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

VERBATIM REPORT.

TWENTY-SEVENTH MEETING OF THE TARIFF AGREEMENT COMMITTEE
HELD ON WEDNESDAY, 24 SEPTEMBER 1947 AT 10.30 A.M. IN
THE PALAIS DES NATIONS, GENEVA.

Hon. L. D. WILGRESS (Chairman) (Canada).

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therefore, be accepted.
CHAIRMAN: The Meeting is called to order.

The first item we shall take up will be the question which was referred to the Legal Drafting Committee concerning sub-paragraphs 1 (b) and 1 (c) of Article II. I will call upon the Chairman of the Legal Drafting Committee to explain the decision of the Committee regarding this point.

M. ROYER (France) (Interpretation): Mr. Chairman, the Legal Drafting Committee has exhausted its agenda, and may I say that the agenda has exhausted the Legal Drafting Committee. We examined the point on Article II which was referred to us for examination. In this we were helped by Mr. Fletcher of the Australian Delegation, Mr. Rodrigues of the Brazilian Delegation, Dr. Lamsvelt of the Netherlands Delegation, and Mr. Leddy of the United States Delegation, and we reached the following unanimous conclusion: that it was better not to alter the text of this Article as it stands now but to leave it in its present form.

CHAIRMAN: Are there any comments on the conclusion of the Legal Drafting Committee.

Mr. J.M. LEDDY (United States): Mr. Chairman, I have a small point on the first sub-paragraph of Article II.

Sub-paragraph (a) says that "Each contracting party shall accord to the commerce of the other contracting parties treatment no less favourable than that provided for in the appropriate Schedule". Well, of course, some contracting parties will receive more favourable treatment than others; that is, where there is a Part I and a Part II of the Schedule. But this, in terms, would entitle all countries to the preferential rates set out in Part II, which, of course, is not the intent. I think it
can be easily fixed by inserting "in the appropriate part of the appropriate Schedule": "treatment no less favourable than that provided for in the appropriate part of the appropriate Schedule annexed to this Agreement."

CHAIRMAN: Are there any objections to the proposal of Mr. Laddy? Then we shall add the words to sub-paragraph (a) of paragraph 1 suggested by Mr. Laddy and the text of sub-paragraphs (b) and (c) will remain as they were agreed upon yesterday.

Mr. L.E. COUTILLARD (Canada): Mr. Chairman, while we are on Article II I would like to call the attention of the Legal Drafting Committee to what I think is a divergence between the French and the English text in paragraph 2 (a); the last sentence. It may be that this point has been studied, but I do not think the French text correctly translates the English. The English reads: "in respect of the like domestic product or in respect of an article from which the imported product has been manufactured or produced in whole or in part," whereas the French text speaks of "une marchandise ayant servi à la production ou à la fabrication". I would suggest that instead of marchandise ayant servi we should have "marchandise étant entrée en tout ou en partie".

M. ROYER (France) (Interpretation): Mr. Chairman, the French text here has been taken over from a clause of the French/United States Treaty of Commerce. The English text has also been taken over from the same Treaty, and we thought that we were acting wisely in reproducing the French text also. It seems that the French expression "marchandise ayant servi à la production" has the same meaning as "in respect of an article from which" because I do not quite see how an article could serve the production and at the same time not enter into the composition
of the final product.

Mr. L. E. COUILLARD (Canada) (Interpretation): Mr. Chairman, if instead of "marchandise" here, the product were to be a machine or a catalytic element, then the meaning might not be quite the same, and M. Royer's interpretation might not perhaps be quite correct.

(M. Royer (France) suggested that he should look over the French text together with Mr. Couillard).

CHAIRMAN: We can leave this point to be dealt with between the Canadian Delegation and the Chairman of the Legal Drafting Committee.

There being no further points with regard to Article II, I propose that we leave this Article and now take up Part II of the General Agreement which is contained in the Report of the Legal Drafting Committee given in document T/212. At our Meeting yesterday we had covered up to Article VI, so we will now start at Article VII commencing on page 16 of the English text.

**Article VII. Valuation for Customs Purposes.**

Paragraph 1. Are there any comments?

*Agreed.*

Paragraph 2 (a) Any comments?

2 (b) Any comments?

2 (c)

Paragraph 2 is approved.

Paragraph 3.

*Approved.*

Paragraph 4 (a).

M. ROYER (France) (Interpretation): There is an omission in the French draft of paragraph 4 (a). The words in the fifth line "du présent article" have been omitted.
CHAIRMAN: Paragraph 4 (b)
Paragraph 4 (c)
Paragraph 4 (d)
Paragraph 4 is approved.
Paragraph 5. Are there any comments?
Approved.

Article VIII. Formalities connected with Importation and Exportation.

Paragraph 1.

Mr. R.J. SHACKLE (United Kingdom): In line 6, there should be a comma after "exportation".

Mr. J. M. LEDDY (United States): And a comma after "duties" in line 3.

CHAIRMAN: These commas will be inserted after "duties" and "exportation".

Are there any other observations on paragraph 1?
Approved.

Paragraph 2.
Approved.

Paragraph 3. Are there any comments?
Approved.


ARTICLE IX. Marks of Origin.

Paragraph 1.

Mr. R.J. SHACKLE (United Kingdom): In the third line the word "each" should probably go out. The text originally read "each other contracting party". This has now been altered to the plural "other contracting parties", and I think, in consequence, that the word "each" should disappear.
M. ROYER (France) (Interpretation): Mr. Chairman, our Customs experts have pointed out that the words in the French text "règlements relatifs" would be clearer than the words "conditions relatives" which we have taken over from the Charter.

CHAIRMAN: I take it that we are agreed that the word "each" is a mistake. I take it also that the Committee has no objection to the modification of the French text in accordance with the last remarks of the Chairman of the Legal Drafting Committee.

Baron Pierre de GAIFFIER (Belgium) (Interpretation): Mr. Chairman, if there is no objection to changing the word "conditions" to the word "réglementations" I would ask if there would be any objection to changing the word "marques" to "marquage". I have consulted my Delegation on this point and my Delegation would prefer the word "marquage" — "règlements relatifs au marquage" in the singular. For the Belgian Delegation the word "marquage" has a wider scope than the word "marques".

CHAIRMAN: It is agreed therefore to use the word "marquage". Are there any other comments on paragraph 1?

Approved.

Paragraph 2.

Approved.

Paragraph 3.

Approved.

Paragraph 4.

Approved.

Paragraph 5.

M. ROYER (France) (Interpretation): Mr. Chairman, on paragraph 5 of this Article it seems that the sub-Committee, Commission A and the Executive Committee agreed on two texts in their French and English versions which were not absolutely identical. It seems
that their agreement was reached by a misunderstanding, and when I showed these texts to our representative of our Agricultural Department he was very surprised and said that it was the French text which had been accepted. So I really do not know what we are going to do there.

Mr. R. J. SHACKLE (United Kingdom): I wonder, Mr. Chairman, whether there really is any substantial difference. The wording looks different, I agree. Where the French say "au sujet d'abus" we say "regarding the application of the undertaking set forth"; if the undertaking is to co-operate in preventing the use of trade names in such manner as to misrepresent the true origin of a product, I do not think there is any real difference, and whether one uses the pejorative term really does not seem to matter very much.

CHAIRMAN: Is there any objection to leaving the two texts as they stand, in spite of the apparent inconsistency?

There being no objection, I therefore take it that the Committee approves of the two texts remaining as they are.

Are there any other comments?

Mr. C. E. MORTON (Australia): Mr. Chairman, before you leave that I should like a statement from the Chairman of the Legal Drafting Committee that in his opinion the French text does not provide for any commitment that the English text does not.

M. ROYER (France) (Interpretation): Mr. Chairman, I certainly cannot say that these two texts are symmetrical regarding the commitments, but the difference does not arise so much from the use of the word "abus" in the French as from the fact that in
the English text, the commitment seems only to be taken if the marks of origin have been communicated in advance by one contracting party to the other contracting party, whereas the French text is vaguer and this commitment is not specified in that way.

Mr. J.M. LEDDY (United States): Mr. Chairman, it seems to me, looking at it, that the French text is broader in this sense: that the French text speaks of giving sympathetic consideration to representations on the subject of abuses "such as those mentioned above" whereas the English text is confined only to the earlier part of the paragraph. Would it be possible to amend the French text slightly to make it more in conformity with the English instead of extending to "the abuses such as mentioned above".
M. ROYER (Interpretation): Mr. Chairman, I think there is a way out if we modify slightly the end of the French draft so as to insert the condition which appears in the English draft relating to the communication to the other contracting parties of the marks of origin.

Mr. MORTON (Australia): Mr. Chairman, I am very certain that agreement was reached on the English text on the marks of origin so far as it relates to communication, and we were very careful regarding the commitment undertaken. In such circumstances I think it is well within the abilities of the Legal Drafting Committee to produce an identical thing which will correspond to the English text.

CHAIRMAN: I think the suggestion just made by the Chairman of the Legal Drafting Committee would bring the two texts more closely in harmony with one another.

Mr. MORTON (Australia): I am sure M. Royer's bilingualism will enable him to make them identical rather than more closely in harmony.

B. von P. DE GAIFFIER (Belgium) (Interpretation): Mr. Chairman, we all have no doubt as to the efficient qualities of M. Royer, especially his bilingual qualities, but the difficulty which faces us now is on which text shall we agree and which is the authoritative text; is it the English text or is it the French text? Certain Delegations felt it was the French text and that it was therefore the English text which had to be brought nearer to the French text, and not vice versa.
Mr. SHACKLE (United Kingdom): I was Chairman of the Sub-committee which fixed up this text. The history of it, I think, was this: that the last sentence in the English text was proposed by the United States Delegation. We discussed it on the basis of that text with the Delegate of the United States and I feel no doubt in my own mind that it was the English text on which we agreed. The French text was only settled later. I am not sure whether Mr. Leddy was on that Sub-committee; if so, perhaps he can confirm my recollection. I am not quite sure, but I think it was the United States text on which this was based; it was, I believe, adopted practically verbatim.

M. ROYER (Interpretation): Mr. Chairman, I think we do not want to open a controversy on this point, but, nevertheless, our experts of our Department of Agriculture, who do not speak English, have assured me that the discussion was carried on on the French text and that the Sub-committees and the Commission adopted the French text. It seems, therefore, it is an insoluble problem. But, with the addition which I have just proposed, it seems to me we could give satisfaction both to Mr. Morton and to Mr. Shackle.

Our Delegates who are experts on the matter have now left Genoa with the French text, which is the text of the Charter and which they think has been adopted. As those experts are not bilingual and do not speak English, they are under the impression that it was the French text which was adopted.

CHAIRMAN: I think the text proposed by M. Royer has gone a long way towards bringing the two texts into harmony. The matter is really not of such vital importance, because this Article is contained in Part II and therefore will be superseded by the Charter at some later date. No doubt there will be an opportunity at Havana to bring the two texts more closely into harmony with one another.
I should like to add that I now think, in substance, the two texts are exactly the same.

Mr. MORTON (Australia): On the advice of the Chairman, that no commitment is incorporated in the French text which does not appear in the English text, I have no objection whatever to any form of language which might be adopted.

CHAIRMAN: I therefore take it the Committee is agreeable to adding the words proposed by M. Royer to the French text.

Mr. SHACKLE (United Kingdom): Could we have those words once again, Mr. Chairman?

M. ROYER (Interpretation): The translation of the words in the French text would read: "to names of products which have been communicated to it by the other contracting parties."

CHAIRMAN: Is that agreed?

(Agreed).

Are there any other comments on Paragraph 5?

(Agreed).

Article X - Publication and Administration of Trade Regulations: Paragraph 1.

Mr. SHACKLE (United Kingdom): Mr. Chairman, I think the comma after "enforcement", in the third line of the English text, on Page 29, might well come out.

CHAIRMAN: The comma will be deleted.

Are there any other comments on Paragraph 1?

M. ROYER (Interpretation): In the 15th line of the French text on Page 29, the word "ou" should be deleted.
CHAIRMAN: Are there any other comments on Paragraph 1?
(Agreed).

Paragraph 2: are there any remarks?
(Agreed).

Paragraph 3 (a): any comments?
(Agreed).

Paragraph 3 (b): any comments?
(Agreed).

Paragraph 3 (c): are there any comments?

Mr. LEDDY (United States): Mr. Chairman, the note of the Legal Drafting Committee which appears on Page 32 proposes the deletion of the clause reading: "and those of sub-paragraph (b) of this Article." That appears at the end of the sub-paragraph. I think the difficulty there is that it should be sub-paragraph (a) and that there is an error in the text. I think perhaps the Delegate of New Zealand can confirm that it is the provision which he proposed.

Mr. JOHNSEN (New Zealand): It should be sub-paragraph (a), Mr. Chairman.

CHAIRMAN: Is there any objection to changing this to sub-paragraph (a), although the Charter now refers to sub-paragraph (b)?

M. ROYER (Interpretation): Mr. Chairman, I do not think we can maintain the mention of sub-paragraph (b) here, because then the wording would be inconsistent with the previous paragraph and it is impossible for the conditions and the requirements laid down in sub-paragraph (c) to conform to the requirements laid down in sub-paragraph (b).

In sub-paragraph (c) there is a requirement of procedures entirely independent of the administrative authorities but, nevertheless, giving certain guarantees of impartiality.
On the other hand, sub-paragraph (b) requires that these procedures shall be completely independent of any administrative authority. Therefore there would be an inconsistency if the words "sub-paragraph (b)" were maintained here.

Mr. SHACKLE (United Kingdom): Mr. Chairman, I am not entirely satisfied that it is right to substitute (a) for (b), because (a) is a commitment of a most general character - "shall administer in a uniform, impartial and reasonable manner......" It had occurred to me when I read this that possibly what one should say is: "and to the applicable requirements of sub-paragraph (b) of this Article."

Sub-paragraph (b) contains a more precise provision in regard to administrative action. That comes at the beginning of sub-paragraph (c), and then towards the end one has certain provisions about appeal and review. The wording I have suggested would be applicable even under the alternative procedure which is envisaged under sub-paragraph (c) and I am wondering if the words "and to the applicable requirements of sub-paragraph (b) of this Article" would not do what we wanted.

CHAIRMAN: The Delegate of the United States.

Mr. LEDDY (United States): Mr. Chairman, apart from the considerations of substance which have been put forward by Mr. Shacke, I think the fact is that this is just a simple error. The intention of the Sub-committee was to refer to sub-paragraph (a). We have no objection to deleting the provision entirely. I do not think it adds very much, but I am quite clear in my own mind that the understanding was that it would refer to sub-paragraph (a). I think we would get into a confusing situation if we made any reference to sub-paragraph (b).

CHAIRMAN: The Delegate of Belgium.
Baron-de-CAIFFIER—(Belgium)—(Interpretation): Mr. Chairman, the division of paragraph 3 into three separate sub-paragraphs was due to an amendment which was proposed by the Belgian Delegation and which was elaborated after consultation with the New Zealand Delegation. Mr. Leady was quite correct when he made his statement that the intention was to refer to sub-paragraph (a). Sub-paragraph (c) provides for a certain exception to the provisions of sub-paragraph (a). Nevertheless, if Mr. Johnson in New Zealand agrees to this, we would have no objection to the correction proposed by Mr. Shackleton.

CHAIRMAN: The Delegate of New Zealand.

Mr. JOHNSON (New Zealand): Mr. Chairman, I must agree with the view of Mr. Leady, but if we adopt the suggestion put forward by Mr. Shackleton it might lead to some confusion. I think there is no doubt about it that it was purely an error that (b) was put instead of (a). That was the intention and that was what was agreed upon in the sub-committee. I think the Belgian Delegate was anxious or desirous that that provision should be retained and I would suggest, therefore, that the letter (c) be replaced by the letter (a), to bring it into conformity with the original intention.

Mr. SHACKLE (United Kingdom): Mr. Chairman, I should be prepared to accept the substitution of (a) for (b). I would only point out that it is at the expense of incurring some little illogicality. I do not mind; I am prepared to see (a) substituted for (b).

CHAIRMAN: M. Royer.

M. ROYER (Interpretation): Mr. Chairman, I would like to support the statement just made by Mr. Shackleton. From a legal point of view it seems quite illogical to lay down a rule without limitations and then, in another paragraph, in the case of another rule, refer to the first rule and say that the second rule has to
be in harmony with the first one. If we want to refer to sub-paragraph (a), we have to suppress the clause which appears at the end of sub-paragraph (c). On the other hand, if we want to refer to sub-paragraph (b), I think we should draft the text in the following manner: "The Contracting Parties will determine if the procedures set out here offer the same guarantees as the procedures provided for in sub-paragraph (b)." I think this is the only way of doing it.

CHAIRMAN: The Delegate of Belgium.

Baron DE GAIFFIER (Belgium) (Interpretation): Mr. Chairman, I think the arguments put forward by Mr. Shackle and supported by the French Delegation are very valid ones. In the first statement I made I only wanted to show what was our original intention and what we intended when we corrected the original text by paragraph 3 and proposed to divide it into three sub-paragraphs. But, as I have previously stated, we are quite ready to accept Mr. Shackle's suggestion and adopt the drafting which he has proposed.

Mr. SHACKLE (United Kingdom): I think that of M. Royer would be better. It would read, if I remember it rightly: "to determine whether such procedures conform to the requirements of this sub-paragraph and offer the same guarantees as those provided for in sub-paragraph (b) of this Article." I think that is very much clearer and better.

CHAIRMAN: Are there any objections to the latest proposal for re-drafting the last lines of this paragraph?

Mr. JOHNSEN (New Zealand): Mr. Chairman, I am not quite so happy about that proposal. First of all, I think there might be some confusion as to what are the guarantees referred to in sub-paragraph (b) and I would prefer that the Legal Drafting Committee's suggestion be adopted rather than that proposal be put in.
Mr. SHACKLE (United Kingdom): Mr. Chairman, I have one alternative possible suggestion — I do not like it very much — to read: "and, mutatis mutandis, to those of sub-paragraph (b) of this Article."

CHAIRMAN: We are overwhelmed with suggestions.

Mr. JOHNSEN (New Zealand): Mr. Chairman, is there any reason to depart from the original intention of the Committee, which was to refer to sub-paragraph (a), even though, as already explained, there is no necessity for it? At least it does not detract from the intentions of the Committee.

Mr. LEDDY (United States): Mr. Chairman, I think the Delegate of New Zealand is quite right. It was never intended by Commission A or any sub-committee to lay down any suggestion that measures taken under sub-paragraph (c) must conform to the requirements of sub-paragraph (b) and I think the deletion of the reference to sub-paragraph (a) does not alter the substance of the text at all. There is still a commitment in sub-paragraph (a), an independent commitment that the contracting parties must administer their laws and regulations in a uniform, impartial and reasonable manner, so I do not see much value in referring to it again here and I wonder if a simple deletion would not satisfy the Delegate of Belgium.

CHAIRMAN: The Delegate of Belgium.

Baron DE GLIFFIER (Belgium) (Interpretation): Mr. Chairman, for purposes of clarity regarding both the discussion here and the text which we have to adopt, I think it would be better to leave the drafting of this text to the Legal Drafting Committee, provided that we give the Legal Drafting Committee sufficient instructions to enable it to draft the text and to make clear enough the views of the New Zealand Delegation on this question, because, if I
remember rightly, this text was adopted following an amendment proposed by the New Zealand Delegation, that certain procedures are not completely independent of the administrative authority but nevertheless offer similar guarantees to those provided for in sub-paragraph (b). If these procedures are what we are aiming at here, and if this is also the intention of the Committee, it would be very simple, it seems to me, to draft a proper text.

Mr. SHACKLE (United Kingdom): Mr. Chairman, rather than have the delay of referring this text back to the Legal Drafting Committee, I would suggest we adopt Mr. Leddy's suggestion and simply delete the words "and those of sub-paragraph (b) of this Article". I do not believe this is going to make any serious difference. We already have in sub-paragraph (c) a provision regarding information, and we do not need to repeat it. I therefore suggest we simply put a fullstop after the words "requirements of this sub-paragraph" and delete the rest.

CHAIRMAN: I hope the Committee can agree on the suggestion just made by Mr. Shackel, which has been supported by a number of Delegates, because there will be greater difficulties if we refer this back to the Legal Drafting Committee. The Legal Drafting Committee itself has expressed the opinion that these words should be deleted at the end of this sub-paragraph, so I think the simplest thing to do would be to adopt the suggestion just made by Mr. Shackel and delete the words "and to those of sub-paragraph (b) of this Article." Is that agreed?

(Agreed).

Are there any other comments on paragraph 3?

M. ROYER (Interpretation): My remarks only refer to the French text, Mr. Chairman.

CHAIRMAN: Are there any other comments on paragraph 3?

(Agreed).
Article XI - General Elimination of Quantitative Restrictions

Paragraph 1.

Mr. SHACKLE (United Kingdom): Mr. Chairman, there is a typographical error on Page 33; the words "effective through quotas, import" should be deleted.

Mr. LEDDY (United States): If you delete the last line on Page 32 it will read correctly.

CHAIRMAN: Either the last line on Page 32 or the first line on Page 33 should be deleted.

Are there any other comments on paragraph 1?

(Agreed).

Paragraph 2, sub-paragraph (a): we have a note by the Legal Drafting Committee.

Mr. LEDDY (United States): Mr. Chairman, I do not think there would really be any conflict between the Charter and the Agreement if the Agreement should continue to stand as it is. I rather think it would be unwise to envisage the contracting parties as being in a position to examine marketing standards and agree on regulations, and that sort of thing. I think that would be appropriate for the International Trade Organization, which would have the staff of experts necessary. I do not think its omission from the Trade Agreement need cause us any difficulty.

CHAIRMAN: Are there any other comments?

The Delegate of Syria.

Mr. I. TRABOULSI (Syria) (Interpretation): Mr. Chairman, on Page 33 of the French text the small (c) should be replaced by a small (b).

CHAIRMAN: Thank you.

M. ROYER (Interpretation): Mr. Chairman, the intention of the Legal Drafting Committee was just to draw the attention of the
Committee to this point: I think it would be useful to provide here for the contracting parties to deal with this matter, but we could insert a few words stating that the reservation of decisions will be made on that point by the Organization, because if the ITO decides, for instance, to request one of the contracting parties to modify certain of its rules in this matter, then the contracting party concerned might always answer that it has no commitments vis-à-vis the other contracting parties in relation to this Agreement. Therefore there might be two different sets of commitments which might conflict with each other.

Mr. SHACKLE (United Kingdom): Mr. Chairman, I feel there is a certain difficulty in introducing a reference here to the Organization. We have not done it before and it might conceivably be that there was no Organization. It does seem to me that on the whole probably this text should be left as it is. One of two things will happen: either this provision will be superseded by the corresponding provision of the Charter, in which case everything will be clear, or if it is not superseded, in that case the Contracting Parties will have to reconsider this paragraph and decide whether something corresponding to Paragraph 2 (b) of Article 20 of the Charter must be written in. I feel that on the whole we can leave matters as they are.

CHAIRMAN: Is that agreed? I take it the Committee is in accord that the text should remain as it is.

(Agreed).

Sub-paragraph (c): are there any comments?

M. ROYER (Interpretation): Mr. Chairman, in sub-paragraph (c) (i) the words "of the like domestic product" should be in square brackets.

Mr. SHACKLE (United Kingdom): Otherwise be omitted, because they are a repetition in typing.

CHAIRMAN: Are there any other comments on sub-paragraph (c)?

(Agreed).
M. ROYER (Interpretation): Mr. Chairman, some words have to be added to sub-paragraph (c)(i) in the French text; four lines from the end of (c)(i) the words "celui du produit national" should be added.

CHAIRMAN: Are there any comments on the last part of Paragraph 2?

(Agreed)

Paragraph 3: any remarks?

(Agreed).

Article XII - Restrictions to Safeguard the Balance of Payments.

Paragraph 1.

Mr. LIDDY (United States): There should be a comma after the word "party" in the third line of the English text.

CHAIRMAN: The comma will be inserted. Are there any other comments?

(Agreed).

Paragraph 2 (a); are there any comments?

Mr. SHACKLE (United Kingdom): Mr. Chairman, in the last line of the English text, on Page 38, I do not really see the point of substituting a fullstop for a semi-colon; you would then get the following sentence without any verb in it. I prefer to go back to the old arrangement, namely, to have a semi-colon and a small "d" for "due".

M. ROYER (Interpretation): Mr. Chairman, the point raised by Mr. Shackle is due to a mistake in the lay-out. In fact, the text should read: "necessary (i) to forestall......reserves, or (ii) in the case of......". There should be a fullstop after the word "reserves", and then another paragraph, beginning: "Due regard shall be paid", not "due regard being paid." The reason we have made the change is that in the Charter "due regard being paid" only applied to sub-paragraph (2), but here "due regard shall be paid" must bear
upon the two sub-paragraphs (1) and (2). We must provide here for the two cases.

Mr. SHACKLE (United Kingdom): Yes, Mr. Chairman, M. Royer has resolved the question by introducing the verb.

CHAIRMAN: The Chairman of the Legal Drafting Committee points out that this is really a mistake in the Charter and there should be a new paragraph beginning with "Due regard shall be paid."

Is that agreed?

(Agreed)

In sub-paragraph (a) there will be an indentation after the word "necessary", in both the English and French texts.

Sub-paragraph (b): any comments?

(Agreed)

Paragraph 3 (a): any comments?

(Agreed).

Paragraph 3 (b): any comments?

M. ROYER (Interpretation): In the French text there is a comma which should be deleted from the 15th line on Page 41, after the word "politique".

CHAIRMAN: Are there any other comments?

(Agreed).

Sub-paragraph (c): any comments?

Mr. LEDDY (United States): In the last line but one on Page 42, "procedure" should read "procedures".

CHAIRMAN: The word "procedure" at the bottom of Page 42 should be in the plural.

Are there any other comments on sub-paragraph (c)?

(Agreed).

Paragraph 4 (a): any comments?

(Agreed).
Paragraph 4 (b): the Legal Drafting Committee has a note at the end of Page 44.

Mr. LEDDY (United States): Mr. Chairman, I propose we insert the date of January 1, 1950, which will be two years from the date on which this Agreement enters into force.

CHAIRMAN: The United States Delegate has proposed that we should insert the words "January 1, 1950" in place of the words "two years from the day on which this Agreement enters into force." Are there any objections?

M. ROYER (Interpretation): Mr. Chairman, I should prefer to say January 1, 1951, because we have a similar provision in the Charter and the time limit which is provided for in the Charter will only expire approximately in the middle of 1951. Therefore, if we adopt 1950 here, there would be some inconsistency between the two provisions. If Members of the Organization had only until July 1951, for instance, to apply these provisions, and, on the other hand, in regard to the other contracting parties, if they had to make new arrangements after January 1, 1950, these two provisions would seem to be inconsistent.

Mr. SHACKLE (United Kingdom): Mr. Chairman, I would like to support M. Royer's arguments. Looking at the world as it is today, it does seem to me rather optimistic to envisage that by January 1, 1951, the balance of payments difficulties would everywhere have been solved. In any case, this merely says "not later than" and if the Contracting Parties thought it opportune to make an earlier review they could always do so. I would like to support the suggestion of January 1, 1951.
CHAIRMAN: Are there any objections to the date of 1 January 1951?

Mr. J.M. LEDDY (United States): Mr. Chairman, it seems to me that if these provisions are in the Charter, presumably the Charter will supersede any provisions to the contrary which may be in the Agreement. So that will take care of that point.

On the other hand, if we put the date of 1 January 1951, I think that rather assumes that the Charter will not enter into force until 1949, whereas it would be our thought that the Charter would come into force before 1949, some time in 1948. This is not a particular specific obligation. It is simply a provision for review by the Contracting Parties, and if there is no hope for eliminating the restrictions, presumably the Contracting Parties will merely review the situation and do nothing about it. We do attach some importance to this provision because it does seem that quantitative restrictions, for balance of payments reasons, need some sort of international scrutiny, and we would prefer to have it two years from the date on which this Agreement enters into force, which would be 1 January 1950.

CHAIRMAN: M. Royer.

M. ROYER (France) (Interpretation): Mr. Chairman, I would like to take up Mr. Leddy's arguments one by one because I think that we can draw a conclusion which is exactly the opposite to the one which he has drawn from his arguments, and therefore I think that his arguments may tend to prove that the solution which I proposed was the only sound one.

First of all, if the Charter supersedes the provisions of this Article, Mr. Leddy said there would be no interest in inserting the date of 1951 because we would get satisfaction anyhow.
Nevertheless it seems to me that if we insert here 1951, and if the provisions of this Article are superseded by the provisions of the Charter, then the date of 1951 will be, in the last resort, two years after the entry into force of the Charter, and Mr. Leddy will be satisfied, anyhow, because he will have two years after the entry into force of the Charter.

Secondly, Mr. Leddy says it was two years from the date of entry into force of the Agreement. Well, the entry into force of the Agreement will take place once the ratifications have been sent, and it seems that the ratifications will not all be sent on the 1 January 1948 but only, let us say, in August or even in October 1948, and therefore the proper date should not be 1950 but 1951.

Thirdly, Mr. Leddy said that I was very pessimistic in inserting the date of 1951 and not 1950 because that was assuming that the Charter would not come into force before 1949. But I think that Mr. Leddy is being over-optimistic if he thinks that the Charter will come into force on 1 January 1948.

Furthermore, Mr. Leddy said that his Delegation attached great importance to that clause and to such a date, but may I state that we attach even greater importance to such a date and this for psychological reasons. You are quite aware that France attaches great importance to the question of quantitative restrictions which are closely linked to the development of our so-called "plan Monnet" and if we were to insert here the date of January 1950, even if this date were to be deleted in a few months, then it is possible that we should be faced with tremendous difficulty regarding the political and parliamentary implications of such a date, and that this might even jeopardise our intentions of carrying out the provisional application of this Agreement. Therefore, looking at the question from this angle, this would be extremely unfavourable.
On the other hand, if the date of 1951 were inserted instead of the date 1950, we would have solid arguments with which to face our public opinion and our parliamentary circles in favour of the provisional application of the Agreement.

Therefore, for psychological reasons more than for reasons of substance, I think that it would be wise to insert the date here of 1951. May I say furthermore that this date of 1951 is a very familiar one and that it appears elsewhere in the Charter.

CHAIRMAN: Are there any other comments?

Mr. J.M. LEDDY (United States): Mr. Chairman, without completely agreeing with M. Royer's reasoning, I do not feel as strongly as he does about this point and, subject to clearance by my Delegation, I think we might be willing to accept January 1, 1951, bearing in mind that this is, after all, a final date within which action must be taken, and recognising that the Contracting Parties may at any time review the situation.

CHAIRMAN: Shall we therefore agree on the date of January 1, 1951 on the understanding that the United States Delegation may wish to raise the matter later on if they find that they cannot accept this date? Is that agreed?

Agreed.

Are there any other comments on sub-paragraph (b)?

In the sixth line the word "it" should be replaced by "they".

Sub-paragraph (b) is agreed.

Sub-paragraph (c). Are there any comments?

Sub-paragraph (d). Are there any comments?

In the second line from the bottom on page 45 the word "of" should be replaced by the word "or": - "or 3 of this Article or with those of Article XIII".

Are there any comments on sub-paragraph (d)?

Agreed.
Sub-paragraph (e)?

Paragraph 4 is approved.

Paragraph 5. Are there any comments?

Agreed.

**Article XIII.** Non-discriminatory Administration of Quantitative Restrictions.

Paragraph 1. Agreed.

Paragraph 2.

Sub-paragraph (a)

Sub-paragraph (b)

Sub-paragraph (c)

Sub-paragraph (d)

Paragraph 2 is approved.

Paragraph 3 (a).

M. ROYER (France) (Interpretation): In the French text there is a modification which has not been reproduced in the text. It should be "dévoiler le nom" and suppress the words "de renseignements au sujet du".

CHAIRMAN: Are there any other comments on paragraph 3 (a).

Agreed.

Paragraph 3 (b):

M. ROYER (France) (Interpretation): To be quite correct, the first line of the French text on page 54 should read "dédouanés à l'arrivée de l'étranger ou à la sortie d'entrepôt".

CHAIRMAN: Are there any other comments on paragraph 3 (b)?

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, may I return to paragraph 2? On page 51 in the third line of sub-paragraph (d)
the words "contracting parties" should be "contracting party" in the singular.

I also think that the commas, again, have gone wrong. Ten lines from the bottom of the page the comma after "proportions" should be omitted, and it should be inserted after the word "parties", two lines further down.

Mr. J. M. LEGG (United States): I think the text recommended by the Drafting Committee is clear, Mr. Chairman.

Mr. R. J. SHACKLE (United Kingdom): I am prepared to leave the commas as they were: I do not really mind.

CHAIRMAN: I take it that the Committee is agreed that in the third line the word "party" should be substituted for the word "parties", but that the rest of sub-paragraph (d) will remain as it is.

Now, we have passed paragraph 3(a) and 3(b). Paragraph 3(c)?

Approved.

Paragraph 4. Are there any comments?

Approved.

Paragraph 5. We have a Note here of the Legal Drafting Committee.

M. ROYER (France) (Interpretation): Mr. Chairman, this is a somewhat obscure story. It seems that, in the course of printing, a modification to the reference here occurred and therefore the Legal Drafting Committee thought it necessary to draw the attention of the full Committee to this point. I will now give to the Committee all the elements which are available.

When the Report of the Legal Drafting Committee was examined in full Committee Mr. Shackie made the following remarks:

(continued in English):

"I have a point concerning the reference to paragraphs 3 and 4
of Article XV. The final form of Article XV is not entirely settled, so those numbers had better be left blank or put in square brackets. The numbers 3 and 4 for those paragraphs may turn out to be the wrong numbers when the final form of Article XV is established. I therefore suggest that we omit the numbers of the paragraphs, replacing them by dots, or put them in square brackets.

(Continued in French): It seems now that the Secretariat has re-inserted the numbers which we had not decided but which we thought it best to replace by dots. I would like to add also that a further reference to Article XIX was also deleted.

CHAIRMAN: Probably the simplest way of dealing with this matter would be to insert the words "3 and 4" in the last line so that it would read "under paragraphs 2, 3 and 4 of Article III". The reason the Secretariat originally did not put in a reference to paragraphs 3 and 4 was that they considered the matter was covered by the reference to paragraph 2. There have been cross-references in paragraphs 3 and 4 to paragraph 2.

Mr. Leddy.

Mr. J.M. LEDDY (United States): Mr. Chairman, the Most-Favoured-Nation treatment for matters referred to in paragraph 2 is provided for in paragraph 1 of Article I. The intention was that the principles that we set out here to apply the Most-Favoured-Nation principle to import and export products should also apply to internal quantitative regulations, and paragraphs 3 and 4, I think, are the governing provisions with respect to internal quantitative regulations. Therefore, I propose that we delete the reference to paragraph 2 and simply insert "under paragraphs 3 and 4 of Article III".

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I think
actually the same mistake occurs in the Charter on page 24, the last line of paragraph 5 of Article 22, where it says "under paragraph 2 of Article 18". It should be "under paragraphs 3 and 4".

CHAIRMAN: It was due to the mistake in the Charter text that this has been carried over into the Agreement. This mistake in the Charter text is no doubt due to the confusion to which M. Royer has drawn attention. Would there be any objection to the proposal of Mr. Leddy to replace the words "paragraph 2" in paragraph 5 of Article XIII by the words "paragraphs 3 and 4". No objections? Agreed.

M. ROYER (France) (Interpretation): The French text should read, of course, "Article III" and not "Article XIII" in the last line.

CHAIRMAN: Are there any other comments on paragraph 5? Paragraph 5 is approved with the changes we have made.

ARTICLE XIV. - Exceptions to the Rule of Non-discrimination.
Paragraph 1 (a) Approved.
Paragraph 1 (b) Are there any comments? Approved.
Paragraph 1 (c).

Mr. R.J. SHACKLE (United Kingdom): There should be a comma, I think, after the word "sub-paragraph" in the second line on page 60. There is also a superfluous letter "a" at the end of the sixth line. It should simply be "that the requirements of that sub-paragraph are fulfilled ......."

CHAIRMAN: Does the Committee agree to insert a comma after the word "sub-paragraph" at the top of page 60? Agreed.
Sub-paragraph (d) of paragraph 1.

Approved.

Paragraph 2.

M. ROYER (France) (Interpretation): I would ask for the deletion of the word "disponibles" in the second line of the French text on page 61; "utiles" is quite enough.

CHAIRMAN: Is that agreed?

Agreed.

Paragraph 2 is approved.

Paragraph 3 (a).

Baron Pierre de GAIFFIER (Belgium): There is a "T" missing in the first "CONTRACTING PARTIES", Mr. Chairman.

CHAIRMAN: Are there any other comments on paragraph 3 (a)?

Approved.

Paragraph 3 (b). Are there any comments?

Approved.

Paragraph 3 (c). Are there any comments?

Approved.

Paragraph 4.

Sub-paragraph (a)

Sub-paragraph (b).

Paragraph 4 is approved.

Paragraph 5. Are there any comments?

Approved.

Paragraph 6 (a) Approved.

Paragraph 6 (b) Approved.

M. ROYER (France) (Interpretation): Mr. Chairman, before going on to Article XIV I would like to make a remark on the first paragraph, sub-paragraph (a) of Article XIV, on the last words of
the French text "de ne pas gêner la reprise des échanges multilatéraux", corresponding to the English words "so as not to handicap achievement of multilateral international trade."

Well, we have not been able to find track of the original French words, neither in Document T/180 nor in the text of the Charter itself. There is no mention of the original French text which, if I remember rightly, was proposed by M. Suetens himself. Therefore, the French text here is the translation of the English words which appear in the right hand column, and therefore also the text of the Charter will have to be modified accordingly.

CHAIRMAN: Are there any comments on the remarks of the Chairman of the Legal Drafting Committee?

Then I take it that the Committee is in accord with the French text of paragraph 1 (a) of Article XIV.

**Article XV - Exchange Arrangements.**

**Paragraph 1.**

Approved.

**Paragraph 2.**

Baron Pierre de GAIFFIER (Belgium) (Interpretation): Mr. Chairman, this is only a typographical point: at the end of the twelfth line of the French text there is a "d" and the word "ordre" begins the thirteenth line. The lay-out of the text would be better if the word "ordre" were placed on the twelfth line after the "d".

M. ROYER (France) (Interpretation): Mr. Chairman, in the sixth line of the French text the word "les" must also be enclosed in the square brackets - "les Parties contractantes".

CHAIRMAN: Paragraph 2 is approved with the changes made in the French text.

**Paragraph 3.**

Approved.

**Paragraph 4.**

Approved.
Paragraph 5.  Approved.

Paragraph 6.  Are there any comments?

Baron Pierre de GAIFFIER (Belgium) (Interpretation): I should like to know if M. Royer agrees to the draft as it stands now - "après consultation du Fonds"?

M. ROYER (France) (Interpretation): Mr. Chairman, it would be better in the French text at the end of paragraph 5 to state "elles adresseront au Fonds un rapport à ce sujet ..." as the words "Monétaire international" have been dropped.

CHAIRMAN: Is that agreed? Are there any other comments on paragraph 6?

Baron Pierre de GAIFFIER (Belgium): (Comment on typographical error in the French text).

CHAIRMAN: These little typographical errors will be checked by the Secretariat.

Is paragraph 6 approved?  Approved.

Paragraph 7 (a) Approved.

Paragraph 7 (b).

M. ROYER (France) (Interpretation): It is proposed in the French text on page 73 to bring the words "ses membres" up two lines to follow the word "imposées".

CHAIRMAN: Are there any other comments on paragraph 7 (b)?  Approved.

Paragraph 8.

M. ROYER (France) (Interpretation): We suggest replacing the first word of this paragraph "Une" by the word "Toute".

CHAIRMAN: Paragraph 8 is approved.
Paragraph 9.

M. ROYER (France) (Interpretation): In the first line of the French text on page 74 the word "à" before "des restrictions" has disappeared; and it would be better to add, before "conformes" in the second line, the words "qui seraient" - "en matière de change qui seraient conformes ...."

CHAIRMAN: Is that approved?

Sub-paragraph (a) is approved.

Sub-paragraph (b). Are there any comments?

M. ROYER (France) (Interpretation): In the French text it would be better to insert the conditional and say "serait de prendre efficaces" in the fourth line before the end.

CHAIRMAN: Are there any objections?

Paragraph 9 is approved.

ARTICLE XVI - Subsidies.

Are there any comments?

M. ROYER (France) (Interpretation): Mr. Chairman, in the fifth line of the French text on page 75 it would be better to have "ou de réduire les importations" instead of "ou d'en réduire les importations". The word "Partie" in the next line should not have a capital "P". Then, three lines before the end, there is a comma after the word "intéressées". This is only an English comma, not a French one, and should be deleted.

CHAIRMAN: Are there any other comments on Article XVI?

Article XVI is approved.
ARTICLE XVII - Non-discriminatory Treatment on the Part of State-Trading Enterprises.

CHAIRMAN: Paragraph 1 (a).

Baron Pierre de GAIFFIER (Belgium) (Interpretation): In the French text the word "présent" is to be replaced by "prescrit", and the word "par" in the line following by "pour".

M. ROYER (France) (Interpretation): Mr. Chairman, I think that the French text would be more elegant if it read: "Chaque partie contractante ......." then delete "si elle" and substitute "qui" - ".... qui fonde ou maintient une entreprise d'État ...... ou qui accorde .........". And the word "présent" in the sixth line, from the end is to be replaced by "prescrit" and the word "par", in the following line is to be replaced by the word "pour".

CHAIRMAN: Are there any objections to these modifications in the French text? Approved.

Is paragraph 1 (a) approved? Approved.

Paragraph 1 (b).

M. ROYER (France) (Interpretation): In the French text, at the end of this paragraph, the last words have been left out. It should read "participer à ces ventes ou à ces achats, conformément aux usages commerciaux ordinaires." I do not want to take up the time of this Committee with a few commas which are missing.

CHAIRMAN: Paragraph 1 (b) is approved.

M. Angel FAIVOVICH (Chile) (Interpretation): Mr. Chairman, in the French text I would like to know why the words "possibilités
de vente" have been replaced by the words "qualités marchandes". Is the same idea conveyed by the words "qualités marchandes" as by the words "possibilités de vente"?

M. ROYER (France) (Interpretation): Mr. Chairman, we had a very arduous task in trying to translate into French the word "marketability" and we thought that the words "possibilités de vente" did not give a good translation but that the phrase "qualités marchandes" was nearer.

M. Angel FAIVOVICH (Chile) (Interpretation): Mr. Chairman, I agree with this interpretation.

M. ROYER (France) (Interpretation): Mr. Chairman, I have just found in paragraph 1 (c) the words which I said had been omitted from 1 (b). The words which I gave were only a rough draft, and the correct phrase is: "dans des conditions de libre concurrence et conformément aux usages commerciaux ordinaires". Those words have to be inserted at the end of paragraph 1 (b) and of course they have to be deleted from paragraph 1 (c).

CHAIRMAN: Are there any other comments on paragraph 1 (b). Paragraph 1 (b) is approved. Paragraph 1 (c).

Baron Pierre de GAIFFIER (Belgium) (Not Interpreted).

CHAIRMAN: Paragraph 1 (c) is approved. Paragraph 2.

Mr. R.J. SHACKLE (United Kingdom): Will someone explain to me what is the meaning of the word "otherwise" in the sixth line? I never have understood it. Perhaps I am introducing this at a rather late stage of the proceedings, but I have never heard an explanation of what it is supposed to mean.
CHAIRMAN: Is the introducer of this word present?

Mr. J. W. EVANS (United States): If Mr. Shackle insists on an explanation I shall be glad to give it, but if he would prefer to take me out for a drink I could explain it then.

Mr. R.J. SHACKLE (United Kingdom): I accept that proposition.

M. ROYER (France) (Interpretation): Mr. Chairman, it seems that from a juridical point of view the words "not otherwise for re-sale or for use in the production of goods for sale" and the corresponding words in the French text are completely superfluous. We have laid down the principle; then we have laid down an exception to that principle; now we are laying down an exception to the exception, which, in fact, returns to the general rule. Therefore, the words are quite superfluous.

Mr. R.J. SHACKLE (United Kingdom): I think the object of having those words was to clear the ambiguity which resides in the word "governmental"; because governments nowadays do things which they used not to do in the past, so that we could not be sure of the meaning attaching to the word "governmental".
M. ROYER (Interpretation): But, Mr. Chairman, these words "otherwise, etc." are not related to the words "in governmental use" but to the words "ultimate consumption" and therefore, whatever the authority of a Government nowadays, the connotation remains the same.

CHAIRMAN: I take it that as the French Delegation has accepted this Anglo-Saxon illogicality in the Charter they will accept it in the Agreement.

Are there any other comments on Paragraph 2?

M. ROYER (Interpretation): The last line of the French text will read: "accordera un traitement équitable au commerce des cultures parties contractantes."

CHAIRMAN: Is Paragraph 2 approved? (Agreed).

We now pass to Article XVIII, which will be found in the continuation of Document T/212, Page 79.

Article XVIII - Adjustments in Connection with Economic Development. Paragraph 1: are there any comments? (Agreed)

Paragraph 2 (a): any comments?

M. ROYER (Interpretation): Mr. Chairman, the Legal Drafting Committee was compelled to modify quite seriously the text which was presented to it, because the text of the draft of the Charter was taken over automatically, without taking into account that the scope of the General Agreement was of a different nature.

In the text of the Charter it was stated that the obligations were undertaken under the provisions of this text, or that the obligations would occur through negotiations, whilst the negotiations are the negotiations of the Agreement. Therefore we had to modify the text accordingly and here we speak of obligations under Article II, or under the general provisions of this Agreement. We reversed the order which appeared in the original draft and spoke first of the obligations under the negotiations; that is to say, under Article II,
and then only of the other obligations of a general nature, and the text now reads: "If a contracting party ... considers it desirable to adopt any non-discriminatory measure which would conflict with any obligation which it has assumed under Article II, or with any other provision of this Agreement...."

There are two small typographical errors in the French text. The word "serait" at the top of Page 80 must be read in the plural and, of course, "aux termes de l'article I" should read "aux termes de l'article II."

CHAIRMAN: Are there any other comments?

Mr. SHACKLE (United Kingdom): Mr. Chairman, I think there should be a comma after the underlined words "provision of this Agreement" in the eighth line of Page 80.

CHAIRMAN: Yes. Are there any other comments on paragraph 2(a)?

(Agreed).

Paragraph 2(b): any comments?

Mr. LEDDY (United States): There should be a comma at the end of the third line of the English text.

CHAIRMAN: After "parties".

M. ROYER (Interpretation): In the fifth line of sub-paragraph (b) in the French text it should be "estimée" instead of "estimera."

CHAIRMAN: Are there any other comments? (Agreed).

Paragraph 2(a): any comments? (Agreed)

Paragraph 3(a): any comments?

M. ROYER (Interpretation): Two words have been left out of the last line of the French text on Page 81. Between the words "ou" and "tend" the words "si elle" should be inserted.

CHAIRMAN: Are there any other comments? (Agreed).
Paragraph 3(b): any comments?

M. ROYER (Interpretation): Mr. Chairman, I would like to point out here that we have at last settled the problem of translating into French the words "obtaining substantial agreement." We thought it would be quite clear if we put "d'arriver à un accord suffisant."

CHAIRMAN: Are there any objections? Are there any other comments on Paragraph 3(b)?

M. ROYER (Interpretation): Mr. Chairman, in the French text of paragraph 3(b), although we did not want to modify the text of the Draft Charter, nevertheless "dans les délais" is not very elegant in French; it would be better to make it read: "notifier".

CHAIRMAN: Are there any objections to this change in the French text? (Agreed).

Paragraph 3(c): any comments? (Agreed).
Paragraph 4(a): any comments? (Agreed).
Paragraph 4(c): any comments? (Agreed).
Paragraph 5(a): any comments? (Agreed).
Paragraph 5(b): any comments? (Agreed).

Paragraph 6: we have a note by the Legal Drafting Committee. Are there any comments? I take it then that the Committee is in accord with the change made by the Legal Drafting Committee. Are there any other comments on Paragraph 6? (Agreed).

Paragraph 7: any comments? (Agreed).

Mr. SHACKLE (United Kingdom): There should be a comma after "contracting party" in the third line, I think.

CHAIRMAN: Are there any objections? (Agreed).

M. ROYER (Interpretation): Mr. Chairman, I apologise for reverting to Paragraph 5, but the words "Contracting Parties" must be in capital letters in the French text.
CHAIRMAN: Are there any other comments? Paragraph 7 is therefore agreed.

It is clear we shall not finish our review of the General Agreement. Therefore I think we should break off now for lunch and after lunch take up Article XIX.

The meeting of the Tariff Negotiations Working Party will be postponed until after we have concluded our work in this Committee.

The Meeting is now adjourned and will be resumed at 2.30 p.m.

(The Meeting rose at 1.10 p.m.)