

Third Session of the Contracting Parties

SUMMARY RECORD OF THE FIRST MEETING

Held at Hotel Verdun, Annecy

on Friday, 8 April 1949, at 3 p.m.

Chairman: Mr. Dana L. WILGROSS (Canada)

Subjects discussed:

1. Election of Vice-Chairman.
2. Arrangements for the Session.
3. Adoption of Agenda (GATT/CP.3/2/Rev.1 and Add. 1-3).
4. Relations with the press.

The CHAIRMAN declared open the Third Session.

The representatives, he said, were now meeting for the third time pursuant to Article XXV for the purpose of giving effect to those provisions of the Agreement which involved joint action, and, generally, with a view to facilitating the operation and furthering the objectives of the Agreement. The two previous sessions had been devoted mainly to modification of the Agreement to bring its provisions into line with the Havana Charter. Now that the stage of evolution of the Agreement was past, the present session would be concerned mainly with questions arising out of its operation. Tariff negotiations were to be held with eleven governments and their accession would serve to bring new strength and vitality to the Contracting Parties and to make them an even more representative group of countries engaged in international trade.

The CHAIRMAN expressed the opinion that the length of the agenda was a healthy sign for the Contracting Parties, pointing to greater accomplishment through solving difficulties and settling differences which were bound to arise out of the operation of such a complicated instrument, but the representatives must seek to discuss all questions objectively and in strict accordance with the provisions of the Agreement and to resolve differences in a spirit of understanding, without ever departing from the principles underlying the instrument. The discussions should be confined within the scope of paragraph 1 of Article XXV and in particular no effort should be spared to avoid trespassing upon the field of political debate. All questions should be dealt with expeditiously and thoroughly. Among the items, priority of attention should be given to arrangements for the conduct of the tariff negotiations, including preliminary examination of an instrument of accession. Following that, owing to the wish of the financial experts for an early accomplishment of their work, it would be desirable that the item dealing with import restrictions of the Union of South Africa should be taken up first, followed by the item on Special Exchange agreements. The complicated nature of the item dealing with the non-discriminatory measures notified under Article XVIII, made indispensable the setting up of a sub-committee for its detailed consideration and therefore it also called for preliminary study at an early date.

1. Election of Vice-Chairman. The CHAIRMAN announced the resignation of Mr. Speekenbrink as Vice-Chairman of the Contracting Parties and suggested that the election of his successor should be postponed until a subsequent meeting.

2. Arrangements for the Session. The EXECUTIVE SECRETARY outlined briefly the arrangements made for the holding of the meetings at Annecy

and referred to a recently published information paper which gave a detailed account of the arrangements. He described the circumstances in which the site of Annecy had been chosen, and suggested the setting up of an Administrative Committee to ensure efficient working and improvement in the arrangements.

Mr. HEWITT (Australia) referred to the distribution of a paper on the provisional agenda and enquired what attitude should be taken by delegations in relation to the press.

The EXECUTIVE SECRETARY stressed the need for rigid enforcement of the security arrangements. The press had been informed that the meetings of the Contracting Parties would be private, and that no communiqués would be issued except those authorized by the Chairman. As regards the Agenda, only a background paper had been supplied to the press representatives and this was confidential until released for publication.

Mr. HOLMES (United Kingdom) mentioned incidents in which his delegation and others had been approached for comments on items of the agenda, and asked for a pronouncement from the Chair on the whole question of the handling of the press.

The CHAIRMAN said that, although it was up to each delegation to decide upon its own attitude towards the press, it would be unfair to other delegations, in view of the provisions of Rule 36 of the Rules of Procedure, if a delegation should disclose information directly related to any item on the agenda prior to its being mentioned in a press release. However, he thought, there was no harm done in supplying correspondents with background information for their guidance.

The suggestion to set up an Administrative Committee to deal with organizational questions met with the approval of the meeting and it

was agreed that the Executive Secretary should invite those delegations which had shown an interest in the problems involved to nominate representatives.

3. Adoption of Agenda. (GATT/CP.3/2/Rev.1 and Add. 1-3). The CHAIRMAN presented the provisional agenda item by item.

Items 1 through 9 were approved without discussion.

In discussing Item 10, proposed by the United States, dealing with "Most-favoured-nation Treatment for Occupied Areas", Mr. AUGENTHALER (Czechoslovakia) proposed the deletion of the item on the ground that the question had been fully dealt with at the previous session and a repetition of familiar arguments was unnecessary.

Mr. WILLOUGHBY (United States) said that it would be desirable to take up certain aspects of the question which had not been fully discussed at the previous session.

Mr. HEWITT (Australia) felt that the Item as it was worded did not give adequate indication as to the substance of the question to be discussed. He would like to know if the Chairman would give a ruling similar to the one he had given at the second session.

The CHAIRMAN explained that the ruling he gave at the second session was based on the Final Note to the General Agreement. The discussion at that session was confined to "Most-favoured-nation Treatment" for Germany, and no decision was taken regarding its application to Japan. In the light of that ruling, it would seem to be in order that an opportunity were afforded the countries interested for the consideration of the case of Japan.

Mr. van BLANKENSTEIN (the Netherlands) enquired whether the wording of the Item limited its scope to the extent of excluding questions already dealt with at the second session.

The CHAIRMAN thought that since the question of Germany had been actually disposed of, it could be presumed that the question of Japan would be the subject of discussion under the proposed item.

Mr. PHILIP (France), however, thought that a review of the consequences of granting the treatment to Germany would be necessary in examining the question of applying it to Japan.

The CHAIRMAN drew attention to paragraph 3 of Article V of the Agreement on Western Germany and pointed out that according to its provisions the administration of the Agreement was outside the jurisdiction of the Contracting Parties. Any consideration of the consequences would have to be arranged under that paragraph.

Mr. WILLOUGHBY (United States) said that his Government did not intend to raise again the question of Western Germany, and it was only due to the desire not to circumscribe the scope of discussion that the item was worded in general terms.

Mr. AUGENTHALER (Czechoslovakia) felt that past experience suggested precaution on questions like this, and would like to postpone decision until a less equivocal wording of the agenda item was formulated.

Mr. PHILIP (France) said that he agreed with the Chairman's ruling, but still felt that the Contracting Parties should have access to information on the results of granting "M-f-a. Treatment" to Germany. At the second session, the Contracting Parties had agreed that the question was not strictly within their competence, but had decided to allow the interested governments to take the opportunity to negotiate an Agreement.

The CHAIRMAN concurred in the account given by the representative of France; as the matter had been considered to lie outside the jurisdiction of the Contracting Parties, the Working Party Report

had been received merely for purposes of record. The Final Note to the General Agreement clearly gave the Contracting Parties a mandate to consider the question.

Item 10 was approved by 11 votes to one with four representatives abstaining.

Item 11 was approved without discussion.

Mr. WILLOUGHBY (United States) said that his delegation had no objection to the inclusion of the Item 12 proposed by Czechoslovakia, but would like to see it worded differently so as not to prejudge the issue. It was agreed that the item should be changed to read:

"Request of the Government of Czechoslovakia for a decision under Article XXIII as to whether or not the Government of the United States had failed to carry out its obligations under the Agreement through its administration of the issue of export licences."

The Item was approved.

Item 13 and the Item proposed by Australia in GATT/CP.3/Rev.1/Add.1 were approved without discussion.

Mr. PHILIP (France) introduced a proposal on the basis of the reservation made by his Government referred to in GATT/CP.3/Rev.1/Add.1.

Mr. MULLER (Chile) thought that the wording of the item should be changed to avoid prejudicial effect.

At the suggestion of the Chairman and Mr. AUGENTHALER (Czechoslovakia), and with the concurrence of Mr. PHILIP (France) the Item was altered to read as follows:

"The examination, in the light of Article III, of the circumstances in which Brazil has imposed certain taxes on certain products of foreign origin."

The Item was approved.

Mr. AUGENTHALER (Czechoslovakia) said that the proposal made by his Government for a consideration of the position of Palestine in relation to the General Agreement, (GATT/CP.3/2/Rev.1/Add.3), was prompted by the fact that the concessions granted to Czechoslovakia by Palestine in 1947 were not honoured in the new tariff of the State of Israel.

Mr. PHILIP (France) requested that the question be considered later when its legal aspects had been given more careful study. To consider the question with advantage, it would be necessary to invite the Government of Israel to send an observer. Furthermore, he would need to refer to his Government for instructions.

Mr. AUGENTHALER (Czechoslovakia), while agreeing that a difficult legal problem was involved, thought that the Palestine position should be clarified as early as possible for urgent practical reasons, since certain governments had made requests for concessions on certain items on which concessions had formerly been given to Palestine. He had no objection to inviting an observer, but a difficulty lay in the fact that Israel was not the same as Palestine.

The CHAIRMAN thought that the question was raised in the light of Article XXVII of the General Agreement; he assured the representative of France that it was a purely legal question and that the Secretariat was seeking advice from the Legal Department of the United Nations.

Item 14 was then approved.

Mr. COUILLARD (Canada) proposed and Mr. HERRERA-ARRANGO (Cuba) agreed that they might wish to obtain the opinion of the Contracting Parties under the provisions of Article XXIII on a question concerning the 20% surtax imposed by Cuba on certain imports. It was agreed that it would suffice to mention the possibility in the summary record of the meeting and that if need be the question could be raised under the Item "other business".

The Agenda was then adopted as whole.

4. Relations with the press. The CHAIRMAN wished to know whether the adopted agenda should be released to the press in accordance with Rule 37 of the Rules of Procedure.

In reply to a question by Mr. HEWITT (Australia), the Chairman said that in his opinion to provide the press with the agenda at the outset would probably avoid inquisitive interest of an embarrassing nature.

Mr. HOLMES (United Kingdom) thought that press releases should be supplied to all delegations; in particular, the "embargoed" information paper on the background of the agenda items should have been distributed to facilitate a decision on the question in hand.

At the request of the Chairman, the EXECUTIVE SECRETARY explained the circumstances of the issue of the background paper. He said that there had not been a single case to his knowledge in which the agenda of an international conference had been withheld from the press. The information paper comprised merely brief descriptions of the items and strictly objective notes. There was little danger of improper use being made of the paper as no journalist would destroy his professional honour to his own disadvantage. If, however, it was the desire of the meeting, the paper could be withdrawn altogether, but in his opinion, excessive secretism would only be damaging to the interests of the Contracting Parties, and the task would be made less complicated by supplying the press with correct background information. In reply to further questions, he assured the meeting that all communiqués would thereafter be supplied to the delegations.

Mr. WILLOUGHBY (United States) also felt that discretion did not call for secrecy to the extent of keeping the public entirely uninformed of the subjects to be discussed.

It was agreed to issue the agenda as adopted, and to raise the "embargo" on the information paper.

The meeting rose at 6.25 p.m.

