

RESTRICTED
LIMITED B
GATT/CP.2/SR.4
19 August 1948

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

SUMMARY RECORD OF THE FOURTH MEETING

Held at the Palais des Nations, Geneva,
on August 18th, 1948, at 3 p.m.

CHAIRMAN: Hon. L.D. WILGRESS (Canada)

FUTURE TARIFF NEGOTIATIONS:

Mr. TUOMININ (Finland) informed the meeting that his country was prepared to take part in tariff negotiations, but that his Government would need some time to prepare for these negotiations.

The CHAIRMAN informed Mr. TUOMININ that a working party was considering a procedure for new accessions and suggested that the Finnish observer might attend this meeting where he could express his views.

RULES OF PROCEDURE: REVISED CZECHOSLOVAK PROPOSAL (Rules 7 and 8) (GATT/CP.2/W1.Rev.1).

Dr. JUGENTHALER (Czechoslovakia) said that his proposal for Rule 7 was so worded as to enable all countries invited to the United Nations Conference on Trade and Employment whether members of the UN or not, to take part in the discussions of the Contracting Parties. Rule 8, as proposed, is intended to bring the procedure of these meetings in line with that of the future ITO and of the Economic and Social Council.

After some discussion, Mr. STINEBOWER (United States of America) suggested that Rules 7 and 8, in their original formulation, were more appropriate for the proceedings of the Contracting Parties than the Czechoslovak proposals. The countries on behalf of which the Final Act of Havana was signed clearly showed their interest in the purposes of the General Agreement. Moreover, the Contracting Parties, whose meetings were of a private

character, should not become involved in the complications raised by the problem of the status of the non-governmental organisations.

Rules 7 and 8, as originally formulated in GATT/C.P.2/3 Rev.1, were accepted.

Dr. AUGENTHALER (Czechoslovakia) regretted the decision taken, which might complicate the task of the future I.T.O.
MODIFICATION OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE.

Mr. COUILLARD (Canada) stated that the point of view of his delegation was that the General Agreement be left in its present form. It would be automatically superseded as soon as the Havana Charter came into force, as Canada and other Governments who had signed the Havana Declaration had waived their right to oppose the automatic supersession of the Agreement and no other Contracting Party had lodged any opposition to that procedure.

As urgent points had been dealt with at Havana, there was no reason why the provisions of the Charter should be immediately incorporated. There were, on the other hand, real legislative difficulties to be expected if the Agreement were to be amended at a time when Parliaments were considering the General Agreement. Great confusion might arise if the amendments proposed were not accepted by all of the Contracting Parties. In order to avoid confusion, it was formally proposed that no amendments or additions be made to Part II of the Agreement at this Session.

Dr. SPEEKENBRINK (Netherlands) supported the Canadian proposal and recalled that his Delegation had proposed a minor change at Havana in article XXIX which had met with general agreement. He also stressed the difficulties which would be experienced by the national Parliaments.

Mr. CAMPOS (Brazil) proposed that the articles on subsidies in the Havana Charter (Articles 26, 27 & 28) be added to the General Agreement. He pointed out that the Agreement specifically dealt with all major departures from normal commercial policy, such as quantitative restrictions, dumping practices, discriminatory taxation, with the exception of export subsidies. This was unfair to countries which had no protection against export subsidies. The question had not been settled in Geneva because there was no generally agreed text there, but agreement had been briefly reached at Havana. Article XVI was generally admitted to be incomplete and vague. He therefore proposed that Articles 26, 27 and 28 be added to the Agreement.

Mr. U. SAW (Burma) supported Canada on the ground that the Charter was still under consideration by his Government.

Mr. SKJUG (Norway) was in favour of general supersession in advance of the entry into force of the Charter, as that procedure would facilitate accessions to the Agreement and enable the Contracting Parties to submit to their Parliaments a text easy to understand. It was unquestionable that some provisions adopted at Havana were more acceptable than those of the draft Charter.

Mr. LIEU (China) proposed complete supersession of the Agreement by the Havana Charter, the latter being a considerable improvement on the former. If the Contracting Parties agreed to this, it would be an inducement to ratify the Charter.

Mr. ADARKAR (India) endorsed the views of Norway and China. The Canadian Delegate had given among his reasons the fact that it was not known when the Havana Charter would come into force. That seemed to him a reason for incorporating the provisions of the Charter into the agreement. Amendments had already been made to it for reasons of urgency and he thought the questions of economic

development, as agreed to at Havana, were urgent ones for undeveloped countries. He would urge for a revision of Article XVIII. The Canadian Delegate had said that the agreement was a separate document; but all countries present at this meeting had already agreed to supersession, which meant that they accepted the provisions of the Charter. There was no reason to wait for ratifications. He proposed the replacement of the whole of Part II because, otherwise, undeveloped countries which might have accepted the Geneva text would be penalized.

Mr. DJEBBARRA (Syria) agreed with the Delegate of Norway that Parliaments wanted definite projects and did not like the prospect of changes being introduced soon after the original text had been accepted. Under-developed countries were not allowed at Geneva to sign the General Agreement subject to reservations; they did not oppose that procedure because of the provision relating to supersession and of the prospect of arriving at a better compromise at Havana. He pointed out the difficulty of certain governments, which had accepted the Agreement on the expectation of supersession, to submit to their parliaments a text with which they were not in agreement. He proposed the immediate supersession of the Agreement by the corresponding provision of the Charter and the insertion of Article 15 of the Havana Charter which was closely linked with Article 1 of the Agreement.

The Chairman announced that the discussion would continue on the following morning at 10 a.m.

The meeting rose at 6.30 p.m.

