THE CHAIRMAN: The meeting is open. I think we have covered the form of
the tariff schedules, so that now we have to discuss the status of preferen-
tial rates of duty.

MR. MCKINNON (Canada): To open the discussion I would refer to the last line
in paragraph 1. There appear to be two methods which might be followed: the
first method provides that

"The preferential rates still remaining might be incorporated in the
multilateral schedules, qualified by the requirement that they apply
only to the products of the countries receiving preferred treatment."
The second is:

"The preferential rates still remaining might be incorporated in separate
schedules which would apply only to the preferred countries."
The Rapporteur's comment is that except in cases where administrative consider-
ations make this impracticable, it is believed preferable to follow the first
of the two methods indicated, a single schedule containing both the most
favoured nation rate and the preferential rate would seem to facilitate the
work of both traders and governments. As a matter of the meaning of words,
I was not sure what the Rapporteur meant there by traders - you mean the
trade after its conclusion, as an easy means of reference to the rates?

THE RAPPORTEUR: It is just a method of presentation, so that you can see what
is there.

MR. MCKINNON (Canada): From our point of view we should much prefer to show the
most favoured nation rate in the schedules, and the preferential rates would
be shown in schedules relative to the countries concerned in the preferential
areas.

THE CHAIRMAN: You would favour the second method?

MR. MCKINNON (Canada): Yes.

THE CHAIRMAN: What is the opinion of the United Kingdom Delegate?

MR. SHACKLE (United Kingdom): I must confess that I had not thought this point
out closely, but I am inclined to agree with Mr. McKinnon. A point which
occurs to me is that, supposing that the kind of process which the United
States Delegation envisages, in which in certain instances the most favoured nation rate negotiated in favour of a country was to be automatically reduced, the reduction of the corresponding preferential rate would not be in your schedules. If you printed the most favoured nation rate on the one hand and the preferential rate on the other, it would be a misrepresentation of the position. The rate on which the most favoured nation rate would be charged would be something below the schedule's indicated most favoured nation rate. That would happen I think if you had a single schedule embracing both.
THE RAPPORTEUR: That is true, but that would not be misrepresentation exactly. It is true that the actual interpretation of the rates would not correspond with the maximum rate shown in the schedule.

THE CHAIRMAN: Has the Indian delegate any remark on this?

MR. ADARKAR (India): We would prefer the second alternative.

MR. VIDEÑA (Chile): I do not desire to say anything at the moment.

MR. GUERRA (Cuba): In general we would favour the first method; in order to make easier the handling of the tariff, but I would be glad if the Canadian delegate would explain the advantages which he sees in that. It may help me to form an opinion.

THE CHAIRMAN: It is simply a question of procedure, of what is the best thing here.

MR. MCKINNON (Canada): On that point, it is not a matter we need decide today at all, is it? It will be open to each country to adopt the method of showing the rates that it is granting in the manner that is most administrable from its point of view.

THE CHAIRMAN: I would prefer to have a common system, because that would facilitate the work of the Secretariat.

MR. MCKINNON (Canada): No, the Secretariat will not be doing the work until after it is all completed. That is to say, they will copy it.

MR. HAWKINS (US): As far as we are concerned we will vote with the majority, whichever way it is.

MR. MCKINNON (Canada): Mr. Deutsch is suggesting it should be left optional; that there is no necessity that everybody should follow exactly the same method of showing the rates.

MR. ADARKAR (India): I thought we were here considering only the form in which the agreed rates should be set out in the schedules to the agreement.

MR. MCKINNON (Canada): Yes, that is why we think it could be left optional.
MR. DEUTSCH (Canada): There is nothing to be accomplished by having one way or the other.

THE CHAIRMAN: Then it is just a question of which method could be decided upon after the tariff negotiations, and we should have to do that at the end of the meeting in Geneva, so perhaps we can put in here something like that.

MR. HAWKINS (US): Why not leave out the last paragraph and not pass on it now?

MR. McKINNON (Canada): Yes.

MR. SHAACKLE (UK): I presume that the order in which the agreements about tariffs would first emerge would be rather like ordinary bi-lateral trade agreements. They would be schedules as negotiated between certain named countries, and then there would be a further stage of consolidating the whole result into a single list, but in the first instance they would appear as separate agreements resulting from negotiations.

MR. McKINNON (Canada): Yes, that is the first stage. It is a question of whether in the second stage they are consolidated into a sort of mass list.

MR. HAWKINS (US): Well, I do not understand it really, because we have not covered this point of procedure yet, and I think we might hold it in abeyance and not anticipate it.

THE CHAIRMAN: Yes. Then we come to the very important point of Procedures for Conducting Negotiations among the Members of the Preparatory Committee. I have one question to ask here. What is it we are supposed to do? Do we in the first instance only put forward the commodities on which we are prepared to grant concessions, and in the same way mention the commodities for which we ask concessions, or do we have to mention the real concessions? Do we start at this moment only with saying that we want to negotiate on this and that? I ask this because we have here a reference to a schedule of proposed tariff concessions to all other Members. I think we have to be very
clear what is needed here.

MR. GUERRA (Cuba): I would like to ask, is the Second Session referred to here supposed to be the one in January?

MR. HAWKINS (US): No, April, in Geneva. Mr. Chairman, I think we might dispose of this little bit. As we see it, it would operate in this way. Between now and April, and certainly as early as possible, countries will be making requests of other countries for tariff concessions.

MR. McKINNON (Canada): Has not that been done in respect of what your people call List No. 1?

MR. HAWKINS (US): Yes, and then there is the list of rates, which will be the next list. The net result of the requests, put together, would be a list of specific requests for reductions on such and such products. Each country will get that from 17 others.

MR. McKINNON (Canada): When do you contemplate it? That is the problem.


THE RAPPORTEUR: I think so.

MR. McKINNON (Canada): To put it in terms of a particular country, so that it is easily illustrated, your demands from Canada, showing the actual rate you are requesting, will be received by us when?

THE RAPPORTEUR: December.

MR. McKINNON (Canada): And our demands upon you should be received by you then by December 15th.

MR. HAWKINS (US): Yes. So that by December 15th each country would have requests, products and rates from all the others. Now each country goes to work on that and formulates, in the light of those requests, a schedule of offers to all the countries, and that is put on the table at the opening of the April meeting and that is the basis for negotiation. You would have 17 of them on the table.
MR. GUERRA (Cuba): That is how I thought it would be, because if we only knew for the first time at Geneva the things that were being requested it would not be possible to get anywhere, and it would be very difficult for small countries which have not so many people to deal with those matters. I think it would be a good thing if we put something in here about December 15th.

THE CHAIRMAN: The first stage is that each member should submit a schedule of its proposed tariff concessions to all other members. I think the first stage is that we have just discussed; that is, what you ask from another country.

MR. McKINNON (Canada): The first stage really comes before that.

THE CHAIRMAN: And that would have to be done by a certain date and in very concrete form — that is, what you ask — and the second stage is that you prepare in the remaining three months what you are prepared to offer to countries, and that we should put point blank, cards on the table, no haggling, no horse-trading. We say "This is what we are asked; we are prepared to offer this". I think that should be very clear and should be incorporated in this Memorandum, otherwise there is a very great danger that in Geneva we will start very modestly, feeling our way, and say "Well, perhaps if I can consult my Government at home I may go somewhat further", and so on, and that would complicate matters to a very great extent.

MR. SCHACKLE (UK): I think there is a serious difficulty here. If you are to put down a schedule of proposed tariff concessions you can only do that on some assumption. What is that assumption to be? Is it that all your requests to the other countries are granted? If not, what could it be?

MR. HAWKINS (US): It is not a schedule of firm offers in the sense that you are committed to it from the moment you lay it down. It is all assumptions, and you cannot verify those assumptions until you look at the other 17. The first week or two would be
taken up with going away with the schedules and looking them over, and then coming back and looking for advances in the other fellow's schedules.

MR. MCKINNON (Canada): Can we meet the point by enlarging the first paragraph in this way: "Lists of concessions requested having been exchanged by December 15th, each Member should at the opening of the Second Session submit a schedule of the proposed concessions"? That is the meaning, is it not?

THE RAPPORTEUR: Yes.
MR GUERRA (Cuba): Mr Chairman, I agree that the first stage should be as to what we should ask for, and I think that it would be very helpful to make it possible for everyone to see what his position is and at the same time we forward what we have to offer in return for that.

THE CHAIRMAN: It raises a very important point and I think a difficult point, especially for those countries which have to rebuild the whole of their administration after the war. The question is: Is this list definite? Are we allowed to add anything more to it, or is it a provisional list, because I think that is also a point we have to decide here.

MR HAWKINS (USA): I should think it would always be open to add to it.

THE CHAIRMAN: Then I think it is a good thing to put that in the paper.

MR GUERRA (Cuba): Either add to it or subtract from it. It is only an initial basis for negotiation.

MR HAWKINS (USA): The only thing is, I think, that it should be stressed that any offers should be put in as soon as possible, without making it absolutely rigid, so that there is time for countries to consider the position before they formulate their own offers.

THE CHAIRMAN: I think we would like to have some sort of time limit. Of course, in exceptional cases you can still bring forward requests, and you may find that when you receive the list from some other countries - especially the cases of those countries which have been out of touch with world trade during the war - it will be necessary to allow them further time. So that I think we have to put in something to cover that aspect of the matter. Then the second remark I would like to make is that with regard to the concessions offered it would be very wise if you could have that before the meeting really starts, so that you will be able to give the Secretariat a chance really to put this list in a common form that would facilitate the proceedings later on. Therefore, when we meet on April 8th, I think it would be a very wise thing that March 20th should be the deadline.

MR McKINNON (Canada): We had not conceived that these lists would go to
the Secretariat at all. Surely they would be only shown the countries with whom one was negotiating, at the start at any rate.

MR HAWKINS (USA): That is all of them - all seventeen of them.

THE CHAIRMAN: Yes, all the countries.

MR McKINNON (Canada): Not necessarily.

MR HAWKINS (USA): Yes, one schedule.

MR McKINNON (Canada): I wonder if it would be one schedule in the early stages?

MR HAWKINS (USA): That was the idea. Then you see other countries will look at that from the point of view of how it is affecting them; they will look at it simultaneously, and if they do not like what is offered they can take it up on this point.

MR ADARKAR (India): One schedule for all the seventeen countries?

MR HAWKINS (USA): Yes. They would not be labelled by countries, and in our case it would run right down through the Tariff Act.

THE CHAIRMAN: Only you would say that you would, in principle, negotiate with that country and that country on that concession.

MR HAWKINS (USA): That would be automatic because if we put our offers on the table we are naturally quite happy; but it is other countries that might have questions about them and they can take those up with us.

THE CHAIRMAN: But you will follow the principal supplier rule?

MR HAWKINS (USA): Yes; you can do that in making up your original list.

THE CHAIRMAN: Yes. If you do not compile and coordinate all those lists you have to do that following the principal supplier rule and you say, "You are supposed to trade with that country and with that country on this and this concession, according to the principal supplier rule." Would that be so or not?

MR HAWKINS (USA): Not necessarily.

THE CHAIRMAN: Because you want to facilitate the proceedings; you want to have these negotiations as simple as possible. Therefore, I am a little bit in the dark myself as to what you really mean.
MR ADARKAR (India): Mr Chairman, I think it would be necessary to have a separate schedule for each of the countries from whom a country wants concessions for this reason, that the principal supplier rule would then be more easily applicable, and that would simplify the procedure, and for the other reason, that when you come to specify the actual rates you desire, it will be necessary to specify more or less the actual tariff items in the tariffs of the various countries, and for that also it will be necessary to prepare a separate list of demands for each country.

THE CHAIRMAN: But I still wonder whether we could not have at the earliest possible moment a kind of Steering Committee for these negotiations, because I think that if we have all these lists on the table and we have to find a starting point in all these difficult negotiations, we shall find ourselves in great difficulties. We have to find a starting point in all these negotiations, so that we can see what will be the main lines to be followed in these negotiations, following and subject to the principal supplier rule. So that I think perhaps it would be wise to have a Steering Committee for that.

MR MCKINNON (Canada): What would the Steering Committee do, Mr Chairman?

THE CHAIRMAN: It would facilitate procedures for the various countries when negotiating with this and that country on this and that item, in the first instance, following the principal supplier rule.

MR MCKINNON (Canada): But I do not think that we should be tied down in advance to any method of negotiation; that will arise at Genoa, according to the conditions we meet there.

THE CHAIRMAN: My only point is that we are supposed to deal, in about four months' time, with I do not know how many simultaneous negotiations, and if you do not have a kind of steering committee there we will be sunk. That is always a point that has troubled me.

MR SHACKLE (UK): Mr Chairman, it is very difficult to see how you can get any result out of these negotiations unless each time, as it were, between each pair of countries, you have the results in a sort of self-
contained provisional understanding in the first place. One quite sees that that will have to be reduced later on, but will not it become most complicated if you do not have these provisional understandings between pairs of countries in the first instance? I am thinking entirely in the air now and without any authority, but is not that almost a necessary first phase?

MR GUERRA (Cuba): Mr Chairman, I think there are two things here: the first thing is this, that I think that if the negotiations are going to be simultaneous - and they cannot be otherwise - every country will necessarily have a list of requests for concessions that every other country makes from every other, because if each one will consent to the others everything will be completely interrelated. For instance, if Canada is going to negotiate with the United States on some item, we have to know, for our negotiations with Canada and with the United States, what Canada and the United States are dealing with; so that, necessarily, the first thing is to have clear views regarding particular products. The negotiations themselves may eventually proceed first between certain particular countries and the information regarding the general question of requests and the general concessions contemplated for each country will have to be given to every one of the countries participating, because otherwise you cannot have simultaneous negotiations and you cannot tell what your position is likely to be. You will not know what you are going to give to any one country, whether it be through direct negotiation or otherwise. So that, in the first place, there will have to be generally distributed a list covering every country and what they are prepared to do and that will have to go to all seventeen countries. That is the first thing. The second thing is that I think it will be necessary, if we are not going to spend too many years conducting these negotiations, to have some kind of steering committee in the sense of putting some sort of order into the procedure of the negotiations, because it may be necessary, taking a particular product with which we in Cuba are familiar - sugar - to have negotiations in regard to that product with two or three countries.
who may be the principal suppliers of that product. Therefore, I think that the lists of requests of certain countries may probably be quite small because some countries are mainly interested in a limited number of products, and it may be impossible to speed up the negotiations in that form, so that it will be necessary to set up certain forms of procedure or a certain order in the discussion and in the actual proceedings of the negotiations, if we are going to get anywhere; otherwise we shall get all mixed up and we shall be discussing entirely different things. We cannot go country by country; I think we have to do it product by product, in the sense that one product will be finally settled for all countries, and then proceed to other groups of products, so that a certain order will be established. Otherwise, we shall be in a sort of free-for-all situation, and a real mess.
I have given some thought to this, and I think we have to choose between two systems. One would be to choose countries which would start the initial negotiations while the others would await their result. For instance, the United States might start by saying "We want to take this in this way. Here is our list. We are one of the countries which are supposed to make real concessions, so we will start negotiating." That country then makes a choice of the other countries and the commodities with which it wishes to trade. After that, perhaps the British Commonwealth of Nations, being in a peculiar position by reason of Imperial preferences, might do the same insofar as they are not covered by the first series of negotiations in which the United States is the principal participant. Or it could be done in the way suggested by the Cuban delegate (Senor Guerra), product by product, taking all the complications of the special product, whether most-favored-nation rates or preferential rates, into account.

We must make a choice of how we shall proceed with these negotiations, and I think that can only be done by a steering committee going over a list and deciding which is the best way to tackle it in order to save time and to get quick results. I am afraid that if we wait until we get to Geneva, we shall lose a month simply settling procedure. That is what is worrying me. It is not so much my country because we shall not be the principal supplier for many articles, so it may be quite simple for us.

MR. McKINNON (Canada): When you say that we shall lose a month, Mr. Chairman, is that based upon the conception that the steering committee would be working before we start at Geneva? Perhaps a month before?

THE CHAIRMAN: A few weeks.

Mr. McKINNON (Canada): Perhaps we shall need a steering committee, or
something similar, once we start negotiating at Geneva, but I cannot see what a steering committee would do before we are there and ready to negotiate.

THE CHAIRMAN: If we had a deadline, say 20th March, that would be the time when the secretariat would have all the papers in its possession.

MR. MCKINNON (Canada): And turn them over to a steering committee?

THE CHAIRMAN: Yes.

MR. MCKINNON (Canada): I think that would be bad.

THE CHAIRMAN: Otherwise some of the delegations may kick their heels for a few weeks. It is very important that we should know exactly how we want to deal with this.

SEÑOR GUERRA (Cuba): Another alternative to a steering committee is to set up a kind of exchange, on the floor of which everybody would be dealing with a certain product, and would have to keep the delegates informed of what was going on between the different people negotiating. We must have something which will put some order into it in order to speed up the negotiations otherwise you must make a sort of exchange and say, "We are going to discuss wheat". Then one country will offer some, another country will offer something else, and they will get together on agreement. One of those things will have to be done.

THE CHAIRMAN: M. Lecuyer has asked to say something, and then I will ask Mr. Adarkar to speak.

M. LECUYER (France) (Interpretation): I think we should discuss this from a practical point of view. As I understand it, there have been two suggestions. The first is to have negotiations between country and country, the other is to have negotiations product by product. The chief practical consideration is the number of negotiations which the different countries will be able to provide. I see the necessity for several teams, and not every country could send more than one. Of course it would be very
easy for the United States to have a number of teams, but it might be rather difficult for other countries to have more than one team of negotiators to bring to the Conference. To take the case of Franco. We might have a maximum of two teams, but supposing we have one team. This one team would be insufficient to cover product by product but could be used in the following way. Imagine that the United States had, say, 8 or 10 different teams. Opposite those teams there would be a team for each of the different countries, and we would begin bilateral negotiations in this way: it would be country by country but, of course, inside those countries it would be distribution by products. For instance, France would reserve a certain number of products which they wanted to discuss first with the United States. Other products would be reserved, say, for Belgium or the Netherlands. It would start with bilateral trade negotiation which would later be multilateral. It will be necessary for the conductor to allow this kind of bilateral negotiation, country by country, taking into consideration the products and their extent. I agree with the Chairman that a steering committee would be necessary, and if such a committee only came into effect in the spring, I am afraid it would be extremely difficult to start. With regard to the objection of the Canadian delegate, this steering committee would only have to collate all the papers that came in, but if they have to start only at the beginning of the spring Conference, I am afraid it would complicate matters for quite a time.

S follows.
MR KCKINNON (Canada): The Delegate of France has expressed our position so well; I would just like to state that. May I put it in my own words? We will come to Geneva having received from 17 other countries 17 lists of requests for concessions. We will bring with us 17 lists of offers in return. Surely we will not show those 17 lists to 17 countries? We will show the United States list to the United States Delegation; we will show the French list to the French Delegation. It is quite possible that some of the countries who have smaller trading history and therefore have less to negotiate with in respect of items, may wait around for a week or two, but the will be gradually brought in as the larger trading countries get well into their negotiations. In that way, as Mr Lecuyer correctly says, it will be a series of bilateral negotiations, but the exchange of lists surely will be between the country on the one hand and the particular ones from which it has received lists on the other hand, and not at all product by product. If we get into it product by product, most of us could not field teams big enough to deal with all the problems that will come up early in the negotiations.

THE CHAIRMAN: I do still feel one difficulty. We are going to adopt the principal supplier rule -- the multilateral rule; not the unilateral? We do not choose it ourselves. As far as I always understood, every country would try to make certain requests to certain countries, following this rule. But still, what would be the harm done if you showed the lists of concessions asked for different countries to the whole meeting? I think I cannot follow you there at the moment, because if we adopt the principal supplier rule we will bring the negotiations into certain betterance. You will have to decide which countries will have to negotiate, and how the others will be brought into these negotiations gradually. I think you will find that we are brought into these negotiations when special commodities are discussed with certain country. Therefore, I still do feel that if you would have a steering committee with all the information available to it, you would have quicker results and more orderly procedure than if it were left to every country itself to do this and that. That, I think, is the main point I raise here.
MR McKINNON (Canada): We are agreed as regards a steering committee when you get to Geneva, but its duty will be largely with regard to timetables.

THE CHAIRMAN: I think that before we have the full Delegations and necessary equipment available, in Geneva, you need that steering committee to deal with it perhaps two weeks from a certain deadline, with all the information available. But as it will be a very heavy burden on the Secretariat to prepare for this Tariff Conference, I think it would be useful to hear Mr Lacarte's argument.

MR LACARTE: Might I revert to a suggestion you made that a list of the concessions which each country is ready to make be circulated before the beginning of the meeting. I see one advantage in that, although I think I also see a disadvantage. The advantage, as I see it, is this, that if you do otherwise you will not prepare Delegations; they cannot very well foresee what concessions are going to be offered then; so that when your meeting starts, if it is only then that each Delegation is presented with a list of concessions, it is going to have to study them, and it may have to refer back home, and I do not see how we could avoid that certain loss of time at the beginning of the meeting if that procedure were adopted.

It has just occurred to me that some arrangement might be devised whereby countries would only circulate its list of proposed concessions to whatever other countries it wanted to negotiate with in the first instance.

MR McKINNON (Canada): That is our point, Mr Lacarte, that we would make our reply to the particular country interested; maybe half a dozen in the first week. In due course the lists would be consolidated. There is no question of that.

MR LACARTE: The point I make is: would you, for example, be agreeable to Canada's list of proposed concessions on the part of Canada being circulated previous to the meeting to whatever countries Canada chose to negotiate with. It seems to me that that would give each country an opportunity, say one two or three weeks before the meeting, to consider the concessions that were offered, to get instructions from home or to consider it at home, and then to reach Geneva with some sort of idea of its attitude towards the concessions
that were offered it. If you do not do that, you will have to do that in
Geneva, and then the real work will not start until April 25th or later.

MR MCKINNON (Canada): May I ask one question? Presumably we might get lists
of requests from the 17; therefore we should prepare lists of replies for
the 17. It would not be very proper to say we want those replies to go
only to four of the 17, would it? From your point of view, that would be a
peculiar distinction to make.

MR LACARTE: From the Secretariat's point of view, I think the situation is this:
all we are worrying about is getting the thing under way as quickly as possible
and with as little loss of time, if everybody here and Committee II are
happy with that procedure of only giving your lists to some people.

MR ADARKAR (India): To express our opinion on these various points would mean
some inconvenience to the Committee, because several points have been raised
during the course of discussion and it will be necessary to touch on all of
them. In the first instance, two alternative methods of negotiation were
discussed; one is product by product and the other is between pairs of
countries. It seems to me that negotiations product by product would not merely
require a large number of negotiating teams, but it would also be contrary
to the rule that these negotiations are to proceed on a mutually advantageous
basis. If the product by product method is adopted, there will have to be
simultaneous negotiations. There will have to be simultaneous negotiations
in respect of each individual product, and a country which is asked to lower
tariffs on that product will have no opportunity to know at that time what
concession it is going to get in return from the various other countries
which are asking for that concession. There will therefore develop a tendency
to assess the value of each by some arbitrary criterion instead of by the
criterion of mutually advantageous basis. If the mutually advantageous rule
to be strictly adhered to, I think it is inevitable that negotiations should
conducted in pairs of countries or in smaller groups of two or three countries
in the first instance.
Secondly, the steering committee - or any body, whether it is the Secretariat or the steering committee which performs similar functions - will have to draw up a time-table. Also, it will not merely draw up a time-table and say that on the 8th April there will be a meeting between the Delegates of the United States, Canada and the United Kingdom. If that meeting is to convey anything to other countries, then other countries must also know what are the products in respect of which the negotiations are going to take place. The steering committee will not merely have to set forward the time-table of the meetings, but will also have to give some indication, in respect of each meeting, of the products which are going to be the subject of negotiations at the meetings.

That is to say, the steering committee will have to decide what are the products in respect of which the negotiating countries are the principal suppliers. From that point of view it will be of advantage if each country submits to each of the other countries a separate list - the list being composed of the products of which the country was the principal supplier to that particular country. That would facilitate the work.

So far as the lists are concerned, it will be of advantage if when each country forwards its own lists to other countries simultaneously forwards a copy to the Secretariat. That is to say, if country A has prepared a list for each of the other 17 countries - B, C, D, E, F and so on - then when forwarding the list to B it should simultaneously forward a copy to the Secretariat, and when sending a list to C it sends a copy to the Secretariat. The Secretariat would then collect the lists, and in good time before the Geneva meeting it would prepare a consolidated compilation for each country, showing the concessions which are demanded of that country by other countries, and would circulate that compilation to the other countries. Thus, each country would know not merely what requests were being made of it by other countries but what requests were being made of each of the other countries by various countries. There may be some objection in disclosing to other countries the concessions which each country is going to offer. I believe there should be less objection
to disclosing the list of demands than to disclosing the list of offers, so there is some point in what Mr. McKinnon says, that it may be embarrassing to disclose one's list of offers to countries and they may be disclosed only to countries with which negotiations are to take place. But there should be no objection to disclosing demands which are being made on that country - in this case Canada - by other countries.

Thirdly, with regard to the date, I think 15th December is going to be rather early as the last date for sending lists.

THE CHAIRMAN: We have to do two things, one in regard to the demands and the other in regard to the concessions offered. I think we should now discuss the lists of demands.

MR. ADARKAR (India): 15th December is going to be the last date for sending in demands?

MR. McKINNON (Canada): No. Mr. Hawkins expressed the opinion that it should be the target, and that it should be adhered to as reasonably close as possible.

(Deputy Executive Secretary): May I take up a point mentioned by the Indian Delegate?

He was not sure whether the scheduling of these bilateral meetings between countries would be left to the Secretariat or to a tariff steering committee - as it occurs to me it might be called. It seems to me that it would definitely have to be a tariff steering committee, on which every country would be represented, because I am not quite convinced that this would be merely a question of scheduling meetings. I think we want to get the negotiations arranged in such a way that the main countries and the main products are dealt with in the initial stage. Once you get that agreed the rest is merely filling in gaps - we hope. That seems to me to be work of substance. You have to get the agreement of countries to negotiate certain products with certain countries before you actually arrange for them to do so. That occurs to me to be a very delicate task which should be left to Delegations themselves. That is just a thought which I mention for consideration.
THE CHAIRMAN: Perhaps I might make a further remark before we ask Mr. Hawkins for his comments or discuss it any further. I do not share the fear that if you circulate the concessions you offer to different countries that would endanger your negotiating position.

MR. McKINNON (Canada): Do you fear premature publicity of it?

THE CHAIRMAN: It would not be published. It would simply be put on the table in Geneva when we come together. Any country in a difficult negotiating position will, of course, seek its partners in the negotiations, and will inform them what had been requested of them and what had been offered in return. You will never be able to keep the thing secret. It will be a multilateral negotiation. I think it is much better to put our cards on the table, and for everybody to know, when we have multilateral negotiations. Even if you divide it into negotiations between different countries others would hear anyway from, as it were, the side entrance. It is much better to know everything beforehand.

MR. McKINNON (Canada): Suppose we file them beforehand, and suppose we file our replies to the 17 countries three weeks beforehand, and suppose there should happen to be a leak. Suppose the Canadian reply to any of these countries - particularly, say, the United States - were to appear in the papers before the negotiations started. I do not think there would be any negotiations.

THE CHAIRMAN: I would just make a comment on what Mr. Lacarte said. He said all the countries may be represented in the steering committee. I do not know whether that is necessary. For my part, I certainly would not insist on that. I would rather have four or five representatives of Delegations whom we know - perhaps from this Conference - in whom I have confidence to whom we could say: "Now you boys come together and settle things and advise the Secretariat how to deal with this." I would be prepared to accept that point-blank; and they would then be responsible to see that no leakages occurred.

MR. McKINNON (Canada): But surely, Mr. Chairman, you are misunderstanding me.
The publicity of which I am speaking, and the possible leak, would occur three weeks before the steering committee comes into being.

THE CHAIRMAN: I would like the steering committee to be in being before we meet officially with all the others. That was the idea I had in mind — to prevent Delegations having to be there, because they may have difficulty in sparing people to go.

Mr. McKINNON (Canada): We cannot spare one for the steering committee if you want him there ahead of the 8th April.

THE CHAIRMAN: We would be prepared to have one there if need be, speaking on my own responsibility, to be in Geneva for a few weeks, which might help us to work much better.

Mr. LACARTE (Deputy Executive Secretary): Might I put a query to Mr. McKinnon? I am not trying to take up a stand on any point, but merely trying to get things clear from the Secretariat's selfish point of view. As I understand it, your view at the moment would be that in the process of negotiations once the meetings had started between, say, Canada and Cuba what went on between Canada and Cuba would be kept to those two countries. That is your present view?
MR. HAWKINS (United States): In Geneva.

MR. IXKINNON (Canada): That is all right.

MR. HAWKINS (United States): That is the way the procedure will work out.

One says, "You have given one concession — maybe a dozen — we do not think that is quite enough, we will get in touch with you and talk with you," and the other replies, "That is fine, we have something to talk to you about too." And you arrange it. That process goes on all round the circle — it would last a long time, it is true. The essential point, and this is indispensable, is that there should be a list of offers from each country not later than the opening date of the meeting.

MR. IXKINNON (Canada): That is all right; we have never departed from that.

The suggestion is that it be no less than three weeks before the opening meeting.

THE CHAIRMAN: I may perhaps change that proposal. I think my idea was this: what are we expected to do in Geneva? We start with tariff negotiations, then after a few weeks we see whether those things are going on all right or not. The we get the other representatives to come again to discuss the Charter, because certain parts of the Charter will have to be adopted by the Governments at the Geneva Conference, which again needs a number of people to take part in those discussions and perhaps even negotiations. What I am very concerned about is this. We have been here six weeks and at this moment we have to force out proceedings because we are expected home. Thus at very difficult stages of our negotiations we have to rush them. We shall have the same problem with the meeting in Geneva. What I would like would be that we should clearly have in mind that when we come together in Geneva, whether on the formal opening date of the Conference or three weeks before, on 20th March, or something like that — it is to be settled by the people who organise the conference — but when we first start, with a few people available. There is no need for these big delegations. We get the Steering Committee there and that Steering Committee sees the whole
picture, studies it and makes the programme for the negotiations. These negotiations start, choosing certain countries to open the ball, and after the first dances we see whether we have a community party or not. Then we know whether, at this time, to have the second part of our discussions; we can then ask the other people to come to Geneva, who can stay at home for the time being if they are not in at these special tariff negotiations. We discuss the main parts of the Charter that will have to be formally adopted. In the meantime we broaden the field of these tariff negotiations and in that way we can make a success of the conference in Geneva. What I am terribly afraid of is, all these big delegations arriving in Geneva without proper guidance about what they are expected to do. They would start to discuss everything and there would be a growing confusion. It would wreck the whole thing from the beginning.
MR. McKINNON (Canada): If your conception of the Steering Committee is a Procedure Committee, then we do not care how long before Geneva it meets, as long as we do not give the Steering Committee our replies to the lists of demands.

THE CHAIRMAN: But again I say, if you have a Procedure Committee, how can the Procedure Committee deal with this thing if it has not got the particulars before it? For my country, I say I would not mind if we had a few people there acting in conformity with the reasons for which they were there, to deal with this problem. What difference does it make? I cannot see that we can endanger our negotiating position with them.

MR. HAWKINS (US): I should like to suggest, in response to one of your comments, that what the various delegations would do would not be very much in doubt. If all these schedules were put on the table at once they would take them back to their offices and start looking them over and trying to reach an opinion as to whether they were satisfactory or not and what countries they had to confer with. That would operate automatically, so they would be busy right from the start, even if there was no organizational step taken whatever. That is not an argument against a Steering Committee. There are probably innumerable procedural questions that ought to be dealt with.

MR. McKINNON (Canada): We have no objection if it is just on procedure.

MR. LACARTE: The point I was making was whether we could, by previous circulation, in some way avoid the stage to which Mr. Hawkins has just made reference.

MR. McKINNON (Canada): No, I think you cannot.

MR. HAWKINS (US): The only way you can do it is to start your Conference earlier.

MR. SHACKLE (UK): There is one thing I would like to say, Mr. Chairman. I am a little bit worried about whether it will be possible, by the sort of starting date which is envisaged, to
have those lists of offers ready. I can hardly imagine anybody has even started on them yet. It may be that a lot of the schedules of requests have not yet been received, and particularly the itemised requests, and until all those itemised requests have been received countries cannot even start to draw up their lists of offers. It does seem to me it is distinctly doubtful whether a good many countries will be in a position to have their consolidated offers ready for the 8th April.

MR. HAWKINS (US): I do not think the working offices will necessarily have to wait for all the requests. You can do a lot of anticipatory work before you actually get the requests, and then you can check what you have included against the requests, to make sure you have not left anything out.

MR. McKINNON (Canada): Even so, I think the last sentence but one of paragraph 1 might be deleted. It does not apply to the Canadian delegation and I doubt whether it applies to many round this table. The point is, to get them in preparation.

MR. HAWKINS (US): As far as American preparation is concerned, as you probably know we are actually starting very shortly now on a list which is approximately three-quarters of our entire items. That is in preparation for this list to be put in in April.

MR. ADARKAR (India): Mr. Chairman, we have disposed of the question of whether lists of offers are to be disclosed and when they are to be disclosed, but I do not think the same objection applies to lists of demands.

MR. BUTCHER (Canada): No.

MR. ADARKAR (India): So each country could send a copy of its list of demands to the Secretariat and it could make them available to all countries.

MR. McKINNON (Canada): Yes, there is no objection to that.
THE CHAIRMAN: Let me get this clear about the first stage of the proceedings. We have a list of demands. That list of demands should be sent in as soon as possible. We have mentioned a date - the 15th December, we think - for a provisional list which could be adopted, but you could have an additional list later on. Even after this Conference, which has given our people some ideas, we could go into that further. So we should have in the interval before the Geneva Conference the possibility of sending in additional lists. After that time the Secretariat should be the centre which receives all the copies of these lists, studies them, tries to combine them and to give proper advice to any Steering Committee or whatever it is we have in Geneva. Now there is only one point: will every country then send through diplomatic channels a copy of its list to all the other participating countries, or will we leave that to the Secretariat? I think that is a point to decide here.

MR. ADARKAR (India): I think it is much better that each country should send a copy of its list to all the countries concerned. India should send a copy to the United States, for instance, and a copy to the Secretariat, and the Secretariat combines that list received from India in respect of the United States with lists received from other countries.

THE CHAIRMAN: In that case we should draft this Memorandum accordingly, if there is general agreement on that?

MR. McKINNON: Yes.

THE RAPPORTEUR: I should like to make a suggestion on that, Mr. Chairman. I wonder very much whether it will be feasible to combine the lists. If you try to combine them you will have to await transmittal until they are all in. I suggest that when any country sends a list of requests to another country it sends it to the Secretariat for process and distribution to all.

THE CHAIRMAN: Yes.

MR. McKINNON (Canada): Sure.
THE CHAIRMAN: If there is general agreement on that we will change the draft Memorandum accordingly.

MR. McKINNON (Canada): And it should be understood we are now talking of the demands. We mean even the second demand list with the actual requested rate shown in it.

THE CHAIRMAN: Yes. Then we come to the second part of it. That is, our offers.

MR. ALAMILLA (Cuba): I would like to put two questions here. First of all, I think there is one thing every country should have if it can get it, but it is not going to be easy: that is, I believe each country should send a copy of their own tariff to everyone else. It will then be something that all the others will be able to see. My second point is, when I make a demand should I make a specific demand and say "You must reduce your tariff from this to this", or just say that I want a substantial reduction of this specific item? You will have to say the rate.

MR. HAWKINS (US): Yes, name the rate.

MR. ALAMILLA (Cuba): In order to do that I must know first of all exactly what the rates of everybody else are.

THE CHAIRMAN: Here you have one special difficulty, for instance. The Netherlands-Belgium Customs Union will perhaps be able to submit its new tariff at the end of this year, but not before that, because it has to pass through the States-General.

MR. McKINNON (Canada): We shall have to guess at it.

THE CHAIRMAN: We can perhaps try to get some approval of it and we can send a provisional list beforehand, subject to approval by the States-General, but there is a certain difficulty there for us. I think France is in an even worse difficulty, because they are still busy in changing their tariffs from specific duties to ad valorem duties. Perhaps M. Lecuyer can tell us when he would be able to send an indication of his new tariffs to the members concerned. I do not know whether other countries are in the same difficulty, but you will find it
mostly in the European countries that have to cope with the aftermath of the war.

MR. GUERRA (Cuba): There is another difficulty, that even countries like ours usually had the tariffs of many other countries, but there have been many changes in rates during the war, usually by way of increasing the rates, and due to the difficulties of war-time we have not been able to get that information. In that regard the schedule may become out of date, and then we will be requesting something that is no longer the same, because the tariff has been changed.

THE CHAIRMAN: Here we shall have to say, as I said before, that they are provisional lists. We will close them before the Conference, and even at the Conference in exceptional circumstances we can come with other requests on account of information received, but we have to try to facilitate the proceedings as much as possible by sending them our lists as soon as possible and then adding to them if necessary, even item by item. It will put a burden on the Secretariat, but we should not mind that; we should just go on sending information, and asking for things if we have other things to ask for.

MR. VIDELA (Chile): And you will send yours to everybody, too?

THE CHAIRMAN: Yes, we shall have to do that.
I know that it would be very hard work when we go home - I am faced with the same problem - and that if I do not send then in then I have no requests to ask. That is the only way. Then I think that we should also put in the memorandum that the lists we send to every country should show the existing rate as far as we visualize it at the moment, because we have not exact information, and then the amount of requests with any increases we are asking for; so that we know that if we have a request based on a wrong supposition, it can be corrected by the other party.

THE RAPPORTEUR: And also it would prevent a lot of other countries having to look up the existing rate, because countries will automatically find out what the existing rate is, and they might as well show that information which will save a lot of work later on.

MR SHACKLE (UK): Are you referring to lists of offers or requests?

THE RAPPORTEUR: No, requests. As for offers, I should think the list of offers in our case would mean that we would automatically show-

THE CHAIRMAN: We want now to settle the question of requests.

MR GUERRA (Cuba): There is an important point here, and I think that it is closely connected with this, because before we discuss the question of making separate schedules for preferences, should those separate schedules for preferences be handed to other people, too? For instance, we may be offering a reduction in tariffs to France in regard to certain groups of commodities, and at the same time, for instance, our negotiations with the United States might not contemplate the complete elimination of preferential treatment which they enjoyed in our markets - this is just supposition, of course, - they might still retain some margin of preference, and should that schedule of preferences also be handed to France in order that they can weight the advantage they are getting in comparison with the preferential country?

THE CHAIRMAN: Now you are talking about requests or concessions?

MR GUERRA (Cuba): I am talking about concessions.

THE CHAIRMAN: That is another point. We are discussing now only requests.
Are we all agreed on the procedure to be followed with regard to requests?

MR GUERRA (Cuba): There is only one point, and that is that December 15th is too early a date.

THE CHAIRMAN: I have covered that before. I said that that will be a provisional date, and you will be entitled to send in additional lists.

MR GUERRA (Cuba): But even so, December 15th is less than a month ahead. Before we came here we appointed a special commission to work on all these statistical data including the tariffs that other countries have to study and work on in detail. We do not think that that work will be finished before the end of the year. The earliest date for us would be the end of January, which would be two months before the Geneva meeting. But December 15th is too early.

MR HAWKINS (USA): December 15th is a target date, and I think it would be as well to hold the target to that date, realizing that there may be cases where it cannot be met, but there may be many who can do it, and therefore countries that do receive lists can get to work upon them then.

THE CHAIRMAN: I had still thought that we might meet in March, or something like that, but now we have agreed to the 8th April, which has perhaps some advantage, because there is no advantage in having a target date which one knows before hand one cannot keep. Could we make the date for receiving the lists the 31st December, so that we might perhaps get more. This Conference is lasting longer than we thought at first, so that I think we should take that into account and make it 31st December for the first target date. Is that agreeable?

MR LACARTE: Mr Chairman, is it intended that countries should specify whether any or all of their demands they think have special importance? Is it intended that they should in a way establish preference between their various demands on other countries?

THE CHAIRMAN: No, you cannot do that before you know the whole position.

MR GUERRA (Cuba): That would be to disclose their position.
THE RAPPORTEUR: Everybody knows how they are, anyhow.

THE CHAIRMAN: If that is then agreed, the draft will be adopted accordingly.

Then we come to the question of the concessions.

MR McKINNON (Canada): Mr Chairman, did we deal with the Rapporteur's question, namely, that, in respect of lists of requests, each country putting in such a list to any other country will file it with those countries and with the Secretariat?

THE CHAIRMAN: Yes.

MR McKINNON (Canada): Secondly, that it will have two columns showing the present rate in the other country and the requested rate.

THE CHAIRMAN: Yes.

MR McKINNON (Canada): So that is agreed.

THE CHAIRMAN: If there is any mistake then the other country would know and would say, "Look here, you have a wrong position set out here."

MR ALAMILLA (Cuba): I recommended not only that you should send also your actual rate, but that you should send in to the Secretariat the whole list of your actual rates, because some other countries might be interested.

THE CHAIRMAN: That is the third point - that you send as soon as possible your complete information regarding your present tariffs.

MR ALAMILLA (Cuba): Yes.

THE CHAIRMAN: Or you anticipate a tariff which will be in the course of being changed.

MR LACARTE: There will have to be more than one copy of the tariff.

MR McKINNON (Canada): You will have to send out seventeen copies.

MR GUERRA (Cuba): And one for the Secretary - making eighteen.

MR LACARTE: I think that we need at least 25 copies.

THE CHAIRMAN: Shall we put it at thirty?

MR LACARTE: All right.

MR GUERRA (Cuba): It will be very difficult with all the various amendments.

MR LECUYER (France) (Interpretation): I would be very grateful if the Committee would fix a date on which they would like to have copy of the
THE CHAIRMAN: I will cover that point in this way, that we should also apply the same date to the information in regard to tariffs, or if you have to make reservations because your Parliament has not agreed, which might entail further changes, you could send in the provisional lists not later than the 31st December.

MR LECUYER (France) (Interpretation): I agree, but I would like to insist on the necessity and on the value of the different countries getting such tariffs, because, owing to the war, most countries have become out of touch with others and they have not got information regarding the tariff position, and, as the Cuban delegate has said before, there have been so many changes. Therefore, in order that those countries may be able to study the tariffs it would be a good thing to fix a date, not only from the point of view of France but from the point of view of other countries.

MR SHACKLE (UK): Before we leave the question of the request lists, I should like to ask exactly what is the object of laying down a request or a programme that you put in your requests in regard to a particular item, together with the rate that you want, at the same time stating what you understand to be the existing rate. It seems to me that that may hold up the proceedings considerably, especially if you are in doubt about the existing rate, and I am not quite sure what is the object of it. If it turned out that the rate is not what you thought it to be, is it the idea that you should then modify your demand? It seems to me that in many cases you may have a fairly definite idea of what you wish the rate to be, but it is not absolutely essential to include what you conceive the existing rate should be, and is it desirable to run the risk of delay while you try to find out what it is?

THE CHAIRMAN: I do not think that there is any risk of delay. I think you may have certain things that you ask for, or feel entitled to ask for. Let us suppose that you ask for a decrease in the rate from 40 to 20, would you be prepared to grant a similar concession? It would be much better if your concession were to be in accordance with that. I think you need that information before you put your cards on the table.
Mr. Shackie (U.K.): I can see that it is desirable, but I do not see that it is absolutely essential. Supposing there was great difficulty in complying with it, would there be a serious difficulty in the way?

The Chairman: But is it so difficult to send in a list of your tariffs?

Senor Guerra (Cuba): But you can make any necessary correction. We are taking the United Kingdom list on the assumption that the present tariff is so much; if that is not the present tariff, there is no reason why the United Kingdom should not make the necessary correction.

Mr. Shackie: I can see the point where there is a case for saying that an existing tariff should be reduced by such a proportion.

The Chairman: But you do not ask for a proportion. You ask for a new tariff rate and adjust the concession accordingly. You will not get out of that.

Mr. Shackie: I can see the usefulness of it where it can be done, but I imagine it is not an absolute sine qua non that you must put it in the existing one.

The rapporteur: You simply say that the existing tariff, where known, should be shown.

The Chairman: The other country would give the information and you would assess the information accordingly.

Senor Videla (Chile): I live in London, I did not come from Chile, and I have no instructions. Also I had no time to show this draft to my delegation, so I cannot commit myself on any of these obligations with regard to dates. Therefore I am here as an observer and I would like to make a general reservation on this.

The Chairman: As this will come up in the main Committee, of which you are a member, M. Videla, I would still ask you to state your position at the next session. We shall not finish this paper today.
SEÑOR VIDELA (Chile): I do not know how we are placed in Chile in regard to these particular things. I have heard here that most of the countries are going to change.

THE CHAIRMAN: Not most; only one or two.

SEÑOR VIDELA (Chile): In order to present such a list, we need to know our positions regarding preferences and quantitative restrictions and escape clauses.

THE CHAIRMAN: That will be dealt with in the coming week. This paper will not be definitely decided today.

SEÑOR VIDELA (Chile): But we are several thousand miles away!

THE CHAIRMAN: That raises another point which will perhaps come up later, what we shall do if we find that what we have provisionally decided here does not meet with the approval of our governments. I think we should leave that until the end of our discussions because it would take up too much valuable time to discuss it now. Then we can see whether there should be an emergency provision to deal with the question, even before the Conference in Geneva.

SEÑOR VIDELA (Chile): I was talking about the list. Perhaps we shall be able to send a list, but I do not know. I do not know whether such a list is already prepared in Chile.

THE CHAIRMAN: It is not a rigid rule. Every country should try to do their utmost before the 31st December. If that is not possible, then it is not, and you may send in additional list if necessary. We have tried to make the procedure as flexible as possible. I am in the same difficulty as you, Mr. Videla, and the Cuban delegate, and many others are in the same difficulty. We must try to do as much preparatory work as possible.

SEÑOR VIDELA (Chile): What about the 31st January?

THE CHAIRMAN: I would prefer to have an additional list and adhere to December 31st. It does not say "you must" or "you shall" but "you should". May I turn to the list of concessions.
because I think we are all agreed that we should have at the beginning of the Conference complete information with regard to all the concessions offered. If I may repeat what I said before, there should be no "horse-trade". We should simply have as carefully prepared a list as possible of what we are prepared to offer if there is adequate mutual advantage in return. So every country will have to come to Geneva on the 8th April with that list in its possession. We must state that specifically in this paper so that we all know what is expected of us.

MR. SHACKLE (U.K.): I am sorry, but I still remain sceptical after everything that has been said. I find it extremely hard to believe that every country concerned will be able to come to Geneva with a complete list of what it is prepared to offer. Even if it were, it seems to me that countries can hardly be expected to base themselves completely on the assumption that they will get everything they ask for, and if you do not assume that, what have you? I am sorry to maintain an attitude of scepticism but I think it is wrong to base our assumption on that.

MR. McKINNON (Canada): I quite agree with Mr. Shackle on that. In fact I would paraphrase the Chairman's remark by saying that is where the horse-trading would start.

THE CHAIRMAN: Perhaps in that case you have to study the possibility of only mentioning the items on which you are prepared to offer concessions.

MR. McKINNON (Canada): We go further, but we share Mr. Shackle's doubt about the realistic nature of the list, plus the very definite difficulty there will be in having the lists ready the very day we reach Geneva.

THE CHAIRMAN: I would like to propose that we should put in "as much as possible".

MR. McKINNON (Canada): Sure.

THE CHAIRMAN: In order to give some guidance.
MR. HAWKINS (U.S....): If it turns out not to be possible, you will have absolute chaos at Geneva. If people go there with them, attempting to formulate something when they get there, and possibly wanting to have a look at what others have done before they do so, it will be complete chaos. To go there with the best list possible is indispensable.

THE CHAIRMAN: I think "as much as possible" should be included.

SEÑOR ALEJANDRO (Cuba): Then you will know what everybody is asking of you and as you have to be prepared to meet commitments already made, you can say that you are not prepared to go to such an amount, but are willing to go to so much. We must have something which will give an idea of what is expected from everyone, and what everybody will be able to give.

THE CHAIRMAN: So we should have not too rigid a rule, but one which is as rigid as possible.

MR. SHACKLE: I feel that any method of negotiation which assumes that those lists are realistic, is itself not a very realistic procedure.

MR. HAWKINS (U.S....) That is another question. I have different views on that point, but there ought to be a list at the opening of the meeting from everyone. I hope it will be as far as everybody is ready to go, but perhaps that is asking too much of human nature.
THE CHAIRMAN: Then we can put a phrase like that in the memorandum. So we have this, that everybody must have a list in his possession at the 8th April. We will submit that to the Secretariat.

Then comes the other point mentioned earlier in our proceedings, and that may not, perhaps, be settled by us, but still, I think we can think it over. I do not know whether we should then propose in our paper that immediately after the start of the Conference there should be a steering committee for these tariff negotiations.

MR GUERRA (Cuba): There is a previous point I made as to whether the preferences that are contemplated should also be given to other countries.

THE CHAIRMAN: We talk about concessions; that means tariff concessions, preference concessions, and everything.

MR GUERRA (Cuba): We will consider lowering preferences as concessions to other countries.

MR SHACKLE (United Kingdom): The procedure envisaged is that, as soon as Geneva starts, you table your list of offers so that each of the negotiating countries have them. Is that the suggestion? Or is the suggestion that you give it only to the particular country concerned, in the first instance?

THE CHAIRMAN: I think we should give them to the Secretariat and they should see that every country has it in its possession. As to the multilateral list, they will just combine the whole thing and give them an idea of all the concessions asked for and all the concessions offered. Then we must have this point settled: whether further procedures of these tariff negotiations will be guided by a steering committee who will decide: "This country should start with that country, and that country with that country" or not. I think we need that, and we should put some to that effect in our paper.

MR GUERRA (Cuba): There is no doubt about that.

MR HAWKINS (U.S.A.): I am very likely wrong, but I was rather expecting it would work itself out rather naturally by itself. The first country that has finished examining these schedules and found out what it does not like about them will get into touch with the countries concerned and arrange
meetings. I may be wrong about that. Why do not you have your steering committee merely set up to deal with such procedural questions as may arise, without trying to define what it does?

THE CHAIRMAN: I do not like to elaborate here on the functions of the steering committee. When we start, I think the first thing is to have that steering committee.

MR McKINNON (Canada): There is no harm in having it, even if we did not need it or use it.

THE CHAIRMAN: The only point there is: should all countries be on the steering committee?

MR LACARTE: I have a small point to raise: It might be that the tariff reduction negotiations might not be the only activity of the Geneva meeting; and on that reasoning I think we had better not call it a steering committee, because we shall be getting it confused with the Steering Committee of the whole Conference. I would suggest calling it a "Tariff Steering Committee", or some such name; at any rate, bringing the word "tariff" in.

MR GUERRA (Cuba): If all the countries are represented, we may not need to set up a special committee, but have a sort of meeting of heads of Delegations to timetable the negotiations.

MR McKINNON (Canada): That would be quite satisfactory.

THE CHAIRMAN: If that is right, then we come to the second stage.

MR SHACKLE (United Kingdom): Is it agreed that this steering committee will consist of the representatives of every Delegation? I think in that way it would follow the model of what is here the steering committee. It seems hard to visualise a steering committee from which certain Delegations are omitted.

THE CHAIRMAN: We can have the heads of Delegations decide this at the beginning of the Geneva Conference.

MR LACARTE: Is it suggested that they should schedule tariff negotiations at Geneva?

THE CHAIRMAN: Yes.

MR LACARTE: I wonder whether it might not be left to a working committee, called the Tariff Steering Committee, or what have you, of the Conference.
THE CHAIRMAN: To be appointed by the other Delegates?

MR LACARTE: A committee of the whole.

MR SHACKLE (United Kingdom): It does not matter whether it is the heads of Delegations or not — just somebody delegated by each Delegation.

THE CHAIRMAN: Yes. We come now to the second stage. Are there any remarks on that?

MR SHACKLE (United Kingdom): I have a question. Mr Hawkins, I think, was explaining that, on his view of how the negotiations would proceed, the first stage would be that each country would look at the 17 lists of offers it had got from the other countries. When it is decided where those lists seem to be unsatisfactory in certain particulars, they then go and talk to the other countries concerned with a view to getting adjustments made and considering the corresponding points which other countries had to make to it. I wonder how long and how far that process would be pursued. On the face of it, it looks like a multilateral negotiation. Is it envisaged that that process would continue until all points that were unsatisfactory were settled, or that soon after the beginning you would break up into bilateral negotiations?

MR HAWKINS (U.S.A.): I should think it would be this way: Looking at it from the point of view of the United States, we would look over, as soon as we could, the schedules of concessions, comparing them with what we offered, and see where we were dissatisfied and talk to other countries to get an improvement; say half a dozen of them. In addition to that, there were people who were dissatisfied themselves, and we would have to straighten them out.

MR SHACKLE (United Kingdom): So that there would be no bilateral negotiations?

MR HAWKINS (U.S.A.): Yes.

MR SHACKLE (United Kingdom): I see — on particular points.

MR HAWKINS (U.S.A.): It might be desirable to have a general stock-taking at some stage to see where the sticking points are and what the difficulties are. I think you would go on with this bilateral process for some little time before you did that. It could, of course, be trilateral, where there are two or three countries involved in the same item.
MR. SHACKLE (United Kingdom): In principle the whole thing would be, as it were, multilateral, with bilateral adjusting negotiations going on.

MR. HAWKINS (United States): I would say it starts multilaterally, then for a considerable time in a bilateral stage, and ends up multilaterally.

THE CHAIRMAN: I think it is what we call here the second stage. If need be we can make some changes in the draft to meet the point.

MR. GUERRA (Cuba): I think it is explained quite well in this draft memorandum. It will require specification regarding certain of the general things, but in general the same idea is in here.

THE CHAIRMAN: I agree, but we will ask our Rapporteur to look at the draft once again in order to meet the point raised by Mr. Shackle. Are there any questions on the third stage.

MR. GUERRA (Cuba): That has been contemplated already.

MR. SHACKLE (United Kingdom): The point about which one has to be careful all the way through the negotiations is that of secrecy. If there are substantial leakages I think the position of Delegates may become almost impossible. Modern newspaper men are such ingenious sleuths.

MR. HAWKINS (United States): We might even consider - although not now, but when the meeting starts - a security committee to try to limit leakages as much as possible. Some set of rules, or procedure might be formulated, because it is extremely important not to have leakages any more than necessary.

THE CHAIRMAN: Should we put something in now?

MR. HAWKINS (United States): I do not think so. It is the sort of thing we should organise at the time.

THE CHAIRMAN: I think there are no questions with regard to the third stage. We now come to the result of the negotiations and the lists of countries. There is no need to discuss the way in which we mention the countries concerned. I think that is self-explanatory. Then we come to a point that was, in the old days, a port of call to a certain extent. We put forward a general agreement on tariffs and trade, with a draft as an addendum to this paper. As this is such an important paper I would prefer
not to discuss it now, but to leave it till tomorrow. At this moment we may be too tired, and the discussion on points which we desire to clear up may be too length. I have a remark to make with regard to the end of this, in the second paragraph on page 19:

"This will provide an opportunity for a review of the Agreement and any adjustment of the tariff schedules which may be considered desirable."

Here we come to the main point raised, in the first instance, by the Indian Delegate. I would like something to the effect that these are all things that we have done in the first instance, because the whole thing will come up for review when we have the world conference. New members will certainly ask many questions. I do not think new members should have no right to ask for other concessions. I appreciate that it raises a difficulty, but I would like to see something inserted with regard to the position of the new members when we come to the world conference.

MR. HAWKINS (United States): If there was a decision to bring this into force earlier this would not want a review. Maybe you would want to have it known.

THE CHAIRMAN: We have discussed this in Committee II, and came across the difficulty of the most-favoured-nation clause, and we said we could not settle that before our meeting in Geneva - even then there might be certain difficulties. The Indian Delegate has already put in a paper on the subject. It was felt there might be very considerable difficulty with only 18 countries setting aside the most-favoured-nation clause. Then we have the point whether, if we make concessions, we should extend those concessions to all other countries and not merely the members of the conference provided that within a year or six months they enter into negotiations, when, if they did not do so, we would be in a position to withdraw the concessions from those countries. The other possibility is to have this agreement but not to permit it to enter into force until we have had the world conference. Those are the two possibilities, which are not made perfectly clear in the memorandum. We left open the question of the most-favoured-nation clause, although we have some provisional ideas about
it. My opinion is that you have to have them extended to other countries provided they come into the "club" within a certain period.

MR. ALAMILLA (Cuba): I suggest that before we finish we should discuss Article 31 - at least in regard to your question, Mr. Chairman.

MR. HAWKINS (United States): It comes up also with regard to Article 18. It permits of member countries who were not in the original group being covered. Then non-members are covered by Article 31.

THE CHAIRMAN: That is the first point. I do not think we can clear this off this afternoon. The second point is: What are the rights of non-members when they enter into this agreement? They will have to have certain concessions. The whole thing might be open for review at the world conference. This does create certain difficulties, but we must see the position clearly.

MR. HAWKINS (United States): I would suggest tentatively the probable solution we will get is that the benefits of the concessions made in the negotiations next spring will be generalised, subject to conclusions reached at the full conference. I do not see what else you can do. You have no provision for the abrogation of bilateral agreements, and you have no agreement that that should be done. You can generalise until that decision is reached.

THE CHAIRMAN: So the concessions do not come into force before we have the world conference?

MR. HAWKINS (United States): There are two questions here. You have the question whether you want them to come into force before. If you do, I would suggest that probably they should be generalised to all countries, subject to the decision of the conference. If they are not brought into effect until the conference convenes the question does not arise.
There is a procedural point, though, on bringing that into effect sooner; it is procedural and technical. Once you have the schedules negotiated, you simply cannot keep them secret, you cannot keep them confidential, they will get out, perhaps in a distorted form, so when there is an agreement there is a quite strong reason for putting it into effect on a provisional basis.

MR. GUERRA (Cuba): It will have to be very clear that it is on a provisional basis and not on the basis of the three years of the Charter, because many countries may go to Geneva, make agreements and reduce tariffs, considering what we have agreed on at this present meeting, and then later on there may be other conferences and some points may be changed. The reasons the country may have had for giving concessions at Geneva may have altered and the country may find it longer in its interest to continue the concessions.

THE CHAIRMAN: It is a very important point so I would like to give some thought to it, and perhaps have a draft brought before us keeping in mind these possibilities. I have no doubt that we cannot decide that here. We can decide the procedure of tariff negotiations, but the important point is whether or not they will come into force at Geneva. That we can only decide at Geneva, but we have to study the problem here in the memorandum.

MR. ALAMILLA (Cuba): We must take care of the position under Article 31, so we cannot come to a decision.

THE CHAIRMAN: Yes, we left that to Geneva.

MR. ALAMILLA (Cuba): I do not want to decide here. But I have thought a lot about this point and after thinking about it I believe you cannot even come to a conclusion, not even a tentative one, unless you know what your idea is as to what you are going to do.

THE CHAIRMAN: I would therefore like to reserve this article for discussion if possible for tomorrow.

MR. PARANAGUE (Brazil): I put forward a proposal analysing the case of the most favoured nation to this Committee, which decided to take simply the
THE CHAIRMAN: We will not discuss it at the moment but will ask the Rapporteur to look into it again. We can see when we discuss the whole problem again whether there are any more things to take into account. I do not think we should do it this afternoon, we are too tired for that.

MR. LEGRUYER (France)(Interpretation): I want to ask a definite question, and I would be grateful if the Chairman could give an answer. I would like to know whether it is a question of the principle of the most favoured nation clause, as it is according to Article 8 of the Charter, which is reserved or whether it is the application date of that clause that is reserved.

THE CHAIRMAN: The point is simply this, whether, to prevent difficulties with the most favoured nation clause, we shall, after the end of the tariff negotiations - supposing that they come to a satisfactory conclusion - put the results of that into the new tariff schedule and into effect at once, and grant it to every country provided they enter into the "club" within a definite period, or not.

MR. LEGRUYER (France)(Interpretation): It is the question of non-members which we are really dealing with - the non-members at the time it is put into force.

THE CHAIRMAN: Then we come to the further parts of this draft and I might perhaps say here that I have already discussed that with the Rapporteur. I feel that we may possibly discuss it at more length tomorrow, but I feel there is one thing forgotten in this draft. As we see it, if we have this tariff schedule and decide to bring it into force at once after the Geneva Conference, before the World Conference which may drag on a long time, then we also put into force certain clauses, provisionally, of the Charter which is to be adopted at the World Conference. But we have there Articles 8, 18, 29, 30 and others mentioned in this paper. You cannot put those articles into force unless you have a supervising body. The Interim Tariff Committee as visualised will only come into being.
after the World Conference, so we have a gap to bridge there and, in my opinion, we are forced in that case to set up a provisional committee or something like that assuming, for those parts of the Charter that come into force, the responsibilities of the ITO Conference as it is visualised at a later stage after the World Conference. That is what I find missing in this paper.

MR. GUERRA (Cuba): Will there not be this preparatory Committee?

THE CHAIRMAN: That is a point, but it is missing in this paper, and that is the only point I want to make.

THE RAPPORTEUR: You need a group to exercise the functions of the Organisation regarding the escape clauses, for instance, when they come into operation.

MR. HAWKINS (United States): That could be a Committee made up of countries which take part in the negotiations.

THE CHAIRMAN: It could be, but still we have to cover it in the memorandum. Only after that can we discuss what the position of the Tariff Committee which will be after the World Conference. You find the same thing I think, if I may make a few remarks to facilitate the proceedings, when we come to this part about the Interim Tariff Committee. You find the same thing, we need some clarification because, if you read this as it is now, you are in doubt whether it should come into force after the World Conference or not. So we have to add, I think, in the first part about the Tariff Committee, "After the acceptance of the Charter by the World Conference", to make it very clear.

Perhaps we could meet tomorrow and discuss the remaining part of the Charter and see what we have to deal with further. We have also the paper of the Indian Delegation that we left over, and another point that raises difficulties. I understand that tomorrow we shall have a meeting at 10-30 of the Sub-Committee on Quantitative Restrictions - do you have to take part in that, Mr. Hawkins?

MR. HAWKINS (United States): I do not have to, though there are certain parts of it that I would have to. However, tomorrow I think it will be strictly the balance of payments section.
THE CHAIRMAN: In that case we could perhaps meet tomorrow at 10-30, because in the afternoon there is a meeting of the heads of delegations at 4.30 and if we met at 2.30 that would not give us much time. We might in any case meet for a short time in the afternoon.

MR. MCKINNON (Canada): I do not think we can finish the paper tomorrow unless we meet tonight.

THE CHAIRMAN: I said it to excuse myself - I am sitting here with a fever at the moment and I would greatly like to stop today, if I may be excused.
MR. McKINNON (Canada): Mr. Chairman, just so that the rest of us can envisage the week, what is your programme for the week for our Committee particularly, as you see it now?

THE CHAIRMAN: I would like to go on with this paper tomorrow, hoping that we can in the main agree to it and give the Rapporteur a chance to redraft it. I think we ought not to ask him to do night work again tonight. Then we have still to discuss tomorrow, if possible, this paper on Industrial Development.

MR. McKINNON (Canada): You mean we would discuss that as the Procedure Committee? Why should we discuss it?

THE CHAIRMAN: In its relation to this point. We may leave it to the main Committee, but they would want the advice of this Committee on this.

MR. ALAMILLO (Cuba): I have read this paper just now, and I think if we are to be asked about that, that paper also should be given to us in order that we may know what we are supposed to do.

MR. McKINNON (Canada): We cannot see what we are supposed to do with this. It does not affect our memorandum on Procedure.

THE CHAIRMAN: No, but it is a new escape clause, with a suggestion that we should include that in Article 29 or Article 30.

MR. HAWKINS (US): I think this is a new Chapter.

MR. McKINNON (Canada): Yes.

THE CHAIRMAN: I am quite prepared to skip the discussion of this.

MR. HAWKINS (US): It does not seem to me to be necessary.

MR. ADARKAR (India): The only point that will not be disposed of that way is the further suggestion made on behalf of the Indian delegation that they would prefer all these negotiations to be put in the form of bilateral agreements, which would be multilateral in effect but not in legal application. That may be recorded as the opinion of the Indian delegation, leaving them free to take up the point later.
MR. McKINNON (Canada): That was the point we reached this morning. If we spent an hour or two on this paper I do not see what we should do with it.

THE CHAIRMAN: We will ask the guidance of Mr. Coombs, and if he wants us to do something we shall have to do it, but I do not like to skip it. That is taking more on our shoulders than we ought. I think our Rapporteur says it has a definite bearing.

MR. McKINNON (Canada): No. It is just on the question raised by the delegate of India. One argument put up against the bilateral agreement was that it was adequately covered by the escape clause in this memorandum.

THE CHAIRMAN: Yes, and I asked the Indian delegate to study this paper and refer to it later.

MR. ADARKAR (India): Yes, and there is another point raised by us and which has not been disposed of, and that was about the basic commitment regarding tariff reductions. We suggested they should only offer such selective reductions in tariffs consistent with each Member's economic development and the general purposes of the Organization. Either there should be some decision on that point or a reservation should be noted.

MR. McKINNON (Canada): We thought we made the reservation this morning on that point.

THE CHAIRMAN: Well, those are the main difficulties.

MR. McKINNON (Canada): We cannot solve them. We might as well face up to that now. We are getting into the last days of the negotiations. As I thought this morning, there is no hope of reconciling the position taken by the Indian delegate with the position taken by the others, and I quite understood he had very definitely reserved his position on that.

MR. ADARKAR (India): Yes, and that it should be recorded.

MR. McKINNON (Canada): And that is recorded and that is all there is to it.
MR. ALAMILLA (Cuba): We have four specific amendments that are waiting to be started in the light of what comes out of the Joint Committee. If we had this paper here one afternoon I think we could just look at that and discuss only that part which deals with what we are supposed to do in accordance with what they have done. That is what I believe we should discuss, and not this thing, which has nothing to do with us.

MR. HAWKINS (US): The point was referred to this Committee by Committee II.

THE CHAIRMAN: Yes. That is this one.

MR. ALAMILLA (Cuba): Why should we not study this paper tonight, and tomorrow study the request that has been made to us?

MR. HAWKINS (US): I do not think you need study the one paper in connection with the other.

MR. McKINNON (Canada): Can you tell us in a word or two what it is?

THE CHAIRMAN: I can read it to you. It is a draft message to Committee II:

"In the light of recommendations regarding industrial and general economic development which the Joint Committee proposes to make to the Preparatory Committee, the Joint Committee requests Committee II to make a provision in Article 18 of the chapter dealing with Commercial Policy, so that in relation to the undertaking to reduce tariffs and to eliminate import tariff preferences, the Organisation and other Members should, when considering the contribution which a Member can make to a reduction in tariffs, take into account the height of the tariff of that Member, and the need, if any, of that Member to use protective measures in order to promote industrial and general economic development."

That is a request in the form of a draft from the Joint Committee of Committee II, and as we are dealing with Article 18 I think our advice will be asked on this, and the reasons for this request you find in this paper that has been distributed this afternoon.

MR. McKINNON (Canada): You do not envisage this Committee finishing its work by tomorrow night, then?

THE CHAIRMAN: I do not think so. I think we shall have to meet on Tuesday as well.

MR. McKINNON (Canada): Is there not a Plenary on Tuesday?
MR. LACARTE: The Secretariat, under the urging of a number of delegations, is putting all the pressure on the traffic that the traffic will bear. However, if the Sub-Committees of Committee II do not finish their work in time I do not quite see how we can start the Plenaries on Tuesday afternoon, but we are laying our plans in the most optimistic way possible and making every endeavour to get the greatest possible number of meetings at every possible opportunity. We are doing the most we can. However, if Committee II does not finish by Tuesday afternoon it seems a little difficult to start the Plenaries then.

THE CHAIRMAN: There is this special difficulty, that Mr. Loddy ought to have at least a day to prepare the Report of this Committee.

MR. McKINNON (Canada): There is another difficulty - that Thursday is the last day that some of the delegations will be here.

THE CHAIRMAN: I cannot see how we can get out of that. After all, our Rapporteur will need a few hours' sleep.

MR. McKINNON (Canada): After the Rapporteur goes over his paper and revises it, is it suggested then that this Committee considers it again?

THE CHAIRMAN: Yes, we have to see that the paper is all right, and also the Report, because the Report is the main thing that we have to adopt here and put forward to Committee II, and really I cannot see that the thing could come into Committee II before Thursday, as far as I visualise it at the moment.

MR. VIDELA (Chile): There is the question of the quotas which I raised the other day.

MR. LACARTE: There is a possibility that we might be able to start the Plenaries and still have one or two Committees finishing while the Plenary is approving the Reports of some of the other Committees.
MR. McKINNON (Canada): Why cannot this paper as revised by the Rapporteur go to Committee II?

THE CHAIRMAN: Well, if we have full confidence in the Rapporteur, I am quite prepared to let it go, but it is a very important paper, which will be published.

MR. McKINNON (Canada): No, it will not be published.

THE CHAIRMAN: Yes, this report of the Rapporteur with regard to the latest decision will be included in the General Report of the Conference of the Preparatory Committee.

MR. McKINNON (Canada): It should not be published as part of what the Secretariat publishes.

THE CHAIRMAN: It will be, because we shall not have a further chance of making any addendum.

MR. McKINNON (Canada): This is a working paper of this Committee, which I am talking about.

THE CHAIRMAN: Well, that is a point. I do not care about it, but the American delegation was insisting on as much publicity as possible, but for the other delegations, I shall have to ask them whether they would have this memorandum published.

MR. HAWKINS (US): It needs to be a document of this meeting, because other members of the Preparatory Committee need to know of it and approve it and be guided by it. It is not a question of whether it should be made public.

MR. McKINNON (Canada): As part of the Report.

MR. HAWKINS (US): No, that is another question. I do not really have any very strong feeling on the point. I had not thought of it. I suggest we might hold that question in abeyance and look at it again and see what the consequences of publishing might be. After it is edited there might be nothing in it to cause any difficulty.

THE CHAIRMAN: As I see it, it is a very important paper, and I think we should not leave it without this Committee having had again the chance to see it in a definite form.
MR GUERRA (Cuba): I think that we have reached general agreement on these different points in the procedural part of this paper, and I think that in the plenary meeting, too, everyone will have a chance of picking out anything he has, in addition to what has already been discussed, making any reservations on certain points he may wish or on points which he may think the Rapporteur has not covered, but I do not think really that we need to spend time on going over this second version again; I mean the procedural part could go right away to Committee II.

THE CHAIRMAN: Yes. That is one of the difficulties here. We have skipped certain things for the time being.

MR MCKINNON (Canada): If this paper comes back here again revised by the Rapporteur, we are going to have to spend hours discussing again the word "automatically" to no purpose whatever. Let Committee II decide it. We obviously cannot break the deadlock on it; we cannot come to any decision upon it; that is agreed.

MR GUERRA (Cuba): Might I make a suggestion? The Rapporteur might, if this sub-committee agrees, make a new draft of this paper relating only to procedure and that I think should go direct to the plenary session of Committee II, and then the references to the word "automatically" and all these other matters would be again discussed, and the real question of the Charter being included in the final form agreed upon by the sub-committee in the general report of the sub-committee to Committee II.

THE CHAIRMAN: Yes, but I want to say that we have made several amendments in this draft and we are asking the Rapporteur to make a final job of it and we have every confidence in him, but then we will have to discuss in Committee II this paper and that will take some time, if we have to prepare the report and redraft it in the light of the decisions of the main Committee II. I do feel that tomorrow we may be able to finish perhaps this whole paper - at least, let us hope we can do that - but then we must give the Rapporteur a chance to draft the report of this sub-committee. It will then have to be typed, so that I think it will be Wednesday at the earliest before we come to that part, and we shall not be able to adopt the report of the sub-committee before Thursday.
MR McKINNON (Canada): Of this sub-committee?

THE CHAIRMAN: Yes. We will not be able to do that before Thursday at the earliest.

MR McKINNON (Canada): I think you will have a pretty slim Committee by Thursday.

THE CHAIRMAN: I cannot help it; I cannot see how we can do otherwise.

MR GUERRA (Cuba): My idea would be to make a separate paper of the draft that we have discussed today on the procedure part, not going over that again, but referring it direct to Committee II.

MR LECUYER (France) (Interpretation): Mr Chairman, I do not want to interrupt the discussions on this sub-committee in view of the stage they have reached, but I think we are leaving in suspense quite a number of questions, and I do not think that should be so before the position of the different delegations who are represented on this sub-committee has been made absolutely clear. I particularly have in mind certain questions that are dealt with on pages 9, 11, 12, 13, and so on of the report which would have to be redrafted, and some of these are very delicate matters. They will have to be left with the Rapporteur, and I am very confident in leaving them to him. But I do think that we should go through this paper once more and I even believe that it would be the wish of the Rapporteur that we should do so. I think we ought to have the opportunity of doing that, and I think that our duties would not be completed towards the Committee that set us up if we did not spend some more time on it, or if we went through it too quickly. Personally I do not mind if it means that we have to discuss it for a day or a night longer, because really I do think that it should be done. There is also another point. I am afraid that if we put it on to Committee II that will mean that we are merely transferring our difficulties on to the shoulders of Committee II and the discussion will be more difficult still if the different points are not set out clearly and properly dealt with in the report of this sub-committee.

THE CHAIRMAN: I can only say that I entirely agree with the French delegate.
MR McKINNON (Canada): Surely in redrafting the Report, the Rapporteur, this time, would leave out the entire Introduction, because it is, after all, a paragraph of Articles that have already been adopted.

MR GUERRA (Cuba): But it will have to go in the general report of the sub-committee.

MR McKINNON (Canada): Yes. Therefore, all that the Rapporteur need produce out of this 20-page memorandum is a small document on the procedural section only, and the other questions that are still standing will have to go back to Committee II for inclusion in the general report. The section on the agreement can be dropped because it cannot be discussed or any decision reached until it is reached at Geneva. If the Introduction is included again we simply will have the whole debate over again in Committee II, and we may even have it in plenary session.

MR HAWKINS (USA): Is not it a question that was debated so long yesterday and of its going to Committee II?

MR McKINNON (Canada): "automatically"?

MR HAWKINS (USA): Yes.

MR McKINNON (Canada): But not a part of the procedural document.

MR GUERRA (Cuba): That would be part of the general report; that is a different thing.

THE CHAIRMAN: The only thing is that the time that the Rapporteur would have to spend on this paper he will have to spend on his report.

MR GUERRA (Cuba): That is what we say - making a small memorandum on procedure. We are quite agreeable to that.

THE RAPPORTEUR: We would begin with that, would we, or where would you begin?

MR McKINNON (Canada): I was wondering if it should be page 9 or page 6.

MR GUERRA (Cuba): No, page 5; we have already approved that.

MR McKINNON (Canada): Either page 5 or 6.

MR GUERRA (Cuba): No, 5.

MR McKINNON (Canada): We approved 5 to-day.

MR GUERRA (Cuba): Start from page 5 and then jump to page 9.

MR McKINNON (Canada): Then the large section comes out of pages 6, 7 and 8.

MR ALAMILLA (Cuba): Yes - and practically all of page 9...
MR. McKINNON (Canada): It will come to about 5 pages instead of 20.

SEÑOR GUERRA (Cuba): About 9 or 10.

SEÑOR GUERRA (Cuba): And all the other part will go in the general report.

THE CHAIRMAN: I quite agree, but whatever we do, do not let us fool ourselves. If tomorrow we are able to finish the other part of this paper, there are the other points raised by the drafting committee and we shall have to take care of them. We shall meet tomorrow morning and perhaps tomorrow afternoon. After all, the Rapporteur will have to make his report. Even if he works night and day, it will not be in the committee before Thursday afternoon. Then we have to discuss it in Committee 2, and we cannot expect things which we have discussed so elaborately here, in spite of the confidence they have in us, will go unquestioned in Committee 2. It is very important that this part of the document should really be as clear as possible. We have not even got the report of the Committee on Quantitative Restrictions. I have not seen the paper on subsidies. The others are still more or less undecided. We shall get the report of the Technical Sub-Committee tomorrow. How can we expect Committee 2 to deal with all these papers in one afternoon? It is simply impossible, so we shall need the whole of next week to cover the work of Committee 2, so I am afraid the Conference will not end before the beginning of the week after next. If we do not do that, we shall have all the troubles over again in Geneva. I know your difficulties, Mr. McKinnon, but every delegation will have to find a solution for itself.

SEÑOR GUERRA (Cuba): Was not a meeting contemplated in New York in January?

THE CHAIRMAN: That was a drafting committee only.

SEÑOR GUERRA (Cuba): I think it would be a good thing to have, if not in name, a preparatory committee in January, because then we should
have time to think things over and to agree on a lot of things about which we are now confused.

SEÑOR GUERRA (Cuba): Every delegation has gone as far as they can on their present instructions on many points on which they have not made reservations. I do not think a week or two now will accomplish anything. Unless delegates can go back to their own countries and see whether they cannot compromise, they will not be able to do anything.

THE CHAIRMAN: Whether we have a preparatory committee in January or not, we cannot, unless we have the whole Committee available again in New York, skip the proceedings in Committee 2. I have given my reasons why I think it is physically impossible - and I repeat the word "impossible" - to have Committee 2 cover the work of the sub-committees, especially of this Sub-committee and that on Quantitative Restrictions, before Thursday. Then, after discussion, the report will have to be prepared, and that will have to be approved by this Conference.

SEÑOR GUERRA (Cuba): I do not know what the situation is here, but my experience on other committees has been that when a report has come up from the sub-committee, there has not been much discussion because everybody has reached the limit of their negotiations.

THE CHAIRMAN: We are six or seven countries here, and we have discussed very important points of principle with regard to all these negotiations, in fact, the whole thing on which the Carter is based. We ought to have proper time. I will do my best to finish the work as quickly as possible, but....!

SEÑOR ALMILLÁ (Cuba): I think the practical way out is to prepare the report, submit it to Committee 2, everybody makes reservations, we go home, and the heads of delegations have one meeting in which to adjourn this procedure and go on in January. That would be much better than staying here two more weeks.
SENOR GUERRÁ (Cuba): It is no use continuing to discuss things on which everyone has reached their extreme limit on present instructions.

THE CHAIRMAN: I leave every delegate to discuss that with the head of his delegation.

MR. HAWKINS (U.S.A.): Unless we can settle this part reasonably well, I shall recommend to my delegation reservation on all the rest of it.

THE CHAIRMAN: Then we start again in Geneva! There is no sense at all in publishing a report that has been decided upon by the heads of delegation meeting unless we know exactly what we are going to publish.

SENOR GUERRÁ (Cuba): I entirely agree with that, and with Mr. Hawkins. But my view is that I am afraid that, in all these discussions, when delegates finally make a reservation on a point, they have reached the point from which they cannot move at this meeting, even if they stay two or three weeks.

THE CHAIRMAN: That is not visualised. In one or two or three more days we can have proper drafts available and proper reports which can be published. Do not forget that they will be made available to the Press. Just think what confusion will be created if these things are not properly settled. There are not many points left open.

SENOR GUERRÁ (Cuba): I would suggest that we try to make a reduced memorandum on procedure that will not have to be discussed here again, and then the Rapporteur will have at least Monday and Tuesday to prepare the general report. We can have it discussed on Wednesday and then have it finished finally on Thursday or Friday in Committee 2.

THE CHAIRMAN: We can discuss the other part, but I am afraid we shall not get a proper solution tonight.

EE follows
Mr LECUYER (France) (interpretation): Mr Chairman, I do believe that in fact we are very far from reaching our target, and we have some drafting points of a delicate nature to solve. I think that with 24 hours more we would do it. Perhaps only two meetings will be sufficient, and then afterwards the Rapporteur will be able to draft it. I can quite understand that certain Delegates are in rather a hurry to leave London. I think it is important to have an agreed text, and that no Delegates would mind staying 24 hours more on this work, as the continuation of the work of the Conference in general. That means there is a question of whether the plenary meeting will be on Thursday, Friday or Saturday. We do not have any mandate to deal with it. I happen to know that quite a number of other committees are in the same position as we are in. I do think we should see how we can finish our Report by giving it all the time that is needed.

THE CHAIRMAN: I suggest that we meet tomorrow morning at 10.30 and that we go on with our meeting, then adjourn at 1 o'clock, return at 2.30 and go on till 4.30, when the Heads of Delegations are meeting. Tomorrow we can decide whether there should be an evening meeting. If we need our Rapporteur, we must have sufficient time to do something.

MR SHACKLE (United Kingdom): I should like to be assured that the Quantitative Restrictions Sub-Committee will in fact confine itself to Balance of Payments because if it does not it will be rather difficult for some of us. I wondered whether you, Mr Chairman, could get into contact with the Chairman of the Quantitative Restrictions Sub-Committee and see whether in fact they will confine themselves to Balance of Payments?

THE CHAIRMAN: Yes.

MR MCKINNON (Canada): Before we break up, I appreciate your own situation, Mr Chairman, that it is obvious from your face that you have a cold and a temperature. But for that, I would press again that we go on tonight. Could it be indicated what portions of that memorandum are standing for consideration tomorrow?

THE CHAIRMAN: The last part of this memorandum that we have not discussed at this moment.
EE.2.


MR McKINNON (Canada): On the Agreement?

THE CHAIRMAN: Yes, on the Agreement. After that, we still have the remaining part of the Interim Tariff Committee and the Entry into force of Charter and a few smaller points. Then it is useful that we study the draft of this Draft General Agreement, and then we still have to deal with one request of Committees 1 and 2, on which Mr Coombs may be able to give us some guidance tomorrow. Tomorrow we can reach a decision on how this whole paper should be redrafted, just to give the Rapporteur clear instructions on that.

THE RAPPORTEUR: Just a word about the Introduction. I gathered from the observations that the main question about the material in the Introduction dealt with the automatic description of how those rules would operate. I suggest that they might be very much simplified and that the remaining part of the Introduction should be looked at very carefully to be sure that there are no unqualified, unsafeguarded statements there that overstate what seems to have been the understanding with regard to the Charter. I do think that some sort of introductory material is necessary, in order that the Delegates of other countries not members of the Committee will have a context for understanding what we have rather set forth with regard to the procedures in the form of schedules, and how it would fit into the International Trade Organization. I really think that if the introductory part is gone over carefully, the particular point bothering; I believe, the Canadian Delegate and the Indian and Cuban Delegates primarily, can be straightened out very easily.

MR McKINNON (Canada): The particular point bothering the Canadian Delegation is that if we have an Introduction it may be the subject of debate again in Committee 2.

THE RAPPORTEUR: My fear is that unless we have an introductory part, it will not be understood.

THE CHAIRMAN: We have been discussing it for many days, but the other members of Committee 2 have not been present; and that is one of the greatest difficulties I see.

MR DEUTSCH (Canada): What is the relationship between the introductory part
of this memorandum and the general report on Article 18 that has been discussed here?

MR MCKINNON (Canada): It is the same thing.

MR DEUTSCH (Canada): You are re-hashing the same arguments here as you would be under the other part. Do we have to keep going over the same thing again and again in different papers?

THE CHAIRMAN: I am quite agreeable to having it in the Report of the Committee. Let us not fool ourselves about this: if we refuse to discuss the introductory part of this memorandum, we cannot skip discussing it as we are responsible for the Report of this Sub-Committee that will be published in a report of the Committee. The question was whether there were still some matters to be taken up by the Sub-Committee. We agree that there is something.

MR ADARKAR (India): In any case, paragraph 1 of Article 18 has got to be reconsidered in terms of the Rapporteur's note.

THE CHAIRMAN: I suggest that we adjourn until tomorrow at 10.30 and be prepared to have a meeting also at 2.30 in the afternoon.

MR SHACKLE (United Kingdom): And you will endeavour to settle things with the Chairman of the Quantitative Restrictions Sub-Committee?

THE CHAIRMAN: Yes.

MR SHACKLE (United Kingdom): Because there will be difficulty if they go on to other parts than the Balance of Payments section.

(The meeting rose at 5.30 p.m.)