
Mr. LEDDY (United States) wished to reserve the position of his government on paragraph 4 of Article 15.

Articles 28-36 and 38

Article 28, paragraph 3. The reference to Article VIII of the Articles of Agreement of the International Monetary Fund was made more precise by the insertion of the reference to Sections 2, 3 and 4 of Article VIII. The Representative of the International Monetary Fund pointed out that he was unable, at the present stage, to express an opinion on the implications of paragraph 1 of Article 38 on Articles 26, 28 and 29. The CHAIRMAN ruled that this statement should be included in the Report.

Article 30. Mr. SHACKLE (United Kingdom) wished to make a point relating particularly to the treatment of export subsidies under the draft General Agreement on Tariffs and Trade. The point was that, insofar as a particular country does not give a firm undertaking to abstain from export subsidies, that fact would inevitably be taken into consideration by other countries, such as the United Kingdom, in deciding what tariff concessions they could grant to the country concerned.

The CHAIRMAN ruled that this statement should be recorded in the minutes of the meeting.

/Article 32.
Article 32 was discussed on the basis of the draft (E/FC/T/C.6/W.86) presented by the ad hoc Sub-Committee composed of the Delegates for Canada, Chile, Czechoslovakia, New Zealand, United Kingdom and United States.

Mr. LEDDY explained that the wording of this Article expressed general principles only; the technique of negotiating price margins might not be practicable in the case of export monopolies.

The Committee adopted the text of this Article as drafted by the ad hoc Sub-Committee and decided to put into square brackets the words "from Members" in paragraph 3 for consideration at the Second Session, because it was felt that it could not have been intended to exclude imports from non-Members.

Considering the implications of Chapter VI (Restrictive Business Practices) on Articles 32 and 33, the Committee decided that it was not practicable to include in these articles provisions corresponding to those applying to private monopolies.

The Committee decided that the Commentary should be worded along these lines.

Article 32. The word "solely" in paragraph 3 was replaced by "mainly".

Article 33. It was decided to include this Article, as given in the United States Draft Charter, in square brackets in the text of the Charter.

Article 35. A number of delegates suggested the insertion of the words "without prejudicing the legitimate business interests of particular private or state trading enterprises" in paragraph 1 after the words "such information as will". Mr. BAYER (Czechoslovakia) was strongly in favour of the inclusion of these words which, he thought, expressed the intentions of the First Session. M. LECUYER (France) wished to have the text of the First Session restored.

The CHAIRMAN ruled that these views should be recorded in the Commentary to the Article.
Article 36. The Committee decided to insert this Article in the Commentary of the Report, using the wording from the United States Draft Charter, and to record the fact that this Article had not been discussed.

Mr. LACARTE (Executive Secretary) informed the Committee that the Second Session differed in character from the First, inasmuch as vital negotiations between governments would be carried on and the General Agreement on Tariffs and Trade would be signed. It would be necessary for governments to ensure that the delegates to the Second Session produced appropriate credentials in the form of full governmental powers. These credentials should be lodged with the Executive Secretary on the arrival of the delegates at Geneva and not sent to the Secretary-General’s Office at Lake Success.

The Executive Secretary suggested, and the Committee approved, that a press release should be put at the disposal of the press giving a full picture of the work of the Drafting Committee without quoting the text of the Report.

He further stated that it might not be possible to supply the delegates with as many copies of the mimeographed report as they might wish, and regretted that no air-mail edition of the printed Report could be produced.

The meeting was resumed at 3:00 p.m.

The Committee reviewed the Report on Chapter VI - document E/PC/T/C.6/98. The Delegate of South Africa withdrew his reservation, as recorded on page 3 under Item 1, but stressed that South Africa was greatly interested in the inclusion of services in Chapter VI and was maintaining this interest in the matter.

A discussion ensued on the issue whether in Article 39, paragraph 2(a), second line, the words "public or private commercial enterprises" should be used or merely, as the text had provided, "private commercial enterprises". The Delegate of Canada strongly advocated that it had all along been the intention of the First Session and of the Drafting Committee not to discriminate
discriminate between public and private monopolists and for this reason the words "public or" should be inserted before "private commercial enterprises." The Delegate of the United States seconded this view while the Delegate of the United Kingdom pointed out that the case envisaged by the Canadian Delegate was so rare in actual life that it did not warrant insertion of these words. The Committee agreed to insert the words "public or" between the words "more" and "private" in the first and second lines of Article 39, paragraph 2 (a) and the Delegate of the United Kingdom, recording his reservation, announced his intention to raise this issue at the Second Session.

The Delegate of Chile considered that the changes in paragraph 2 of Article 39 constituted a substantive amendment and preferred to express his final position in this matter at the Second Session.

With regard to Item 1 of the Specific Comments to Article 40, paragraph 1 (b) on page 9 of the Report, the Delegate of France moved for the deletion of this note and seconded the text proposed by the United Kingdom Delegate, as spelled out in the second paragraph of this note.

With respect to the text of Article 42, paragraph 1 (b), third line, the Delegate of the United Kingdom reserved his position with regard to the use of the words "determine appropriate action", suggesting this to be replaced by the word "in deciding as to".

The Committee decided on a number of changes in the commentary of Article 40, especially paragraph 1 (b) of Article 40, deleted the general comments of Articles 41 and 42, and changed parts of the comments of Article 41, paragraph 1.

In discussing the draft Tariff and Trade Agreement the CHAIRMAN explained that there was no necessity to go beyond referring this document as a working paper to the Second Session in the same manner as it had been decided for the Report of the Administrative Sub-Committee.
The Executive Secretary was instructed, according to his judgment, to slightly edit the introduction to the Tariff and Trade Agreement for the purpose of its publication in the Report.

The Committee then proceeded to review the Report on Chapter VIII - document E/PC/T/C.6/104.

The text of a number of Articles which had been changed by the Legal Drafting Sub-Committee, was reviewed and the Committee approved these texts in second reading. On the motion of the Delegate of the United States, the text of Article 76 was changed and made consistent with the text of Articles 75 and 77.

With respect to Article 70 the Committee discussed the desirability to make provision for the manner in which the functions of the Executive Board will be exercised while the Board is not in Session. The Delegate of the United States advocated a very broad provision in this respect, while the Delegate of Brazil referred to the proviso in the Articles of Agreement in the International Fund, according to which the Board of Directors is presumed to be always in Session. After the Delegate of South Africa expressed himself against opening a debate on this issue in the Drafting Committee, the Committee decided to refer this question to the Second Session and to insert a note to this effect in the Commentary of Article 70.

The Committee decided on a number of changes in the Commentary to Chapter VIII and deleted several comments which were felt to be unnecessary.

The Delegate of the United States expressed to the CHAIRMAN on behalf of the Committee and himself the great appreciation and admiration the Committee felt for the way in which the CHAIRMAN had discharged his difficult duties, and for the firm and yet flexible and understanding manner in which he had conducted the proceedings. The Delegate of South Africa also expressed to the Executive Secretary (Mr. LACARTE) the appreciation of the Committee for the work done by the Secretariat throughout the Session of the Drafting Committee.

/The CHAIRMAN
The CHAIRMAN expressed his gratitude for the work done by the chairmen and members of the Sub-Committees, reviewed the work and achievement of the Drafting Committee and closed the Session of the Drafting Committee.