

DRAFT CHARTER

AMENDMENT SUBMITTED BY THE DELEGATION OF FRANCE

Chapter I, Article 1

Under paragraph 4, add a new paragraph, as follows:

"To facilitate the progressive freeing of trade in increasingly extensive economic zones by promoting the maintenance, establishment and development between neighbouring countries, or countries which are closely related economically owing to the complementary nature of their economic systems, economic units wider in character than those resulting from political frontiers."

Article 23

Insert a new paragraph 6, worded as follows:

"6. (a) The provisions of Article 22 shall not enter into force in respect of import restrictions applied by a Member pursuant to Article 21, in order to safeguard its external financial position and balance of payments, and the provisions of paragraph 1 of Article 20 and of Article 22 shall not enter into force in respect of export restrictions applied by a Member for the same reason, until 1 January 1949; Provided that this period may, with the concurrence of the Organization, be extended for such further periods as the latter may specify in respect of a Member whose supply of convertible currencies is inadequate to enable it to apply the above-mentioned provisions.

"(b) If a measure taken by a Member in the circumstances referred to in sub-paragraph (a) of this paragraph affects the commerce of another Member to such an extent as to cause the latter to consider the need of having recourse to the provisions of Article 21, the Member having taken that measure shall, if the affected Member so requests, enter into immediate consultation with a view to arrangements enabling the affected contracting party to avoid having such recourse, and if special circumstances are put forward to justify such action, shall temporarily suspend application of the measure for a period of fifteen days."

/Statement of

Statement of Reasons

The foregoing clause was inserted in the General Agreement on Tariffs and Trade, and it is essential that it should be incorporated in the Charter, so as to avoid any disparity in the two documents.

Chapter IV, Section E, Article 32

In paragraph 6, delete the end of the second sentence, beginning with the words "in respect of any goods".

Paragraph 6 would then read as follows, the words in square brackets being deleted:

"6. Each Member shall accord to products which have been in transit through any other Member country treatment no less favourable than that which would have been accorded to such products had they been transported from their place of origin to their destination without going through such other Member country. Any Member shall, however, be free to maintain its requirements of direct consignment existing on the day of the signature of this Charter [in respect of any goods in regard to which such direct consignment is a requisite condition of eligibility for entry of the goods at preferential rates of duty or has relation to the Member's prescribed method of valuation for duty purposes.]"

Statement of Reasons

As the delegation of France pointed out during the discussions at Geneva, the French Government is not, in present circumstances and having regard to the state of French ports, in a position to amend its legislation to bring it into conformity with the provisions of paragraph 6.

It therefore requests that the exception granted in respect of certain special regulations be made general.

Chapter VII, Section C - The Executive Board - Article 75

Composition of the Executive Board

1. The Executive Board shall, subject to the provisions of paragraph 6 of this Article, consist of eighteen Members of the Organization.
2. Argentina, Brazil, Canada, China, France, India, the United Kingdom, the United States of America, the Union of Soviet Socialist Republics, and either Belgium and the Netherlands alternating every three years or the Customs Union of Belgium, Luxembourg and the Netherlands, shall be entitled to nominate a representative to sit on the Board.
3. The remaining Members of the Board shall be elected by the Conference by a two-thirds majority.
4. One-third of the Members referred to in paragraph 3 shall be elected annually for terms of three years. Retiring Members shall be eligible for immediate re-election. At the first election, one-third of the Members referred to in paragraph 3 shall be elected for one year, one-third for two years and the remainder for three years.
