The CHAIRMAN indicated that the meeting would consider Articles 25 and 27, and, subsequently, articles 26, 28 and 29. He suggested that the discussion of Articles 25 and 27 should proceed on the basis of the report of the Sub-Committee (E/PC/T/141) and the report of the Legal Drafting Committee (E/PC/T/164), and that members should base their remarks concerning amendments to the text on the version proposed by the Legal Drafting Committee. Mr. MELANDER (Norway) introduced the report of the Sub-Committee.

Article 25, paragraph 1.

The Commission agreed to add the words "or export" between the words "import" and "licenses" in paragraph 1.

Paragraph 2(a).

Mr. E. McCARTHY (Australia) directed attention to the suggestion put forward by his Delegation that the word "critical" should be deleted for the reasons indicated in Document E/PC/T/W.263. M. de SMEDT (Belgium) felt that the institution of export prohibitions on marino sheep in the circumstances described in E/PC/T/W.263 would be permissible even with the retention of the word "critical". He pointed out that, if the imposition of export
restrictions were to be questioned under the present language of this paragraph, the case could be covered by the provision elsewhere in the Charter permitting the use of restrictions to safeguard exhaustible natural resources. He felt that the deletion of the word "critical" would weaken the present paragraph unnecessarily. The CHAIRMAN suggested that "critique", the French equivalent of "critical", already covered the sort of situation described by the Australian representative. Mr. KOJIOVE (France) agreed with the CHAIRMAN's interpretation of the French equivalent but remarked that the present text which refers to the prevention of a critical situation involves some difficulty inasmuch as it presumes that one can determine in advance whether or not a situation in the future is going to be "critical". Mr. R.J. SACKLE (United Kingdom) expressed the view that the word "critical", as well as "critique", covered the sort of situation mentioned by Mr. McCARTHY. He also thought that the deletion of the word would have the unfortunate result of making it possible to bring within the scope of this paragraph any essential product which might be scarce in any degree. Mr. J.J. DEUTSCH (Canada) agreed that the existing words - especially if account is taken of the fact that the text refers to the prevention of a critical situation - covers the case. Mr. L.C. WEBB (New Zealand) suggested that the word "serious" might be substituted for the word "critical". Mr. H. HAWKINS (United States) felt that the situation mentioned by Mr. McCARTHY was covered by the existing text, since that text refers to "prevention".

The CHAIRMAN suggested that there was no need to discuss the substitution of "serious" for "critical" in view of the statements that had been made. In the light of the discussion also the
CHAIRMAN stated, on behalf of the Commission, that the deletion of the word would give rise to difficulties in other directions. Mr. McCARTHY indicated that he would report the views expressed in Commission to his Government and in the meantime would not press his amendment.

**Paragraph 2(b)**

The Commission agreed with the suggestion of H. KOJEBE that the word "étalonnage" in the French text should be replaced by the words "contrôle de qualité".

The Commission agreed with the suggestion of Mr. SHACKLE that the words "under paragraph 6, Article, 22" should be retained.

**Paragraph 2(c)**

At the suggestion of Mr. SHACKLE the Commission agreed to retain note number 7 from the Sub-Committee's report setting forth the agreed understanding concerning the words "in any form". Mr. A. FAIVOVICH (Chile) reserved the position of his Delegation in view of the fact that the paragraph did not include "industrial products" as well as agricultural and fisheries products. He suggested also that some attempt should be made to define "like products". He added that fisheries should not be interpreted as including whale hunting. After some discussion, in the course of which Mr. E. RODRIGUES (Brazil) pointed out that many countries have special agencies for dealing with the definition of "like products", the Commission agreed that the definition of this term might be left to the International Trade Organization in the light of the practices of individual countries. Concerning the last point, after Mr. SHACKLE remarked that whale products were included in the fisheries category in the official statistics of the United Kingdom, it was agreed that the definition of the term "fisheries products" should also be left to the Organization.
Mr. N.J. WU (China) referred to three reservations previously made by the Chinese Delegation:

(1) concerning the interpretation of the term "special factors", on which the Chinese Delegation was now prepared to withdraw its reservation;

(2) concerning the amendment put forward in E/PC/T/W.75, which the Chinese Delegation would now replace by the amendment presented in E/PC/T/W.260; and

(3) concerning the amendment proposed by the Chinese Delegation in E/PC/T/W.260 whereby an additional sub-paragraph (d) would be added to paragraph 2 providing for the protection of particular industries or agricultural products deemed to be of vital importance to a Member.

With reference to this last reservation, Mr. WU maintained that the procedure envisaged was not covered by Articles 13, 13 (A) or 13 (B) in that in the present proposal prior consultation with the Organization would be unnecessary although a Member would be required to notify the Organization immediately. After some discussion, during the course of which the amendment was rejected by the Commission, the Chinese representative indicated that his Delegation would have to maintain its reservation in respect of this proposal.

In connection with the remarks of the Delegate of China concerning the term "special factors" the Commission, at the suggestion of Mr. SHACKLE, agreed that note number 2 in the Subcommittee's report defining this term should be retained.

Dr. G. GUTIERREZ (Cuba) presented a proposed amendment relating to the preamble of paragraph 2 (c) and the sub-paragraphs which follow (see Document E/PC/T/W. 208). He suggested that the
position of the Cuban Delegation would be met if, after sub-paragraph (c), the following sub-paragraph were to be inserted:

"Any import restriction for promoting the establishment, maintenance, development or reconstruction of an industry, or an agricultural or fishery production, provided that the quantitative restriction applied to imports does not exceed fifty per cent of the consumption of a given product in the domestic market."

The Cuban amendment was not accepted by the Commission.

Dr. GUTIERREZ indicated that his Delegation would have to maintain its reservation in respect of the subject of this amendment. Mr. FAIVOVICH indicated that the Chilean Delegation would eventually enter a similar reservation.

Paragraph 3

Mr. SHACKLE suggested that the concluding part of this paragraph should be clarified by changing it to read "... include restrictions by state-trading enterprises applied in a manner other than, or to an extent greater than, would be permissible under Section E of Chapter V". Mr. Z. AUGENTHALER (Czechoslovakia) expressed the view that this suggestion represented a formal amendment and that he would accordingly like to have the written text before discussing it. M. LUGUERN (France) agreed with Mr. AUGENTHALER. The CHAIRMAN indicated that discussion of this point would be resumed as soon as the text could be circulated by the Secretariat.

Article 27, paragraph 1

The Commission accepted the text proposed by the Legal Drafting Committee.

Paragraph 2, Preamble and sub-paragraph (a)

M. LUGUERN drew attention to a reservation which the French Delegation had previously made in respect of the omission of the words "as a result of international competition", or, alternatively,
"as a result of international trade based on commercial considerations". Mr. G.D.L. WHITE (New Zealand) felt that the point was already covered, so far as it could be, by note number 4 relating to Article 27 in the report of the Sub-committee. Mr. WHITE asked that this note be retained. Mr. MELANDER, as Chairman of the Sub-committee, expressed the view that the deletion of the words desired by the French Delegation did not really have a substantial effect. Mr. SHACKLE and Mr. HAWKINS agreed with the suggestion of the New Zealand representative. The CHAIRMAN then asked whether the representative of France would be ready to abandon his suggestion and to be satisfied with the retention of the note. M. LUGUERN, in order to avoid complicating the discussion, withdrew his suggestion. The Commission agreed to retain note number 4.

Sub-paragraphs 2 (b), 2 (c) and 2 (d)

Mr. AUGENTHALER drew attention to the reservation previously entered by the Czechoslovak Delegation in respect of import licenses under sub-paragraph (c). He withdrew this reservation provisionally subject to the subsequent acceptance by the Commission of paragraph 8 (ii) of Article 29.

Sub-paragraphs 3 (a), 3 (b) and 3 (c)

M. LUGUERN proposed that in the French text the words at the bottom of page 10 should read: "si le produit en question est en cours de route . . . l'entrée n'en sera pas refusée"; and that in the 20th line, page 11, the word "entrepôt" should be in the singular.

Mr. AUGENTHALER drew attention to the reservation of his Delegation concerning "public notice" in 3 (b) and (c). He indicated that his Delegation would maintain this reservation, at least until the World Conference.
Paragraph 4:

Dr. GUTTEREZ explained the amendment proposed by his Delegation in Document E/PC/T/W.259. Mr. HARKINS doubted that this provision would fit appropriately into the present context of this paragraph but indicated that the substance of the amendment was not unacceptable to him. Dr. GUTTEREZ felt that if the text of the present sub-paragraph were read in conjunction with the two sub-paragraphs to which it refers the amendment would seem to be warranted and appropriate, at least until some decision is taken on the question of confining all consultation provisions to an article in the Charter.

M. LUGERN felt that the amendment proposed by Dr. GUTTEREZ would introduce serious complications for exporters. Dr. GUTTEREZ was of the opinion that the procedure suggested in his amendment followed naturally from other provisions in the Charter and did not introduce any new complications.

Mr. ICELANDER indicated that he had no objection to the proposed amendment. The Commission accepted the Cuban amendment whereby the following words would be added at the end of sub-paragraph 4:

"... or for the elimination of conditions, formalities or any other provisions established unilaterally upon the allocation of an adequate quota or its unrestricted utilization."

The CUBAN indicated that, with the exception of the point raised by Mr. SHACKLE concerning the last sentence of Article 25, the Commission had now approved a text and accompanying notes for Articles 25 and 27. The amendment introduced by Mr. SHACKLE would be discussed at the afternoon meeting.

The meeting rose at 1.05 p.m.