

RESTRICTED
LIMITED B

GATT/CP.2/SR.3
18 August 1948

ORIGINAL: ENGLISH

GENERAL AGREEMENT ON TARIFFS AND TRADE

Contracting Parties

Second Session

SUMMARY RECORD OF THE THIRD MEETING

Held at the Palais des Nations, Geneva

on 17 August 1948 at 3.00 p.m.

SCHEDULING OF TARIFF NEGOTIATIONS

The CHAIRMAN stated that the purpose of the tariff negotiations in question was to secure the accession of other countries to the General Agreement, that the negotiations would be conducted in accordance with the principles of Article 17 of the Havana Charter, and that the technique developed at Geneva in 1947 might be followed. Lists of requests would be exchanged in advance of the negotiations; commencing when offers were exchanged, the negotiations would be carried out bilaterally, the multilateral character being preserved by the supply of information by each country as to what concessions had been offered by it, so that indirect benefits to be gained by each country might be judged. As for the time and place of the negotiations, the present meeting would have to decide.

Mr. LEDDY (United States) said that the Contracting Parties should press forward with new negotiations; their scope should be limited to negotiations between the Contracting Parties and other countries. Owing to the pending expiration of the Reciprocal Trade Act of the United States, he hoped that the negotiations would reach the final stages by April, 1949.

Mr. SPEEKENBRINK (Netherlands) thought that in view of the limited time available for negotiations it would be wise to proceed as soon as possible and to limit the negotiations

to not more than 10 countries.

In answer to a question by Mr. AUGENTHALER (Czechoslovakia), the Chairman stated that in reply to a letter sent out in his name on July 8, 1948, to those signatories of the Havana Charter which were not Contracting Parties and other governments which had shown an interest in the Havana Conference, the Governments of Denmark, Finland, Greece and Haiti had expressed a desire to enter into tariff negotiations. The Italian Government had said that it would reply to the invitation shortly, and the Swedish Government had accepted the invitation in principle and was studying the matter.

Sir Oliver GOONETILLEKE (Ceylon) asked whether by saying that the technique and the methods developed at Geneva last year should be followed, the Chairman meant that the rule of multilateral negotiations should be strictly adhered to so that no bilateral negotiations should take place at all.

Referring to paragraph 3 of Article 17 of the Havana Charter, the CHAIRMAN explained that the Contracting Parties were by no means precluded from concluding separate tariff agreements provided these were consistent with the provisions of the General Agreement.

Mr. NORVAL (South Africa) thought that for economy of time and expense, these negotiations should be as extensive as possible and that necessary adjustments to the existing schedules should not be precluded.

Mr. SHACKLE (United Kingdom), while agreeing with Mr. SPEEKENBRINK regarding the scope of negotiations, also suggested that adjustment of existing schedules should be permitted and that some negotiations which had not been finished in 1947 could be completed.

Mr. ADARKAR (India) endorsed the United States proposal that the Contracting Parties should go ahead with negotiations with non-contracting parties but favoured a modified procedure. He thought it would not be necessary to conduct all negotiations at the same time and at the same place. Preliminary negotiations could be conducted through diplomatic channels and third parties could be informed of the contents of individual negotiations so that preliminary agreements could be arrived at as early as possible.

Mr. TONKIN (Australia) agreed that the negotiations should be on the whole limited to those between the Contracting Parties and other countries. He thought it would be necessary to know the number of countries which wished to accede to the Agreement before the question of time and place could be decided.

Mr. LECUYER (France) stated that the lack of liaison in bilateral negotiations would prevent the negotiating parties from comprehending the whole scope of the negotiations or evaluating the indirect benefits resulting from the negotiations, whereas in multilateral negotiations these would be seen at once. Separate negotiations with the acceding countries should constitute the first phase of the program and the results would then be pooled together. In this second phase adjustments could be made following the procedure of last year's negotiations. Bilateral negotiations should be carried out as far as possible and the time for the multilateral phase would be considerably shortened.

Mr. OFTEDAL (Norway) stressed the difficulties for smaller countries with limited technical manpower to engage in prolonged negotiations, and in a country of hard currency, and he agreed to a two-phase program.

Mr. RODRIGUES (Brazil) supported the United States' views and stressed the necessity for prior exchange of requests and for ample time for consideration so that delegates would be able to arrive at the place of meeting with the full authority of their governments regarding concessions. He thought it would be advantageous to follow closely the rules in Article 17 of the Charter.

Mr. COUILLARD (Canada) was also in favour of a considerable amount of spade work being done through diplomatic channels and concentration for finalizing the results only at a later stage. He believed that the meeting at Geneva for multi-lateral negotiations should be as short as possible.

Mr. CASSIERS (Belgium) commenting on the French proposal said that if the major part of the negotiations were carried out bilaterally it would be difficult for third parties to evaluate the indirect benefits and to know the products on which other negotiations were carried out.

Mr. LECUYER (France) explained that the negotiations would not be of the same magnitude as those which took place last year and the number of items would be limited. The first phase of the negotiations would be only preparatory and the value of indirect benefits could be judged when the multilateral phase had commenced at Geneva.

Mr. NICOL (New Zealand) stated that a country like New Zealand could hardly undertake negotiations through diplomatic channels owing to its limited representation abroad. He enquired whether new offers would have to be made by each Contracting Party to the acceding countries or whether the existing schedule would be taken as its offers.

The CHAIRMAN replied that requests would be submitted by each participant and offers would be exchanged.

Mr. LEDDY (United States) believed that the main advantage of multilateral negotiations lay in a knowledge of the results of all individual negotiations, but there was no reason why countries should not engage in preliminary bilateral consultations if they so desired.

Mr. ADARKAR (India) explained that he had not suggested that the final stage must be reached before the commencement of the multilateral negotiations. As regards indirect benefits, information could be exchanged and secrecy could be preserved even when negotiations were carried out in different places. He did not suggest precluding the multilateral phase but merely to shorten it.

Mr. SHACKLE (United Kingdom) supplemented the French proposal by suggesting that a deadline should be set so that the length of time for bilateral negotiations would be limited.

Mr. AUGENTHALER (Czechoslovakia) felt that the greater proportion of the countries not parties to the General Agreement were still in the early stages of development, and the freezing or reducing of tariff duties was not a solution for their problems. He also favoured the programme of holding bilateral negotiations in advance of a meeting at Geneva.

Mr. PANDO (Cuba) also was in favour of shortening the multi-lateral phase.

The CHAIRMAN, summarizing the discussion, said that the representatives seemed to be in agreement that there should be a new set of negotiations. The agreements arrived at for 1947 could not be reopened, but minor adjustments would be permissible, and unfinished talks could be completed. There should be a multilateral meeting but preparatory work could be carried out bilaterally in advance. Next March

or April was generally felt to be a suitable time for the gathering and Geneva was the only place that had been mentioned during the discussion.

With the concurrence of the meeting the CHAIRMAN proposed to appoint a working party to study the procedure and methods of the negotiations and proposed the following terms of reference for the sub-committee.

"To study the question of the scheduling of future tariff negotiations, and the incorporation of the results of such negotiations in the General Agreement on Tariffs and Trade, in the light of the discussions that have taken place in the full meeting; and to report on the procedure to be followed."

With the consent of the meeting the CHAIRMAN appointed the following Members to the Working Party: Brazil, Belgium, France, India, Lebanon, Union of South Africa, United Kingdom and United States, with Mr. ADARKAR (India) as Chairman.

The Chairman proposed to send the following telegram to all countries to whom the invitation had been sent in July, with the exception of the six countries which had since replied thereto.

"QUESTION ACCESSION GENERAL AGREEMENT TARIFFS TRADE
NOW UNDER DISCUSSION SECOND SESSION CONTRACTING
PARTIES STOP WOULD THEREFORE APPRECIATE TELEGRAPHIC REPLY
YOUR GOVERNMENT TO MY MEMORANDUM DATED JULY NINE STOP
ADDRESS REPLY ICITO GENEVA BEFORE END SESSION FORESEEN
AUGUST 24".

The Chairman announced that the representatives of all Contracting Parties might attend the meetings of Working Parties and, at the discretion of the Chairman, participate in the discussions, and that the observers of other governments might also attend.