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ORIGINAL: ENGLISH

**DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF THE  
INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT****SECRETARIAT SUGGESTIONS IN CONNECTION WITH THE PREPARATION  
OF A DRAFT CHARTER BY THE DRAFTING COMMITTEE**

(Articles 25, 26, 27, 28 and 29)

The Secretariat submits herewith certain observations on Articles 25, 26, 27, 28 and 29 that, it is hoped, will be of assistance to the Drafting Committee in the preparation of a Draft Charter for submission to the Second Session of the Preparatory Committee of the International Conference on Trade and Employment.

On the assumption that the Delegations will employ the Report of the First Session of the Preparatory Committee as their basic working document, reference in this text will be made mainly to the Report. The word "Charter" used alone will refer to the appendix to that Report.

Article 25Paragraph 1, Lines 2 - 3

"their external financial position and as a step towards the restoration of equilibrium." From the remainder of the paragraph it appears that "financial position" refers to foreign exchange holdings and "equilibrium" to balance of payments. If so, the following words may be considered: "their foreign exchange position and as a step towards the restoration of equilibrium in their balance of payments."

Sub-Paragraph 2 (a), Line 4

For clarity, the word "nonetary" may be added before "reserves".

It is suggested that the passage starting "Provided that restrictions... " after sub-paragraph 2 (a) (iii) be incorporated in that sub-paragraph and changed as follows:

/"Provided

"Provided that such restrictions may be imposed" etc.

It is also suggested that the words "Provided that this period" etc., be given not as a separate paragraph but added immediately after "1 July 1949".

Sub-Paragraph 2 (e)

Cf. Part II, page 12, left-hand column, paragraph (d): Chile and China proposed that the exception under paragraph 2 (e) should not be confined to agricultural and fisheries products; Norway considered it should cover only agricultural products.

Also page 12, paragraph (h): the Netherlands and India suggested that the words "for instance" be added after "domestic product" in sub-paragraph 2 (e) (ii).

Suggested New Exceptions Under Sub-Paragraph 2 (e)

Cf. Part II, page 12, paragraph (j) and (k): Brazil suggested use of quantitative restrictions "to prevent sudden and intermittent dumping" and "for the preservation of scarce natural resources".

With regard to the last-mentioned exception, it was agreed in London "that the point might usefully be further examined at the Second Session of the Preparatory Committee".

Also page 12, paragraph (m) concerning a suggestion by India (and, it appears, some other countries) that countries be allowed to use q.r. for the purpose of economic development.

Sub-Paragraph 2 (f)

Cf. Part II, page 12, left-hand column, paragraph (g): China wished to delete, and India and the Netherlands to modify the last three sentences (from "Moreover") of this sub-paragraph. The printed Report wrongly indicates 2 (c) instead of 2 (f).

/Sub-Paragraph

Sub-Paragraph 2 (f), Suggestion by the Secretariat

It may be useful to move the three last sentences (from "Moreover") to sub-paragraph 2.(e). For this purpose, (i) and (ii) under sub-paragraph 2 (e) would have to be reversed (that is, the present (i) would become (ii)) and the initial words of the sentences slightly changed. Sub-paragraph 2 (e) (ii) would then end: "... marketed or produced. However, any such restrictions shall not be such ... such consultations."

Article 26

Paragraph 3 (a), Line 7

"its" may be changed to "the Member's".

Cf. Part II, page 14, paragraph (v): China suggested other wording of Article 26 permitting wider use of q.r. for balance of payments purposes and elimination of the provision for complaints etc.

Article 27

Paragraph 4, Line 2

For clarity, the words "of this Article" may be added after "2 (d)".

Article 28

Paragraph 1, Line 1

It appears that "this Section" may be changed to "Article 27".

Paragraph 1, Last Sub-Paragraph ("Provided that a Member" etc.)

It appears that this proviso should be incorporated in sub-paragraph (iv) and not start on a fresh line.

Paragraph 2, Line 3 from end

It may be useful to put semi-colon after "Article 26" and delete the following "and".

Paragraph 2, Line 6

"inconsistent with the exceptions provided under " could perhaps be changed to "inconsistent with the provisions of paragraph 1 of".