for certain delegates to make up their minds but, after all, they have had this paper already for three or four days so I do not see any reason which we should not be able to deal with it.

Is there any Delegate who disagrees with this text?

Mr. R.J. SHACKLE (United Kingdom): I do not disagree at all with adopting the text, and I shall not have to put on a general reservation - I hope it will be strictly temporary - for the reasons I explained.

CHAIRMAN: It would be a provisional reservation?

Mr. R.J. SHACKLE (United Kingdom): Yes.

Dr. A.B. SPEKKENBRINK (Netherlands): I am in the position that there are some difficulties at the moment for the Netherlands with regard to screen quotas, and so on. I
understand that there is some discussion going on in diplomatic channels that might solve this problem, but for the moment I must reserve my position.

Mr. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, I make the same reservation as Mr. Shackle and Dr. Speekenbrink.

CHAIRMAN: Any further remarks? May I take it that the Commission is in agreement with the proposed text, while these three Delegates provisionally reserve the position of their Governments? In this case, I do not see any objection to mentioning the three Delegates.

I consider this new sub-paragraph (a) of paragraph 4 of Article 15 approved, and also the text of Article 15-B to which that new sub-paragraph refers.

At the same time, I would draw your attention to another proposal on page 3 of document T/175, relating to Annex A which we have already adopted. At the end of the Annex we read:

"The film hire tax in force in New Zealand on 10 April 1947 shall, for the purpose of this Charter, be treated as a customs duty falling within Articles 14 and 24."

The Sub-Committee on film questions proposed the following text:

"The renters' film quota in force in New Zealand on 10 April 1947 shall for the purposes of this Charter be treated as a screen quota falling within Article 15-B."

I take it that we leave it to the Delegate of New Zealand to decide which wording he prefers.

Mr. J.P.D. JOHNSEN (New Zealand): The text as it already stands refers to film hire tax. The amendment in Part II refers to film quota. They should both be in.
CHAIRMAN: That would be an addition to Annex A.
No objections? It is approved.

After having inserted a new sub-paragraph (a) in paragraph 4, we must slightly alter the old sub-paragraph (a) and call it (b) and say "Any other measure of internal quantitative control," etc.

Are there any further remarks on paragraph 4 of Article 15? I am reserving the various notes - I shall come back to them.

M. F. Garcia OLDINI (Chile) (Interpretation): With reference to sub-paragraph (b) of paragraph 4, I think that the meaning ought to be made quite clear. I find the present wording rather ambiguous. It reads "(b) any internal quantitative regulation applied by any Member having equivalent effect to any import restriction permitted to that Member under paragraph 2(c) of Article 25".
Now we have interpreted paragraph (b) in two different ways. Either it refers exclusively to those Members who can use the provisions of paragraph 2 (c) of Article 25, or the reference is only made in an illustrative way as an example, and any Member may apply quantitative internal regulations equivalent to those of paragraph 2 of Article 25. I should like to know the opinion of the Rapporteur on this point.

CHAIRMAN: Well, the Rapporteur is not present.

My own view is that it refers only to such Members as might have used paragraph 2 (c) of Article 25. That is how I read the text as it stands.

Mr. GARCIA OLDINI (Chile) (Interpretation): In that case, Mr. Chairman, considering that under paragraph (b) the scope of the provisions of paragraph 2 (c) of Article 25 is wider, and since we do not accept those provisions, we must make a reservation.

CHAIRMAN: The same objection as now made by the Delegate of Chile was made according to the Footnote on page 17 also by the Delegates of Canada, Belgium and Brazil. I wonder whether any one of them is prepared to withdraw that reservation.

Mr. TORRES (Brazil): Mr. Chairman, the brackets were put into this sub-paragraph pending the drafting of the pertinent provision of Article 25. We are of the opinion that Article 25 should give ample suggestion to the countries interested in this measure, and we see no reason why it should be repeated here, and the reason why we objected is clearly stated in note 3.

I would like very much to suggest to the Commission that we drop this paragraph altogether, because it is superfluous, and even in fact a little dangerous, and I would like also to indicate the position of my Delegation that if this paragraph is not suppressed we will have no alternative but to maintain
our reservation.

Mr. DEUTSCH (Canada): Mr. Chairman, I wish to support the proposal of the Brazilian Delegate to delete this paragraph.

CHAIRMAN: The Delegate of Belgium - is he of the same opinion?

Mr. FORTHOMME (Belgium): Yes.

CHAIRMAN: Is there any Member of the Commission who favours the maintenance of sub-paragraph (e).

CHAIRMAN: This not being the case, I take it that the Commission decides to omit that sub-paragraph.

Agreed.

We have taken Footnote No. 3 first. We go back on page 17 to No. 1. The Delegate of New Zealand proposed a certain Amendment, and I think he has considered the matter further and has given me the following facts.

Delete the words "shall not be modified to the detriment of imports", and that is what you have on page 17; but he then says, add the following sentence:

"Subject to any modification which may have been made as a result of negotiations prior to entry into force of the Charter, no action will be taken to modify any such measures to the detriment of imports, unless the principal suppliers of the goods concerned have been notified of the proposed action and given full opportunity to negotiate thereon."

CHAIRMAN: It is, of course, up to the Commission to define its attitude to such a proposal beforehand; but nevertheless I would like to know if there is any Delegate who immediately feels that he would oppose it. Is there any Delegate who disagrees with the general idea of this Amendment?
CHAIRMAN: The Delegate of the United Kingdom has asked that the text be read once more. The second half of the new sub-paragraph (b) will be similar to the provisions of Paragraph 3 of this Article: "subject to any modification which may have been made as the result of negotiation prior to entry into force of the Charter, no action shall be taken to modify any such measure to the detriment of imports unless the principal suppliers of the goods concerned have been notified of the proposed action and given full opportunity to negotiate thereon."

The Delegate of Canada.

Mr. J. J. Deutsch (Canada): Mr. Chairman, I have not got the text before me but I do not like the sound of the whole thing and therefore I would oppose the general idea.

Mr. J. P. D. Johnson (New Zealand): Mr. Chairman, if I may, I will take the opportunity of explaining the background for this proposal. I regret it was not possible for me to circulate the text, which is a little different from that shown in the document before us.

The idea in connection with this amendment is that it allows of existing measures not only to be retained in their present form but also for some intensification of them, subject of course to negotiation.

It might help to clarify the situation if I refer to a particular product which affects New Zealand. It is only one product; that is, the growing of tobacco - I think I have mentioned it before, and possibly most of the Delegates are familiar with it.

The position there is that we have found that to provide the necessary protection for the local industry - that is, growing tobacco leaf - it has not been possible successfully
to employ a tariff and the most appropriate means has been by requiring the manufacturers of tobacco to use a certain proportion of locally-grown leaf.

Under the text as it stands, that procedure is approved of, but it provides that the measure shall not be modified to the detriment of imports. In other words, there would be no possibility of utilising such measure, even though it is more suitable than other measures and less restrictive of trade than other measures, and we think it could not be justified within the principles underlying this Charter.

It might be said that you can have recourse to Article 13, but I do not think it was intended that Article 13 should cover a situation such as that. I think Article 13 is concerned more with the nature of particular measures. I do not think it would cover a case where you are using, say, 30 per cent of a domestic product and you want to increase that to, say, 40 per cent. I think that would be outside the scope of the Article.

One notices, on looking at Paragraph 3 of Article 13, that it provides, where the Organization concurs in principle in any proposed measure or modification thereof, it shall sponsor a system of negotiation with the Member whose trade is substantially affected, and if, as a result of those negotiations, a satisfactory basis is worked out between the Members concerned, then that basis is acceptable to the Organization.

In other words, it all goes back to a matter of negotiation and we would submit it is reasonable that the same provision should be made in connection with the Article which we are now discussing. For that reason, and to make sure that no increase should be made in the extent to which an existing measure might be utilized without negotiation, we have suggested the modification which you have just read.
I would submit, Mr. Chairman, that, having regard to the position which it is intended to cover, such a provision is justified.

CHAIRMAN: If I understand it rightly, the New Zealand Delegate's proposal is now only a more elaborate draft of his original proposal, which simply said that we should strike out "shall not be modified to the detriment of imports". I would like to have the views of the Commission on that proposal.
Mr. J.P.D. JOHNSEN (New Zealand): Mr. Chairman, that also covers the additional sentence.

M. PIERRE FORTOMME (Belgium): Mr. Chairman, I think that this new text shows exactly how very unsatisfactory has been the development of this whole article. When the sub-committee started work on this Article we had two main lines along which we could pursue our work. One of the lines we had proposed in the Benelux amendment and which in essence, first of all, would have prohibited all measures of this kind whether existing or new, and, secondly, would have allowed certain of these measures if they were less restrictive than other forms of protection; and, thirdly, would have introduced a method of gauging this less restrictive effect in the negotiations with the interested parties.

The other possibility than the one which was explored was the possibility of prohibiting any new restriction and sanctioning all existing restrictions. I think that by now the Commission would be well aware that I object very much to sanctioning the old, and frowning on the new, especially in the Charter which is designed to provide for the future, and I find now that with the proposal to reintroduce the idea of being able to increase the restrictive effects of mixing regulations by negotiations, we have got to the highest degree of discrimination between those who have forestalled the Charter and those who, having been reasonable, have waited, or would wait until the need for such a measure became evident.

I think that a proposal of this kind is absolutely unacceptable in these terms. I do believe that negotiations with the interested parties is an excellent measure of the nuisance or value of a measure, but to reintroduce it in favour of only certain privileged users seems to me the height of inequity.
CHAIRMAN: Are there any other delegates who wish to speak?

Mr. J.P.D. JOHNSON (New Zealand): Mr. Chairman, I would just like to make one observation in regard to the remarks of the delegate of Belgium. I would just like to ask him whether I heard him correctly when he said that action has been taken to forestall the Charter. I would like to assure him that no action of such a nature has been taken by New Zealand. The measure that I referred to has been in operation for some years.

M. PIERRE PERTHOMME (Belgium): Mr. Chairman, I would like to make it quite clear that the use of the word "forestall" did not imply in my mind any idea of some rapid manoeuvring on the part of this or that delegation. What I wanted to indicate was that by the fact of having this measure in force at a certain date, luck, if you like, has given certain countries - and as a matter of fact it includes Benelux - the position in comparison with the position of other countries which do not have that kind of measure in force.

Mr. J.M. LEDDY (United States): I would agree with the delegate of Belgium that it would be inequitable to provide in this Article that Members who have mixing Regulations may alter them to the detriment of imports at the same time that Members who do not have mixing regulations put them into force. On the other hand, I think that the one case which the delegate of New Zealand has in mind is adequately covered by Chapter IV. It would be a new measure on the ground of economic development, and I see nothing in Chapter IV which would prevent New Zealand from applying through the Organisation for a change in mixing regulations, and with the approval of the Organisation or of the Members interested, if there had been negotiation on the subject, to alter the Regulation. The provision
that we read out, I think, has covered that case. Therefore I would oppose the proposal by the delegate of New Zealand.

CHAIRMAN: Does the delegate of the United States give satisfaction to the delegate of New Zealand?

Mr. J.P.D. JOHNSEN (New Zealand): I am sorry, Mr. Chairman, I am grateful for the observation made by the delegate of the United States, but I am afraid I cannot accept it. It seems to me that this is purely a case for negotiation with the Members principally interested. I cannot see that any purpose is being covered in bringing the case to the Organization, even if it is competent to deal with it. As far as I can see all we could do is to refer the matter to Members and accept what decisions they have reached. I think in the circumstances it is more practicable, and quite reasonable, to include provisions in this Article dealing with the situation. I would like, if possible, to have the amendment which I have advanced, accepted.
MR. J.M. LEDDY (United States): Mr. Chairman, this subject was discussed at considerable length in the sub-committee on Article 15, and I think that the view at the time was that the best thing to do was move the approval of the provision as it stands, with the reservation of the Delegate of New Zealand.

CHAIRMAN: Before doing that, I would like to ask whether any Delegate wants to speak in favour of the New Zealand amendment?

MR. C.E. MORTON (Australia): Mr. Chairman, it is with a certain amount of reluctance that I speak in favour of the amendment of the New Zealand Delegation, because I am not really in favour of the principle which the amendment would appear to advocate. In the case of a country with a small and perhaps inefficient primary industry, there is no other way in which you can satisfactorily bring about its development than by insuring a quantitative protection for it. Australia had the unfortunate experience concerning a product which was not protected by quantitative regulation, with the result that the protection of this Article is decreased, and it is now just a shadow of its former self.

I am sorry that my support of this amendment cannot be more wholehearted, but I feel that it is a shame to let it go without a single friend.

CHAIRMAN: Are there any other remarks?

MR. F. GARCIA OLDINI (Chile) (Interpretation): If I understand the point correctly, Mr. Chairman, there is no rigidity in the idea of applying quantitative restrictions in the present case. This is mainly a matter of procedure. According to the
United States Delegate, the procedure that should be applied is the procedure provided for in Article 13. Now, under Article 13, there is a procedure which would lead to negotiations through a road which is long, complicated and rather difficult. Therefore, I see no disadvantage in avoiding the use of such a procedure, and reaching the end contemplated, by establishing negotiations along the lines suggested by the New Zealand Delegate in this particular case.

CHAIRMAN: Are there any further remarks?

This not being the case, I must sum up my impression of the discussion, which is that three delegates have - one with some reluctance - supported the New Zealand proposal, and three have expressed themselves very strongly against it. I have asked twice for further support, so I must conclude that the great majority of the Commission does not support the New Zealand proposal. The way of settling the question, therefore, is to maintain the Note which is on page 17 of document E/PC/T/178, perhaps with some new wording. I will leave it to the Delegate of New Zealand to come to an agreement with the Secretariat on the wording of this new Note.
CHAIRMAN: Then we have the second footnote on page 17 of T/178: "The Delegate for Norway proposed that 'the date when the Charter is open for signature' should be substituted for '1 July 1939 or 10 April 1947'". Does the Delegate of Norway maintain that proposal?

Mr. J. MELANDER (Norway): Yes, Mr. Chairman, it is included in our general reservation. I would propose that the Commission take a stand on this particular point right away. It is a proposal which is before the Commission. If the Commission agrees - well, so much the better.

CHAIRMAN: I will follow the same procedure here as in the last case. I will ask whether there is any Delegate who will support the Norwegian proposal on this point?

M. F. Garcia OLDINI (Chile)(Interpretation): I support this proposal.

CHAIRMAN: Any further remarks? There being no remarks, I think we might also in this case maintain the note, unless the Delegate of Norway finds, as he has already indicated, that he is covered by his general reservation on Article 15. I leave it to him as to whether we have a special reservation here.

Mr. J. MELANDER (Norway): Mr. Chairman, we do not think it is necessary to have a special reservation on this particular point - a general reservation on the whole Article is sufficient.

CHAIRMAN: Then before we finally approve paragraph 4 of Article 15, I will draw your attention to the note by the Legal Drafting Committee, on the bottom of page 16:

"The Commission may wish to consider whether the exceptions contained in paragraph 4 are to be exceptions to paragraph 2 as
well as to paragraph 3. Paragraph 3 begins "In applying the principles of paragraph 2", and paragraph 4 begins "The provisions of paragraph 3 of this Article shall not apply", so as far as I am concerned, I think it is all right to keep the text on which the Sub-Committee has agreed; but I must ask whether any Delegate feels that it would be safer or wiser to say "The provisions of paragraphs 2 and 3 of this Article shall not apply to".

Mr. J.J. DEUTSCH (Canada): Mr. Chairman, it appears to me that if we add "provisions of paragraph 2" it will have the effect of widening considerably the paragraph 4, and I do not think that was intended. Therefore, we should keep the language as it is, namely, "The provisions of paragraph 3".

Dr. H.C. COOMBS (Australia): Mr. Chairman, it is quite clearly not the intention of the Sub-Committee that this should extend to paragraphs 2 and 3.

CHAIRMAN: Then I take it that we maintain the text proposed by the Sub-Committee and the Legal Drafting Committee. Now, having disposed of all the notes and reservations, I take it that we agree to paragraph 4 with the amendments already approved, including the suppression, of course, of the old sub-paragraph (b).

On page 18 of document T/178 you have the old paragraph 5. As we have already dealt with and approved a provision concerning films, this paragraph 5 is to be omitted. The same applies to the two notes on page 18.

We pass on to paragraph 6 (that will be paragraph 5 now). The note of the Legal Drafting Committee says: "It is the opinion of the Committee that the word 'governmental' is not open to misinterpretation in the English text; it comprises all government bodies including local authorities. The French wording has
therefore been adjusted accordingly". This note is an answer to a query put to the Legal Drafting Committee by the Sub-Committee.

I would ask the Chairman of the Sub-Committee whether he considers it desirable to insert an explanatory note to cover the point, or whether that is superfluous.

Dr. H.C. COOMBS (Australia): It seems to me, Mr. Chairman, that there is no doubt that the comment of the Legal Drafting Committee is satisfactory so far as the English text is concerned. I would not presume to offer any judgment on the French text, but I understand from my Belgian colleague that, in his opinion, it is adequate.
CHAIRMAN: Then I take it that we leave it to the note by the Legal Drafting Committee. You have at the bottom of page 19 that "The Delegate of China reserved his position provisionally and proposed to delete the words "or use in the production of goods for sale." You find that in the fifth and sixth lines in the English text. Does the Delegate of China maintain that reservation?

Mr. WUNSZ KUNG: (China): Yes.

Mr. GARCIA OLDINI (Chile): The remark made by me only refers to the French text, as submitted by the Legal Drafting Committee.

CHAIRMAN: The Delegate of Chile suggests that the text of the Sub-Committee be adopted instead of the text of the Legal Drafting Committee.

Mr. FORTHOMME (Belgium) (Interpretation): The note of the Legal Drafting Committee shows clearly the reasons for this change. The English words "governmental agencies" covers more than the French words "organismes d'etat", because it also covers municipal or provincial bodies; and therefore I think that the change here is justified.

Mr. GARCIA OLDINI (Chile) (Interpretation): In that case I see no inconvenience in keeping the text submitted by the Legal Drafting Committee.

CHAIRMAN: The Delegate of France.

Mr. ROUX (France) (Interpretation): The French Delegation thinks that the remark made by the Legal Drafting Committee in
the note is quite relevant, and the French text as it now stands is entirely in conformity with the idea expressed in the English text, namely, that the provisions of the Article shall not apply to the procurement by governmental agencies of products purchased for governmental purposes, and therefore the Chilean Delegate could consider himself as fully satisfied.

Then there are various clerical errors which only affect the French text.

CHAIRMAN: May I take it that after these explanations you approve the text of paragraph 6 (now paragraph 5) of Article 15?
Approved.

Now we should persevere with Article 14. We will look at the Report of the Sub-Committee, and I would ask the Chairman of the Sub-Committee whether there is any point on that Report to which he wants to draw particular attention.

Dr. COOMBS (Australia): I think there seem to be a number of points which do amount to an interpolation by the Sub-Committee, and I think it would be desirable if they were confirmed by the Commission. The first appears at the top of page 7 in the first paragraph, where it says, "Since the present paragraph 2 relates solely to the question of differential treatment between imported and domestic goods, the inclusion of the last sentence in that paragraph should not be understood to give sanction to the use of artificial measures in the form of differential transport charges designed to divert traffic from one port to another".
CHAIRMAN: May I take it that the Commission approves of that remark?

It is approved,

DR. H. C. COOMBS (Australia): And the second point, I think, Mr. Chairman, is on the same page, in the second paragraph: This is referring to charges on imports in connection with a point raised by the International Monetary Fund. The essential part, I think, is the statement that: "The Sub-Committee considered that if such charges are imposed on or in connection with imports or exports as such, or are imposed on the international transfer of payments for imports or exports, they would not be internal charges and, therefore, would not be covered by Article 15; on the other hand, in the unlikely case of a multiple currency technique, which takes the form of an internal tax or charge, such as an excise tax on a particular product, then that technique would be precluded by Article 15. It may be pointed out that the possible existence of charges on the transfer of payments insofar as these are permitted by the IMF is clearly recognized by Article 14."

CHAIRMAN: Does this interpretation meet with the approval of the Commission? No objections?

Approved.

Dr. H. C. COOMBS (Australia): The third point, Mr. Chairman, is on page 8, in the second paragraph, which reads as follows: - 

"The Sub-Committee is of the opinion that paragraph 3 as now drafted would not prohibit the continuance of a tariff system which permits the entry of a product at a rate of duty lower than the normal tariff rate, provided the product is mixed or used with a certain proportion of a similar product of national origin."
The Sub-Committee considered that such a provision would not be regarded as an internal quantitative regulation in terms of this paragraph for the reason that the use of a percentage of the local product is not made compulsory nor is the importation of the product in any way restricted."

CHAIRMAN: Does this opinion meet with the consent of the Commission? No objections?

Dr. A. B. SPEEKENBRINK (Netherlands): May we ask one question: we only speak here of tariff rates, but we can have other charges on imports. Are they not included?

Dr. H. C. COOMBS (Australia): Mr. Chairman, the only thing I can say is that the only point which was raised in the Sub-Committee was the precise question of differential tariff duties, tariff items, themselves, and I am not sure, therefore, whether this would apply in the case of other charges on imports; but presumably, since we have identified charges on imports with tariffs elsewhere, I see no reason off-hand why the same provision should not apply if the charge is, in effect, a duty.

CHAIRMAN: Does this give satisfaction?

Dr. A. B. SPEEKENBRINK (Netherlands): Definitely.

CHAIRMAN: May I take it, then, that we agree to the remarks made by the Sub-Committee on this point?

The Delegate of Norway,

Mr. J. MELANDER (Norway): Mr. Chairman, I would like also to have included the next paragraph after the one we
are just discussing now; that is, at the bottom of page 8 and the top of page 9. It refers to the mixing of butter with margarine.

Dr. H. C. COOMBS (Australia): I was just about to make that my next point, Mr. Chairman. Is it necessary for me to read the paragraph?

CHAIRMAN: No. I take it that we are in agreement with that statement by the Sub-Committee. No objections?

Agreed.

Dr. H. C. COOMBS (Australia): Then on page 9, Mr. Chairman, in the third paragraph, there is a further statement to the effect that it was agreed by the Sub-Committee that the word "governmental" etc., I think that point has been covered in what has been agreed to so far, and I do not think it is necessary therefore to deal with it.

CHAIRMAN: Now, as to the remark by the Delegate of Norway, that he wants to have also this point included, I would just make it clear what is my conception of the thing; that is, that we have gone through all these Explanatory Notes by the Sub-Committee, not in order to annex them to the Charter, but in order to have it recorded in our Minutes that we have gone through them, and that the Commission has expressed its agreement with the views of the Sub-Committee on each one of these points.

I am not quite certain whether I saw the Delegate of China asking to speak, or not.
H. E. Mr. WUNSZ' KING (China): Yes, Mr. Chairman. With your permission, I would like to say that I am reminded by my colleague on the Sub-committee that the Chinese Delegation made a reservation on Paragraph 3 but that reservation was withdrawn.

I have no intention whatsoever of renewing that reservation, but I would simply like to point out that the Chinese Delegation still has some doubts as to whether it would be proper to use the words "competitive or substitutable" in sub-paragraph (b) of Paragraph 3 on Page 15, inasmuch as our first reservation to Article 15, that is to say, the reservation to Paragraph 1, was and is still based, among other things, on our objection to these words. But, Mr. Chairman, this short comment is only intended to be a short comment, pure and simple.

CHAIRMAN: Before passing from Article 15, I would ask the Delegate of France if he has any suggestion to make on the film problem.

M. ROYER (France) (interpretation): In connection with the film question, I have just been informed by the competent technical services in Paris that they have not had the time necessary thoroughly to study Article 15 (b) and therefore my Delegation associates itself with the reservations already made by the United Kingdom, the Netherlands and the Czechoslovakian Delegations, more particularly with regard to the duration of the quota system mentioned in sub-paragraph (a) of Article 15 B.

CHAIRMAN: We will take note of that declaration.

We now start the examination of Article 24 - Reduction of Tariffs and Elimination of Preferences. Are there any remarks on the introduction to Paragraph 1?

Then that is agreed, at any rate provisionally. We can adopt it finally when the whole Article has been examined.
Sub-paragraph (a) of Paragraph 1: on Page 21 you have a Note: "There was an equal division of view among the Members of the Sub-committee on the question whether the words in square brackets should be deleted or retained. The Delegates of Belgium, Norway and the United States favoured deletion, those of Australia, Cuba and the United Kingdom retention of these words. The Delegate of the United States considered that complete deletion of sub-paragraph (a) would be the best course."

I will call upon the United States Delegate, who has made the most sweeping proposal, kindly to explain it.

Mr. LEDDY (United States): The difficulty arose, I believe, in regard to the precise language of the provision. It was our view that the provision was not necessary, that it was already covered by the basic commitment to negotiate.

In order to remove any doubts, we have today distributed a mimeographed sheet suggesting that, in connection with the deletion of sub-paragraph (a) of Paragraph 1, there be included an Explanatory Note in the Report.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. SHACKLE (United Kingdom): Mr. Chairman, we are agreeable to the proposal contained in this paper. There is just one thing I would like to say. I would like to call attention to the word "starred" in the third line. That refers, of course, to the practice in certain Sub-committees of affixing stars to those Notes which ought to go forward so as to become part of some kind of official commentary on the final text. I will accept
this proposal conditional on that word "starred" being deleted. Subject to this, we are quite in agreement.

CHAIRMAN: You have the text of the United States proposal before you.

The Delegate of Cuba.

Mr. H. DORN (Cuba): On behalf of my Delegation, I wish to say that the Cuban Delegation could agree with the deletion of sub-paragraph (a) of Paragraph 1 of Article 24 in the case that the Note proposed by the Delegate of the United States were not only to be inserted in the Report but annexed to the text of the Charter, giving it thereby the character of a binding condition of Paragraph 1 of Article 24, in its introductory part, in connection with the actual Paragraph 1(b).

CHAIRMAN: I take it that the desire of the Cuban Delegation, now put forward, is to treat this Explanatory Note in the same way as we treat other Explanatory Notes; that they are put in on the same page as the Article to which they refer. It will appear as a part of the document itself, but, of course, it will not be part of the Charter. We have omitted a certain clause, but it will have the full interpretative value.
M. H. DORN (Cuba): Mr. Chairman, may I only ask one question. Are there other notes which are annexed to the Charter in order to give the Charter a special interpretation, or is that the only existing form in which a note can be given official interpretative character?

CHAIRMAN: We have a small number of such interpretative notes, and we discussed them the other day. The delegate of South Africa very strongly maintained that the Charter itself should contain some clause stating that this interpretative note could have a full binding value. Whether we shall adopt it I cannot tell because I do not know. It may be taken up at another meeting, but this note will be treated as well as any other interpretative note.

M. H. DORN (Cuba): In this case I would agree with the note under the condition that the South African amendment will be adopted later on.

CHAIRMAN: Well, that condition, of course, can only be made under a mental reserve because we cannot decide here what heads of delegations in the Preparatory Committee and in Executive Session may find as a result.

Mr. R.J. SHACKLE (United Kingdom): I think, Mr. Chairman, there were plenty of precedents in the past for interpretative texts attached to an agreement, but they are not necessarily part of that agreement. I think there are many such cases in the past, and we shall find a satisfactory method.

CHAIRMAN: After this discussion which really was a kind of deviation from the text before us, I take it that the Committee is in agreement with the proposal of the United States delegate to omit sub-paragraph (a), and instead of that, to insert the note of which he has given us the text.
Are there no objections?  

That is agreed.

Then on the top of page 22 we find a note by the Legal Drafting Committee. That has been settled already. We come to sub-paragraph (b) which will now be sub-paragraph (a). There is a footnote: "The Delegate for Cuba wished to have it recorded that the Cuban agreement to the inclusion of this sub-paragraph is contingent on the retention of sub-paragraph 1(a) in its entirety."

May I take it that the delegate of Cuba is satisfied with the insertion of the note that we have just discussed?

M. H. DORN (Cuba): I mentioned a reserve before in this connection because we believe that there exists between (a) and (b) a possibility of doubt which we want to exclude.

CHAIRMAN: But I hope that the question now is satisfactorily settled and that we can strike it out.

M. DORN, (Cuba): Under the condition which, as I have been told, is a mental one.

CHAIRMAN: Are there any remarks on the different sub-paragraphs namely, the new sub-paragraph (a)i, ii, iii, and iv?

Mr. J.M. LEDDY (United States): In the Subcommittee's Report, Mr. Chairman, it is stated that: "One member of the Sub-Committee suggested that the words 'and no new contractual right to preferences shall be created' should be added after the word 'increase' at the end of sub-paragraph (iv)." The Sub-Committee thought that this condition should be reserved for the consideration of Commission A.

That was our proposal, Mr. Chairman, but we do not wish to consider that at this late stage of the discussions. We think that while there may be a tactical gap here, it would be wise not to take it up now as this would start a complicated technical discussion, and we should prefer to let it stand for the time being.
CHAIRMAN:  May I take it that we approve sub-paragraph (b), now sub-paragraph (a), points (i), (ii), (iii) and (iv)?

The Delegate of France.

(M. ROYER (France): made a remark which does not apply to the English text, and which was not interpreted)

CHAIRMAN:  I do not think there is any objection to this improvement.

We therefore agree on the new sub-paragraph (a).

We now come to the former sub-paragraph (c), now sub-paragraph (b) on page 23.  Is there any objection?

M. ROYER (France) (Interpretation):  Now that it is suggested to have only one word, I prefer the French word "consolidation" rather than the words "Le maintien conventionnel".

CHAIRMAN:  Are there any further observations?

This clause is, therefore, adopted.

The Note by the Legal Drafting Committee is disposed of by the remarks of the French Delegate.

We pass on to the old sub-paragraph (e), now sub-paragraph (c). In document E/PC/T/W/270 we have an amendment submitted by the United Kingdom Delegation.  You will see that the United Kingdom Delegation proposes to omit the whole text and to insert in its place a new sub-paragraph (a).  You will have noted that the United Kingdom proposal took the form of an amendment to a paper submitted by the Tariff Negotiations Working Party in document 136.

MR. R.J. SHACKLE (United Kingdom):  Mr. Chairman, I think that the substance of this amendment has already been taken into account in the version of the Legal Drafting Committee.  In sub-paragraph (e)
on page 24 of the Legal Drafting Committee’s text, you will see at the end the words "and thereupon the parties to such negotiation shall become contracting parties to the General Agreement on Tariffs and Trade, if they are not so already". That replaces document E/PC/T/W/270.

There is only one thing that I should add, and that is that there is a corresponding passage to this in Chapter VIII, which refers to the Tariff Committee, and I think we have got to be rather careful that the drafting of these two passages harmonises.

It is, I think, clear that the parties to the negotiations would only become contracting parties to the General Agreement if the existing parties to the General Agreement themselves agree to that happening. I think that is implied by the text here, but that is the essential point to be brought out, and I think it is already brought out in the text of the relevant Article in Chapter VIII - I am sorry, but I have not got it in front of me now.

CHAIRMAN: Is there agreement on the text you have on page 24 under the heading (e), which will now become (c)?

There is only one slight remark that I might, perhaps, dare to make with regard to the words "signed at Geneva on". We do not know that it will be signed at Geneva, although I have no objection to leaving it in.

MR. R.J. SHACKLE (United Kingdom): We could put dots in instead of the word "GENova".

CHAIRMAN: Is that agreed?

Then we pass the text of this paragraph.
We now pass on to paragraph 2 of Article 24. There is also an amendment suggested by the United Kingdom Delegation in the paper I referred to, that is, document E/PC/T/W/270.

MR. J.M. LEDDY (United States): Mr. Chairman, I think that that is already taken care of in the Drafting Committee's Report.

CHAIRMAN: That is so.

Are there any other remarks on paragraph 2?
Mr. J. LEIDY (United States): One very small point: we notice the deletion of the words "by the Organization" at the end, and in the French I see there is some reference to notice being directed to the Director-General of the Organization. I wonder what the difficulty is there. I believe that throughout the whole substance of the Chapters we have referred only to the Organization as such, and not to any particular part of the Organization. I think that the English text, without the reference, is the preferable one.

CHAIRMAN: Has any other Delegate an opinion about this? Then we maintain "by the Organization", and in the French text "le mise en application de la mesure en question et sur préavis adressé par écrit à l'Organisation, le l'expiration..."

Is that agreed?

M. ROYER (France) (Interpretation): I think that it is at the end that the words in brackets should be retained - "the date on which written notice of such withdrawal is received by the Organization".

CHAIRMAN: We must strike out "Director-General" from the French. Are we now in agreement on this text?

(Agreed).

Paragraph 3. Any observations? Agreed.

There is a footnote on page 20: "The Sub-Committee agreed that the text of Article 24 as drafted would not prevent Members of the Organization from concluding new, or maintaining existing, bilateral tariff agreements which were not incorporated in the General Agreement on Tariffs and Trade, provided that the concessions provided for in such agreements were generalized to all Members in accordance with the terms of Article 14."

On this explanatory note there is a Norwegian proposal to make it a new paragraph 4 of Article 24.

Mr. J. MELANDER (Norway): Mr. Chairman, the reason why we have produced this amendment is that the history of the texts leading up to the agreement so far achieved by the Preparatory Committee would make it useful, in our view, to have this explanatory note in the form of a new paragraph.

You will remember that the United States draft proposal, the London agreement and the New York text of Article 24, paragraph 1, refer to the obligation of each Member, upon the request of any other Member or Members, to enter into these negotiations. Now Article 24(1) has been altered to read that each Member shall, upon the request of the Organization, carry out such negotiations as the Organization may specify. Also, in the new paragraph 1(e) it is expressly said that the results of the negotiations shall be incorporated in the General Agreement on Tariffs and Trade.

Further, the second paragraph of the New York text, according to which the Members should inform the Organization about the progress of their negotiations, has been deleted in the new text.

It is for these reasons that we feel it would be useful to have it expressly stated - although it is generally agreed by everybody - that paragraph 1 in Article 24 does not exclude bilateral tariff agreements; of course, on the assumption that the concessions under such agreements will be made for the benefit of everybody by virtue of Article 14 of the Most-Favoured-Nation clause. It is our view that, especially because of the history which has led up to this, so to speak, last-minute change in this important provision, it would be very useful to have expressly stated in a paragraph the point covered in that note.
Mr. SHACKLE (United Kingdom): I would like to make a suggestion that instead of putting this paragraph into the text of the Article we should try in some way to treat it as we have just treated the question of the United States Delegation. In other words, it could be marked with an asterisk and sent forward as one of the notes which would be qualified to go into the final form. The reason why I suggest that is that I think these two notes should have the same status, one having no higher or lower status than the other.

The reason is that I have the feeling that somebody may think one overrides the other. I am sure it is not the intention to do this. If we add this particular note we are now discussing in the text, somebody would say that bilateral tariff agreements, of which the results are not generalised under the most-favoured-nation clause, would be, as it were, rendered totally illegal. That could not be the intention, because clearly there will be certain particular preferential arrangements remaining which are sanctioned, subject to the provisions, by this Article.

I feel if we were to put this paragraph into the text of the Article, while leaving the other merely a note, we might give rise to some such interpretation as that.

For these reasons I suggest we give an asterisk to this note, and keep it on the same footing as the note in explanation of the former paragraph 1 (a).

Mr. LEEDY (United States): Mr. Chairman, we would support that suggestion of Mr. Shackle's, with just one small Amendment. The proviso at the end we should like to read as follows: are with "provided that such agreements are consistent with the principles of the relevant Article, and that the concessions arising out of such agreements are generalized to all members in accordance with Article 14".
CHAIRMAN: Any further remarks.

Hon. L.D. WILGRESS (Canada): Mr. Chairman, the Canadian Delegation also supports the suggestion of Mr. Shackle.

CHAIRMAN: What does the Norwegian Delegate say to the drafting Amendment?

Mr. MELANDER (Norway): Accepted.

Dr. COOMBS (Australia): Does the United States Delegate consider including the words "relevant principles"?

Mr. LEDDY (United States): The proposal is consistent with the principles. I wonder whether the word is really needed.

CHAIRMAN: The Delegate of New Zealand.

Mr. JOHNSEN (New Zealand): There is just one point Mr. Chairman, on which I am not clear. There is some reference to Agreements being extended to all other States-Members. In the case of bilateral agreements made between Members by virtue of a preferential system, I would just like to be sure that there is no obligation to extend these concessions to all Members.

CHAIRMAN: In so far as under the most-favoured-nations principle it concerns them, these bilateral agreements will bring in all Member States; and in the bilateral agreements you can enter the number of things that do not directly concern tariffs, and it is an open question to what extent they will have to be shared with all other Members of the ITO.
Mr. R.J. SHACKLE (United Kingdom): I would think that the point mentioned by the Delegate of New Zealand is covered by paragraph 2 of Article 14. It is a question, as in that Article, of independent agreements. I do not think there should be any inconsistency. That is why I propose that we retain this as a note and not as part of the text of the Article.

Mr. J. MELANDER (Norway): Mr. Chairman, in view of what has been said by the United Kingdom Delegate I agree with the proposal that we should make this particular note one of these interpretative notes on the same standing as the ones referred to by the United States Delegate, instead of making it part of the substance of the Article itself.

CHAIRMAN: Is there any divergent opinion? Then we agree to the adoption of an explanatory note of the standing previously laid down and to the following redraft of the Norwegian proposal:-

"The provisions of this Article should not prevent Members from concluding new or maintaining existing bilateral tariff agreements which are not incorporated in the General Agreement on Tariffs and Trade provided that such Agreements are consistent with the principles of Article 24 and that the concessions arising out of such agreements are generalised to all Members in accordance with Article 14."
CHAIRMAN: The Delegate of Czechoslovakia.

H. E. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, I would like to make my reservation on the proviso of the United States Delegate, because he says: provided that they are consistent with Article 24. If it means actually that they should be mutually advantageous — well, I may be negotiating, and some third party can come and say to me that it is not mutually advantageous. I think if I am giving, unilaterally, to some country reductions on tariffs, and I am extending it to all Members, that is only my business.

Dr. J. E. HOLLOWAY (South Africa): Mr. Chairman, this is one of the cases where nobody would take Dr. Augenthaler to law!

CHAIRMAN: Does the Delegate of the United States feel very strongly the need of this proviso — that such agreements are consistent with Article 24?

After all, all the Members of the I.T.O. are committed to observe the principles of Article 24 and it seems rather a hint that when they are negotiating bilateral agreements they might do something wrong, something inconsistent with the obligations to which they have subscribed. Would it not be more reasonable to have confidence that they are observing their commitments?

Mr. J. M. LEDDY (U.S.A.): Mr. Chairman, it was our view that tariff negotiations between members of the ITO would proceed in accordance with certain rules laid down in Article 24, and I refer specifically to the rule set forth in new sub-paragraph (a) of paragraph 1. If we had no note, we would have very little difficulty, but since we have a note and it is inexact, we should just like to have that deficiency repaired.

I really do not think anybody is going to have any difficulty
with the kind of Agreement Mr. Augenthaler is talking about. If two countries agree, it is, after all, mutually advantageous, or they would not agree. But we do attach importance to the other principles particularly.

Dr. H. C. COOMBS (Australia): I think, Mr. Chairman, there is something to be said for leaving in the word "relevant"; even though I agree with the Delegate of the United States that the words "consistent with" implies that it relates only to the relevant clauses, I think if you include the word "relevant" it does emphasise the idea that there are provisions of Article 24 which are, so to speak, special, because of the particular negotiations we have got in mind, and they would not necessarily have anything to do with — would probably not refer to — other negotiations which might be entered into as contemplated in this note. I think there might be some advantage in leaving in the word "relevant". I think that might cover the point, for instance, raised by the Czechoslovakian delegate, and he might reply "Well, that position is not relevant to these particular negotiations."

CHAIRMAN: Is this Australian suggestion accepted by the United States of America?

Mr. J. M. LEDDY (U.S.A.): I take it that our minds meet on this point; that we agree that the relevant principles pertaining to Article 24 are those which appear in paragraph 1 (a)

Dr. J.E. HOLLOWAY (South Africa): Mr. Chairman, I hope Dr. Augenthaler will withdraw his reservation, because, if he is right, the South African Delegation has already in the course of these negotiations broken the rules by giving concessions in a particular case without getting anything back!
CHAIRMAN: May I take it that we are now all in agreement on the Note in the text I read out, with only the addition of the word "relevant", so that it would read: "with the relevant provisions of Article 24." Is that agreed?

(Agreed).

M. FORTHOMME (Belgium) (Interpretation):

The Belgian Delegate made a suggestion with regard to the French text of the last sentence of Paragraph 2 which does not affect the English text.

CHAIRMAN: I think we would all agree that is a great improvement.

Now I must once more bother the Chairman of the Sub-committee.

Dr. COOMBS (Australia): I have much pleasure in saying that, so far as I am aware, there are no comments of interpretation by the Sub-committee dealing with this Article which require determination.

CHAIRMAN: This brings to an end Commission A.

The Meeting rose at 7.45 p.m.