

Contracting Parties

Third Session

SUMMARY RECORD OF THE THIRTY THIRD MEETING

Held at the Hotel Verdun, Anneoy  
on Thursday, 21 July 1949 at 2.15 p.m.

Chairman: Mr. E. WYNDHAM WHITE (Executive Secretary)

Subjects discussed:

1. Report of Working Party 1 on Accession on the Draft  
Protocol Modifying Article XXVI of the GATT.
2. Arrangements for Termination of Third Session.
3. Financial Implications of Extension of Session beyond  
31 July.
4. Budget Estimates for 1950.

1. Report of Working Party 1 on Accession on the Draft Protocol  
Modifying Article XXVI of the GATT (GATT/CP.3/49/Rev.1)

The text of the Protocol was approved and the CHAIRMAN informed the committee that the Protocol would be put into form for signature and open for signature at the end of the Session.

2. Arrangements for Termination of Third Session

The CHAIRMAN said that this meeting had been prompted by the suggestions made at the Tariff Negotiations Working Party where the view had been expressed that the Contracting Parties should conclude the business of the Third Session as soon as possible in order to enable delegations to dispense with personnel not required for the tariff negotiations, For the purpose of the meeting he had made a

summary of the status of outstanding items on the agenda. These were the following:

1. Item 3, Arrangements for the Conduct of the Tariff Negotiations and the Incorporation of the Results of the Agreement:

Action on this was completed except for the formal approval of the Annex Protocol of Accession in its amended form.

2. Item 6, Report on Negotiations affecting the Schedules to the Agreement:

This was still awaiting the completion of the renegotiations of Ceylon and Cuba.

3. Item 7, The Examination of Statements submitted in support of Measures notified under Article XVIII:

The Working Party had almost completed consideration of all its agenda items except the Ceylon measures, and should be able to report on the former very shortly. With regard to the Ceylon measures there was a time limit as an engagement had been made to render a decision on these by 7 August.

4. Item 13, Adoption of Emergency Measures to resolve the crisis of the Cuban Textile Industry:

He asked for comments by the Chairman of the Working Party dealing with this question.

5. Item 18, Arrangements for a Third Set of Tariff Negotiations:

It seemed improbable now that there could be useful discussions on this item at the present session owing to the difficulties of the United States delegation in taking part in such a discussion until its legislative position was clearer. It would perhaps be desirable to remove this item from the agenda and agree upon some sort of

procedure for discussing it at a later date.

6. Item 19, The date for the Fourth Session of the Contracting Parties:

This item should cause no delay and could be discussed near the end of the meeting.

7. Item 20, Other Business:

The Contracting Parties might wish to decide whether to close this item now and admit no further questions under it. There were two questions pending under this item now: (a) the budget and programme for 1950, which was on the agenda of this meeting, and which now included the provision for inter-sessional procedures and studies under Articles XII (5) and XIV (1) (g), and (b) the United Kingdom statement regarding Newfoundland which was circulated some time ago. This latter question could probably be cleared without difficulty, or if it seemed that it would give rise to any controversy, it might better be left over to a later session.

Mr. SHACKLE (United Kingdom) said that it seemed to him that there were only three substantial outstanding items, namely, the Ceylon application under Article XVIII, the Cuban textile industry, and the third round of tariff negotiations. On the last it seemed clear that this must be dealt with between sessions. For the Ceylon question, there was the deadline mentioned by the Chairman, and as to the Cuban matter, it seemed to him that this would continue as long as it was permitted to do so and therefore a deadline was necessary. He proposed Saturday, 6 August, as the close of the Contracting Parties.

Mr. PHILIP (France) said that in the Working Party on Cuban textile industry, it had become clear that in spite of abundant

documents submitted, a decision would be impossible without a serious inquiry on the spot. The Working Party, therefore, was going to propose this course, and also that a special meeting of the Working Party be called before the next session of the Contracting Parties in order to consider the results of the inquiry. The Cuban delegation had said, however, that it could only accept this solution provided that it were now permitted to take certain measures releasing it provisionally from some of its obligations. In connection with this latter course, talks were going on between the United States and Cuba and at the next meeting the results of these talks would be considered, but he thought that there was at least a week's work for the Working Party.

Mr. HEWITT (Australia) thought that there was one other item pending under Item 5(e) of the Agenda and that the Contracting Parties had deferred taking a decision regarding the entry into force of the Protocol Modifying Part I and Article XXIX and the date of the meeting referred to in Article XXIX.

With regard to the work of Working Party 2 on Article XVIII, speaking as Chairman, he thought this could be finished by 25 July, except for the Ceylon measures. Sir Oliver Goonetilleke was returning to Annecy on 1 August and it might be possible for some useful and informal discussions among members of the Working Party to take place in the interval between 25 July and 1 August. If the Working Party resumed its consideration of the Ceylon measure on 1 August, he did not think it possible that a report could be prepared and a decision made by the Contracting Parties by 6 August. He hoped that the Ceylon application could be finished by 13 August thus avoiding the need for any further inter-sessional procedures and as

Chairman, therefore, suggested that if the Contracting Parties wished to avoid leaving unfinished business and the need for a special session to give a decision on the Ceylon case, they should not decide to terminate the session on 6th August.

Mr. HOLLIS (United States) thought it preferable not to set a definitive closing date, but if one were required he preferred 13 August. He also wished to retain Item 18 on the agenda, as it was possible that some useful discussion of this item might take place even if a decision could not be reached.

The CHAIRMAN said that it had not been his intention to suggest the deletion of Item 18 from the Agenda. He had only intended to say that the likelihood of reaching a decision seemed remote due not only to the difficulties of the United States delegation but also to the fact that other delegations would require time to consider any proposal put forward under this item. He did not think that the Session should be prolonged in order to reach a decision on this Item.

Mr. STEYN (Union of South Africa) supported the August 6th date.

Mr. HERRERA ARANGO (Cuba) thanked Mr. Philip for his presentation of the situation of the Working Party on the Cuban textile industry, and although his delegation must apologize as causing part of the delay, he preferred 13 August in order to avoid inter-sessional meetings.

Mr. BRAGA (Brazil) and Mr. LECUYER (France) preferred the date of 13 August.

Mr. COUILLARD (Canada) suggested that the 6th be adopted as the closing date, but that if the Ceylon case were not finished at that time and it appeared that it could be finished within the week following, an extension of the closing date to 13 August should be granted. He inquired whether the protocols would be open for signature on the last day of the Session. With regard to the last item of the agenda, he said that it was possible that there might be a question to be brought up concerning Canada and Cuba, but that notice could be given before the end of the month of July.

Mr. SHACKLE (United Kingdom) said he would be prepared to accept the Canadian compromise although he strongly felt that the 6th of August was preferable.

The CHAIRMAN inquired whether the meeting would be prepared to accept the compromise suggested by Mr. Couillard, and suggested possibly including the Cuban textile question in the items to be dealt with during the week granted as an extension.

Mr. THOMMESSEN (Norway) was in favour of 6 August.

Mr. HEWITT (Australia) as Australian delegate preferred the 31st of July, but as Chairman of Working Party 2 he considered that any date earlier than 13 August would mean inter-sessional procedures. He also pointed out that determination of the Ceylon case rested with the members of the Working Party who were present at this meeting. As soon as they agreed upon a decision, action in the Working Party could be very rapid. There would be time that could be usefully employed by them in meeting informally before the representative of Ceylon returned to Annecy.

Mr. NICOL (New Zealand) supported the date of 6 August. With regard to the difficulty in the Ceylon case, he suggested (a) that there be night meetings, and (b) that Sir Oliver be requested to return to Annecy before the 1st of August.

Mr. RODRIGUES (Brazil) agreed with Mr. Shackle, but unfortunately his delegation had just received an extensive cable containing an item to be raised under Other Business, and he was therefore in favour of extension to 13 August.

Mr. BOEKSTAL (Netherlands) agreed with Mr. Nicol.

The CHAIRMAN suggested that the Chairman of Working Party 2 might advise Sir Oliver of the situation and suggest that either he or another member of his delegation return earlier to Annecy to discuss the matter.

Mr. HEWITT (Australia) thought that there was a general impression that the week beginning July 25th would be devoid of meetings and that the members of Working Party 2 would be disengaged. His impression was, however, that the Contracting Parties would be meeting in order to take up the report of Working Party 2 which would, of course, occupy the members of that Working Party and that there would be other meetings as well. Consequently the time available in that week for the Working Party to discuss the Ceylon matter would be limited. He reiterated his suggestion that the members of the Working Party might profitably engage in informal discussions before the leader of the Ceylon delegation arrived. He would also be glad to inquire whether another member of the Ceylon delegation could take part in these consultations.

The CHAIRMAN said that Mr. Hewitt was clearly right in his assumption that the week would not be free of meetings, but he did think it would be proper to inform Sir Oliver of the situation and suggest that he advance the date of his return. He wished to underline the suggestion of the Chairman of the Working Party that a part of the responsibility for the delay necessarily was the amount of time required by other delegations to make decisions on the principles involved in the application of Article XVIII.

He then proposed to put to a vote the three separate propositions regarding the closing date:

1. Closing date 13 August.
2. Compromise suggested by Canadian delegation of a closing date of 6 August with a possible extension to 13 August.
3. Closing date 6 August.

Mr. RODRIGUEZ (Brazil) said he would be in favour of the second alternative provided that the item which was about to be raised by Brazil could also be included with the Ceylon measures and the Cuban textiles.

The second alternative was accepted by the Contracting Parties and it was also agreed that a letter should be sent by the Executive Secretary to Sir Oliver Goonetilleke informing him of the decision to conclude the Conference by 6 August and that only in exceptional circumstances would an extension to 13 August be granted.

3. Financial Implications of the Extension of the Session beyond 31 July.

The DEPUTY EXECUTIVE SECRETARY referred to document GATT/CP.3/55 which gave a chart concerning the expenditures up to 31 July, and also the estimated expenditures if the Conference were to continue



until the end of August. It could be seen from these figures that if no other meeting were held in 1949 the savings effected by the Secretariat would be sufficient to compensate for the extra expenditure incurred by the extension of the Conference to 31 July. However, the decision to extend the Conference into August altered this situation. In addition to this, it was necessary to provide a margin for inter-sessional meetings, the proposed inquiry into the Cuban textile question and the printing of the results of the Annecy Conference. There were three possibilities of covering these extra expenditures:

1. To ask for an increase in the 1949 contributions.
2. To ask the acceding governments to send their 1949 contributions as soon as possible and use these to cover the deficit.
3. To ask the Interim Commission to advance funds for the 1949 budget to be reimbursed out of the 1950 budget.

He thought the last two possibilities could be excluded as for one thing the budget for 1950 was already large and it would be difficult to further increase it, and for another, it was very doubtful if the contribution of the acceding governments could be received before the end of 1949.

There were ways that the Contracting Parties could reduce expenditures after the 31st of August - by delegations contributing directly to the charge of the conference rooms and the roneo work done by the Secretariat. It would also be helpful if the Annecy Protocol and Schedules were printed by governments rather than by the Secretariat.

The CHAIRMAN thought that only the first and last of the three alternatives would be practicable. It was possible to consider another means of using the 1949 contributions of acceding governments; i.e. a further advance could be requested from the Interim Commission, this

advance to be reimbursed in 1950 with the contributions of the acceding governments in respect of 1949 (although these would only be received in 1950) rather than out of the 1950 budget.

In response to a question from Mr. Shackle, the CHAIRMAN said that although there was no formal engagement on the part of the acceding governments to pay contributions for 1949, the proposal to do this had been known by the acceding governments for some time and he had heard no objections. In any case it was a matter that would be taken up at the next meeting of the Tariff Negotiations Committee.

Mr. SHACKLE (United Kingdom) was in favour of the first solution as he thought it advisable to pay debts as they arose. Also he was doubtful that the amount contributed by the acceding governments would be adequate to cover the deficit.

The DEPUTY EXECUTIVE SECRETARY thought that the total contributions of the acceding governments (\$15,350), provided that printing of the Annecy Protocols and Schedules were abandoned, would be just adequate to cover the remainder of 1949. If these contributions were not received until 1950, however, there would be a cash deficit at the end of the year.

Mr. LEWIS (United States) suggested that this question should also go to the budget working party since the details were not available at this meeting.

The CHAIRMAN agreed that it would be advisable to take up means for financing the deficit in this working party. With regard to the Deputy Executive Secretary's suggestion for delegations to contribute to expenses of committee rooms and roneo work, he wished to make it clear that these were not proposals but rather indications of what

the Secretariat intended to request during August.

4. Budget Estimates for 1950 (Budget/1)

The CHAIRMAN thought there was no advantage in discussing this paper at the present meeting since it required preliminary study by a small working party. Unless there were any general remarks which might serve as guidance he proposed that it be immediately referred to a working party.

Mr. SHACKLE (United Kingdom) agreed and only wished to remark that he hoped every effort would be made to hold the next round of tariff negotiations in Geneva to avoid the extra cost of per diem allowances.

It was agreed to set up Working Party 9 on Budget and Programme to be composed of Belgium, Brazil, Canada, France, India, United Kingdom and United States.

Mr. RODRIGUEZ (Brazil) inquired whether Item 20 "Other Business" would remain open.

The CHAIRMAN replied that he had made no formal proposal and as his suggestion had not been taken up by any Contracting Party, the item could be regarded as open and any Contracting Party could raise a question under this item provided it received the concurrence of the Contracting Parties and was consistent with the decision regarding the closure of the Third Session.

The meeting adjourned at 4.40 p.m.