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

COMMISSION A

Summary Record of the Thirtysecond Meeting
held on Wednesday, 23rd July 1947, at 10.30 a.m.

Chairman: H.E. Erik Colban

1. Article 18 - Valuation for customs purposes

Paragraph 2 (a) The Commission resumed its discussion of
the use of the words "between independent buyer and seller"
in section (ii).

The United Kingdom Delegate stated that
his delegation had reconsidered the addition of the new
sentence which he had proposed at the previous meeting and
had decided that it would not be satisfactory; the United
Kingdom would prefer the text to remain unaltered.

Dr. J.E. Holloway, who had acted as Chairman
of the Sub-Committee, proposed that the note in the commentary
relating to the use of these words should be altered to read
as follows:

"The Commission deleted the words "between independent
buyer and seller" from the report of the Sub-Committee
on the understanding that the phrase "under fully
competitive conditions" should be held to cover the
same concept."

This proposal was adopted, but the Delegates
for India and the United Kingdom stated that they would have to reserve their positions.

Paragraph 2 (c) The proposal for the revision of section (iii), put forward tentatively by the Delegate for the United States at the previous meeting (W.251), was approved in a slightly amended form as follows:

"The Organization, in agreement with the International Monetary Fund, shall formulate rules governing the conversion by Members of any foreign currency in respect of which multiple rates of exchange are maintained consistently with the Articles of Agreement of the International Monetary Fund. Any Member may apply such rules in respect of such currencies for the purposes of paragraph 2(a) of this Article as an alternative to the use of par values. Until such rules are adopted by the Organization, any Member may employ in respect of any such foreign currency rules of conversion for the purposes of paragraph 2(a) which are designed to reflect effectively the value of such currency in commercial transactions."

In adopting the above text the words "by Members of any foreign currency" were inserted to replace "of foreign currencies". The Commission discussed a proposal by the Delegate for New Zealand to substitute "consultation" for "agreement" in the first line, but decided to make no change; and the Representative of the International Monetary Fund, when asked for his opinion on the proposed amendment, stated that he thought it was a great improvement on the text recommended by the Sub-Committee.

The text of the other sections of paragraph 2(c) were then approved, but the note in the commentary referring to section (iv) was altered by the substitution of the word
"alteration" for "appreciation".

Paragraph 3. The text was approved.

2. Article 17 - Anti-dumping and countervailing duties.

Paragraph 2. The Delegate for Australia said that as a result of the amendment of the text of section (iii) of paragraph 2(c) of Article 18 his delegation wished to propose an alteration in the commentary on paragraph 2 of Article 17.

The Commission agreed that this note should read as follows:

"It is the understanding of the Commission that multiple currency practices may in certain circumstances constitute a subsidy to exports which could be met by countervailing duties under paragraph 2 or may constitute a form of dumping by means of a partial depreciation of a country's currency which could be met by action under paragraph 1 of this Article. By "multiple currency practices" is meant practices by governments or sanctioned by governments."

3. Article 37 - General exceptions to Chapter V.

The Commission resumed the discussion, begun at the 30th meeting on 16th July, of the proposal recommended by the Sub-Committees on Articles 14, 15 and 24 and Articles 25 and 27 (as set out in W.245), that a second paragraph should be added to Article 37 to replace and to broaden the scope of paragraph 2(a) of Article 25.

The Norwegian Delegate referred to document W.227 and urged the acceptance of 1 March, 1952, as the date by which measures instituted in connection with products in short supply, the control of prices and the liquidation of temporary surpluses
should be removed if inconsistent with the other provisions of Chapter V; he said that Article 14, section 4, of the Monetary Fund Agreement provided for a similar date for the termination of transitional arrangements.

The United States Delegate, supported by the Delegate for the United Kingdom, thought that 1 January, 1951, would be a more suitable date. The Delegate for Norway then proposed 1 July, 1951.

Further discussion was postponed until the next meeting.

The Commission rose at 1.10 p.m.