

RESTRICTED
LIMITED B.

GATT/CP.2/SR.1
17 August 1948

Original: ENGLISH

GENERAL AGREEMENT ON TARIFFS AND TRADE
Second Session of the Contracting Parties

Summary Record of First Meeting

Held at the Palais des Nations, Geneva, Switzerland
on 16 August 1948 at 3 p.m.

Chairman: Mr. L.D. WILGROSS (Canada)

THE CHAIRMAN'S STATEMENT

In opening the meeting the CHAIRMAN pointed out the historic significance of the meeting. The increase from nine governments to twenty-two since the First Session made the roster of Contracting Parties nearly complete. While regretting the absence of Chile among the number, he welcomed the Chilean representative attending as an observer, and hoped for the inclusion of Chile among the list in the near future. A great responsibility rested upon the delegates to make the deliberations a success so that a long and vigorous life might be assured to the unique instrument - the General Agreement, the signing of which must be regarded as one of the most encouraging omens for the future of international economic co-operation. The increase in number had also enabled the Contracting Parties to take constructive action to assure the attainment of the objectives of the General Agreement such as was not permissible during the First Session owing to the restricted numbers. The objective of a higher standard of living for all mankind could only be realised effectively by international co-operation and the general public would soon realize that

the Contracting Parties were blazing the trail for those who would follow along the road if the representatives would fulfil the task set before them. They had a responsibility not only to their own governments but to all governments potential parties to the Agreement. Commenting on the item on the provisional agenda relating to the accession of other countries, the Chairman felt it was gratifying that an indication was thus given to other countries that the Contracting Parties had not become an exclusive club. ~~Being~~ reminded the delegates of the undesirable situation of conducting different meetings at the same time, he entertained the hope that all representatives would co-operate in enabling the meeting to get through the work in time by working hard and expeditiously.

In conclusion, the Chairman welcomed the observers from other governments and emphasized his hope for the early participation of their governments in the work of the Contracting Parties.

ADOPTION OF RULES OF PROCEDURE

The CHAIRMAN invited general comments on the Rules of Procedure as a whole. No general comments being put forward the Rules of Procedure were read one by one. Except for the Rules mentioned below they were adopted without being amended and without comment.

Rule 3

Mr. AUGENTHALER (Czechoslovakia) suggested that the Rule should be so amended that a unanimous vote would be required for an amendment to the agenda.

After some discussion the CHAIRMAN suggested the following wording:

"The agenda may be amended at any time or priority given to certain items provided that, without prejudice to Rule 26, new items shall not be added without the unanimous consent of the Contracting Parties".

At the suggestion of Sir OLIVER GOONETILLEKE (Ceylon) the words "present and voting" were added at the end of the sentence.

Mr. STINEBOWER (United States) agreed to the difficulty for delegates to deal with new items added to the agenda without prior notice but thought that an amendment to the agenda might mean the deletion of an item as well as an addition thereto. He could not support the unanimity rule.

Mr. MUNIZ (Brazil) supported the United States view by remarking that the introduction of the unanimity rule would entail a rigidity harmful to the work of the session.

Mr. SPEEKENBRINK (Netherlands) thought it undesirable that one country objecting to a particular item should be allowed to bar discussion of the problem.

Mr. AUGENTHALER (Czechoslovakia) stressed the necessity of careful preparation of problems to be discussed at the meetings. The addition of items relating to major problems without prior notice would therefore be undesirable.

Mr. CHACKLE (United Kingdom) and Mr. DESAI (India) favoured the retention of the original draft of the rule.

Mr. MUNIZ (Brazil) thought that urgent matters should not be barred from discussion. Referring to the example of the Security Council he thought that a rigid rule would hamper the proper functions of the session.

Rule 3 was adopted in its original form.

Rule 4

At the suggestion of Mr. NORVAL (Union of South Africa) the words "Article XXXII as amended of" were deleted.

Rule 4 was adopted as amended.

Rule 7

Mr. AUGENTHALER proposed that all members of the United Nations should be entitled to attend meetings and that representatives present at meetings in the capacity of observers should not be given the right to participate in the discussions.

Mr. SPEEKENBRINK pointed out that the Czechoslovakian proposal would exclude certain Havana signatories from attending the meetings.

After some discussion both on the substance and on some drafting changes Mr. SHACKLE suggested that the rule should be passed provisionally.

Mr. SPEEKENBRINK agreed to the Czechoslovakian view but was in favour of the original clause regarding the participation of observers in the discussions.

In reply to a question asked by Sir OLIVER GOONETILLEKE regarding the rules of procedure of other inter-governmental organizations which might be followed, the CHAIRMAN pointed out that the Contracting Parties, not being an organ of the United Nations, were not bound to follow the example of the Specialized Agencies. Countries signing the Final Act at Havana were potential Contracting Parties to the General Agreement on Tariffs and Trade, and it would be appropriate to invite them.

Mr. AUGENTHALER, replying to the above observations said that although the Contracting Parties were a group of sovereign countries they had been, nevertheless, organized under the auspices of the United Nations. All members of the United Nations were therefore entitled as a matter of right to send observers. The Final Act set no obligation for its signatories and it was unusual that countries should be allowed to participate in the discussions merely because they had signed it.

Mr. STINEBOWER supported the United Kingdom suggestion for the adoption of the rule as it stood provisionally and leave the matter for later discussion after a written amendment had been submitted by the Czechoslovakian Delegate.

In reply to a question by Mr. STINEBOWER, the CHAIRMAN explained that the word "meetings" did not include tariff negotiations.

Rule 7 was adopted provisionally.

Rule 8

Drafting changes were made at the suggestion of Mr. SPEEKENBRINK.

Mr. AUGENTHALER questioned the meaning and coverage of the term "inter-governmental organizations" and asked whether it meant the specialized agencies of the United Nations.

The CHAIRMAN thought it was advisable to use this flexible term so that discretion would be left to the Contracting Parties who were to decide what organizations would be invited, referring as a good example to the International Customs Tariff Bureau in Brussels.

Mr. SHACKLE proposed the addition of the words "and in accordance with the terms of such invitation" at the end of the sentence.

Mr. AUGENTHALER objected to the phrase "other governments" as he thought this would include the Franco régime of Spain. As regards other organizations he was in favour of abiding by the arrangements made by the Economic and Social Council regarding consultation with non-governmental organizations.

The CHAIRMAN mentioned Finland as an example in reminding the meeting that there were other governments which had been unable to sign the Final Act at Havana and which were not Members of the United Nations. It had not been the intention of the Contracting Parties, nor would it be necessary, to contravene the resolution of the General Assembly.

Mr. MOBARAK (Lebanon) thought that the absence of the phrase "without vote" from Rule 7 while it appeared in Rule 8 might be misconstrued and it was agreed that the phrase should appear in Rule 7 as well as in Rule 8.

Mr. AUGENTHALER proposed that non-governmental organizations should be admitted and accorded the same rights as they enjoy in their relation with the Economic and Social Council.

Dealing with the question of Spain the CHAIRMAN suggested the addition of the phrase "invited to the United Nations Conference on Trade and Employment" after the words "other governments".

As regards non-governmental organizations it was suggested that the rule might read as follows:

".....of inter-governmental organizations and non-governmental organizations given consultative status by the Economic and Social Council".

Mr. STINEBOWER had misgivings about the indefinite participation by such organizations in the work of the Contracting Parties and thought there was no need for such extensive consultation.

Mr. SHACKLE thought participation by non-governmental organizations need not be provided for in the rules of procedure and each application could be considered on its own merits.

Mr. TONKIN (Australia) and Sir OLIVER GOONETILLEKE supported the objection of the United States and the United Kingdom delegates.

Mr. AUGENTHALER proposed that Rule 8 be likewise left open to be considered later together with Rule 7 and wanted it recorded that he did not agree to the rule as it stood.

Rule 8 was adopted provisionally.

Rule 9

Mr. OFTEDAL (Norway) proposed the addition of a sentence at the end of the rule providing that should the terms of office expire between meetings the officers should hold office until the next meeting.

The proposal was accepted and the rule was adopted.

Rule 10

Mr. AUGENTHALER proposed to add a sentence to the rule reading:

"If the Vice-Chairman is not available the Contracting Parties shall elect a Chairman for that meeting or that part of the meeting".

The proposal was accepted and Rule 10 was adopted.

Rule 14

Mr. SHACKLE proposed that the Executive Secretary of the Interim Commission for the ITO should perform the usual duties of a secretariat for the Contracting Parties. This was supported by Mr. COUILLARD (Canada) and Mr. SPEEKENBRINK.

Mr. LIEU (China) thought the consideration of this rule should be postponed until the question of expenditure was considered.

Mr. STINEBOWER suggested that the proposed rule should be adopted provisionally with the addition of a qualifying clause such as "pending the final determination of matters relating to the Secretariat and expenses". Sir OLIVER GOONETILLEKE supported the United States suggestion but thought that the rule should be reworded to reflect the true relationship between the Interim Commission and the Contracting Parties.

At the suggestion of the Executive Secretary it was agreed to add the phrase "by agreement with the Commission", and Rule 14 was adopted provisionally pending further consideration in connection with expenses.

Rule 16

Mr. MOBARAK pointed out that the word "pertinentes" in the French text did not convey the same meaning as "relevant" in the English text. It was agreed that the Secretary should make necessary changes to improve the French text.

Rule 19

The need for a correction of the French text was noted.

New Rule after Rule 25

Mr. AUGENTHALER proposed that a new article to follow Article 25 be added as follows: "Parts of a proposal may be voted on separately if a representative requests that the proposal be divided". The new rule was adopted.

Rule 26

Mr. DESAI proposed the insertion of "present at the meeting" after "each Contracting Party in Rule 27".

Mr. STINEBOWER suggested that a change should be made in Rule 26 instead of at the place proposed. This was agreed upon and Rule 26 was amended to read: ".....by a majority of the representatives present and voting".

Rule 26 was adopted in the amended form. Rule 27 was adopted without change.

Rule 36

Mr. TONKIN thought it might be difficult for the Secretary to secure the approval of a meeting already held and proposed that the Chairman instead of the Secretary should be responsible for the issuing of communiques. After some discussion the rule was amended to read: "After a private meeting has been held the Chairman of the body concerned may issue a communique to the press".

Rule 36 was adopted in amended form.

New Rule after Rule 36

Mr. ISMAIE (Pakistan) proposed a new rule to be added to provide for the revision of the rules by the Contracting Parties.

The new rule was adopted after discussion.

INVITATIONS TO OTHER GOVERNMENTS AND ORGANIZATIONS

Referring to Item 9 on the provisional agenda, the CHAIRMAN asked the meeting to ratify his action in writing to those governments which had signed the Final Act at Havana and those which had shown an interest in the General Agreement to enquire whether they would be interested in entering tariff negotiations and to invite them to send an observer to the meetings.

The meeting also ratified the invitation to the International Monetary Fund.

The CHAIRMAN reported that the Organization for European Economic Co-operation had asked to be represented by an observer at meetings of the Contracting Parties under Rule 8 of the Rules of Procedure. Stressing the coincidence of the objectives of the OEEC and the Contracting Parties, the Chairman thought that it would be desirable that a representative of the OEEC should be present at the meetings and asked for instructions.

Mr. AUGENTHALER expressed the opinion that the OEEC, being an organization not working for the co-operation of all countries and having purposes and objectives contrary to those of the present organization, should under no circumstances be so invited.

Mr. SHACKLE referring to the noticeable coincidence between the wording of Article 6 of the Convention of the OEEC and that of the preamble to the General Agreement, thought the general character of the OEEC warranted such an invitation.

Mr. LECUYER (France) said it was wrong to think that it was an organization of a group of countries working against the interests of some other countries.

Sir OLIVER GOONETILLEKE and Mr. SPEEKENBRINK were both in favour of an invitation for the OEEC to send an observer, and a proposal was made by Mr. OFTEDAL accordingly.

Mr. AUGENTHALER requested a roll call on the Norwegian proposal.

The roll call on the Norwegian proposal showed 17 for, 1 against, 2 abstentions and 2 representatives not present.

DISTRIBUTION OF DOCUMENTS

Mr. DJEBBARA (Syria) requested that documents should be circulated as early as possible so that they might be studied before the meetings.

The CHAIRMAN replied that arrangements had been made for the proper distribution of documents.