The CHAIRMAN opened the continuation of the discussion of the General Agreement on Tariffs and Trade by stating the broad principles which might guide the Sub-Committee in these discussions.

As a general rule, the following three categories of articles should not be included in the General Agreement:

1. Articles of the Charter which laid down obligations concerning purely domestic policy.

2. Articles the implementation of which was dependent on the existence of the Organization.

3. Articles which provided for a certain period of grace before provisions are being put into effect.

The Sub-Committee discussed the question which Chapters of the Charter should be incorporated in the General Agreement and which should form part of the Declaration presented in a tentative draft by the United Kingdom Delegate (C.6/440). It was the general feeling that certain Chapters of the Charter could be included by reference in the Declaration, to be appended to the General Agreement, if the Declaration would state in definite terms that the parties to the General Agreement would "observe in their mutual relations, within the scope of the authority of each such Government,
Government, the principles and provisions" embodied in these various Chapters.

The CHAIRMAN suggested that a small drafting group including the Delegates for Australia, Brazil, France, the United Kingdom and the United States should examine the draft Declaration in conjunction with the paper prepared by the Secretariat (C.6/65) and report to the Sub-Committee.

The Sub-Committee approved the inclusion of the following Chapters of the Charter in the Declaration, with the understanding that if a certain Chapter was incorporated in any form in the Declaration, all reservations made by Delegates were automatically included:

Chapter I. (Purposes) after completion;

Chapter III. (Employment, Effective Demand and Economic Activity) with the exception of Article 4 which should be incorporated in the General Agreement.

Mr. LEDDY (United States) reserved the position of his Government on the question of the inclusion of Article 4 in the General Agreement. He explained that, although his Government fully subscribed to the provisions of this Article, the inclusion in the General Agreement was outside the executive authority and required action by legislative body.

Chapter IV. (Economic Development), except Article 13 which would be incorporated in the General Agreement;

Chapter VI. (Restrictive Business Practices);

Chapter VIII. (Inter-Governmental Commodity Arrangements); reference was made to the Resolution of the First Session of the Preparatory Committee (Report page 48, Annexure 9).

Chapter VIII. (Organization), reference was made to the United States paper (C.6/V.58).

The Delegates for China, Czechoslovakia and Norway wished to restrict the contents of the General Agreement to articles dealing with the most-favoured-nation treatment and tariffs and preferences, which usually formed /part
part of commercial treaties. The question may be raised again in connection with the United States paper (C.6/IV.58).

The CHAIRMAN thanked the Delegates for the United Kingdom and the United States for the preparation of the document mentioned in the discussion.

Next meeting: 12 February, 2:45 p.m.