

RESTRICTED
LIMITED B

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18 August 1948

ORIGINAL: ENGLISH

GENERAL AGREEMENT ON TARIFFS AND TRADE
SECOND SESSION OF THE CONTRACTING PARTIES

SUMMARY RECORD OF THE SECOND MEETING
Held at the Palais des Nations, Geneva
on 17 August 1948 at 10:00 a.m.

ELECTION OF CHAIRMAN

Mr. WYNDHAM WHITE (Executive Secretary) took the Chair for the nomination of the Chairman.

Mr. DESAI (India) proposed Mr. L. D. Wilgress and Mr. LIEU (China) seconded the proposal. Mr. Wilgress was unanimously elected for the ensuing year.

Mr. WILGRESS took the Chair and called for nominations for Vice-Chairman.

Mr. STINEBOWER (United States) proposed Dr. Speekenbrink (Netherlands) as Vice-Chairman and Mr. SHACKLE (United Kingdom) seconded the proposal. Dr. Speekenbrink was unanimously elected.

FINANCIAL ARRANGEMENTS

The CHAIRMAN recalled that Rule 14 of the Rules of Procedure had been adopted only provisionally pending a settlement of the question of expenses of the meeting. He referred to documents GATT/1/59/Add.1 and Add. 2 according to which the costs of the meetings were estimated as not exceeding \$10,000 to be shared equally by the Contracting Parties. There were however other charges to be met whereby the figure indicated would be exceeded.

Mr. WYNDHAM WHITE (Executive Secretary) pointed out that the conference services would have to be paid to the

United Nations in accordance with their list of charges. Funds to meet these charges could be advanced by the Secretary-General of the United Nations, but the latter's powers to make such advances were dependent upon recommendations of the Advisory Committee on Finance of the General Assembly of the United Nations. Such advances could be made only to certain bodies which were in turn bound to give assurances relating to repayment. The Interim Commission for the International Trade Organization, acting as an agent to the Contracting Parties, had given such assurances.

A discussion followed in which points arose relating to: the separate financing of meetings of the Contracting Parties (Dr. SPEEKENBRINK (Netherlands) and Mr. STINEBOWER (United States)) as opposed to continued reliance upon ICITO to reimburse the United Nations (Mr. SHACKLE (United Kingdom) Mr. TONKIM (Australia) and Mr. RODRIGUES (Brazil)); to the desire of certain Contracting Parties for a detailed statement of charges; to the apportionment of such charges between the Contracting Parties and the currency in which the same should be paid.

On the proposal of Mr. STINEBOWER (United States) the meeting agreed to set up a Working Party. The following terms of reference proposed by the Chairman were approved:

"To propose recommendations -

- (a) as to the method of financing Secretariat services for the Contracting Parties.
- (b) as to the apportionment of such expenses between the Contracting Parties in the event that it is

recommended that the Contracting Parties's should individually reimburse the ICITO at intervals, for example at each session."

The Working Party was composed as follows: the Chairman, the Vice-Chairman and the representatives of Australia, Ceylon, Syria, United Kingdom and United States.

Mr. WYNDHAM WHITE (Executive Secretary) pointed out that whatever agreement was reached by the Contracting Parties the ICITO would have to be responsible to the Secretary-General of the United Nations for the advance received from that Organization. Detailed budgetary proposals for 1948-1949 had to be presented to the Secretary-General in order to obtain loans. In reply to a question concerning his estimates, he stated that the charges were only for the actual meetings and that no estimate could be made of the time given to the preparatory work by the Secretariat.

ADOPTION OF AGENDA

Referring to item 7 of the Provisional Agenda Mr. WYNDHAM WHITE (Executive Secretary) said that the Note on the Status of the Agreement and Protocols (GATT/CP.2/4) provided suitable opportunities to discuss certain of the items which would otherwise have had to be listed separately on the Agenda; in particular, a reservation had been entered by the Government of Ceylon on the signature of the Protocol of Provisional Application, and also a request for negotiations of certain tariff concessions had been received from Pakistan, and, further, the Union of South Africa had raised a question relating to one of the Protocols of Havana.

Mr. AUGENTHALER (Czechoslovakia) asked that the items on the Provisional Agenda be considered one by one.

Items 1 to 9 were accepted. Item 10 was deleted since it was adequately covered by item 9. Items 11 to 13 were accepted. Item 14 was accepted and Mr. STINEBOWER (United States) said that he would supply details as soon as possible.

Mr. AUGENTHALER said his Government's point of view on the questions raised by item 15, namely the application of the Agreement to areas under military occupation, was well-known from discussions at Geneva and Havana. He therefore requested the deletion of item 15.

Mr. STINEBOWER said the United States attitude was also well-known. He pointed out that the Final Note to Annex I of the Agreement reserved this question for study "at an early date". He thought this should be done at this meeting.

Mr. LIEU (China) supported the Czechoslovakian proposal, but SIR OLIVER GOONETILLEKE (Ceylon), Dr. SPEEKENBRINK (Netherlands), Mr. LECUYER (France), Mr. HASNIE (Pakistan), Mr. NORVAL (Union of South Africa) and Mr. SHACKLE (United Kingdom) spoke in favour of retaining the item on the Agenda.

The proposal of Czechoslovakia for the deletion of item 15 was rejected by 15 votes against, 3 in favour, and 2 abstentions.

The CHAIRMAN then suggested that the wording of the item be altered to correspond to that of the Note in Annex I.

Item 15 as amended was accepted.

Mr. AUGENTHALER said that the question raised by item 16 dealt with former Japanese Islands administered by the United States according to the agreement with the Trusteeship

Council which provides that all countries shall have equal treatment. In this agreement a special position for the United States is contemplated for strategic reasons. The question, however, was a strategic one which would fall under the competence of the Security Council and was not an economic question to which the Contracting Parties should confine themselves.

Mr. SHACKLE (United Kingdom) thought the United States demanded a discussion within the framework of the General Agreement. He thought it was within the competence of the Contracting Parties to examine the United States proposal.

Mr. STINEBOWER stated that the United States were not seeking any preferential treatment in these territories, but merely the application of principles now applied to other areas belonging to the United States for the entry of goods into the United States.

Mr. AUGENTHALER stated that in view of Mr. Stinebower's explanation he would withdraw his proposal.

Items 16, 17 and 18 were accepted.

Mr. CAMPOS (Brazil) said that his delegation intended to propose that Articles 26, 27 and 28 should be inserted in Part II of the Agreement and he enquired whether this could be proposed under item 4 of the Agenda or whether it should be listed as a separate item.

The CHAIRMAN ruled that the Brazilian proposal could be brought up under item 4, and after some discussion item 4 was amended to provide for additions to the Agreement as well as replacements.

THE NEXT MEETING

It was agreed to discuss item 9 of the Provisional Agenda, Future Tariff Negotiations, at the next meeting that afternoon.

The meeting rose at 1:15 p.m.

