

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

RESTRICTED
LIMITED B
GATT/CP.4/SR.2
24 February 1950
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fourth Session

SUMMARY RECORD OF THE SECOND MEETING

Held at the Palais des Nations,
Geneva, on Friday, 24 February, 1950, at 10.30 a.m.

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

- Subjects discussed:
1. Distribution of Secret documents.
 2. Adoption of Agenda - Document (CP.4/1 Rev.2)-.
 3. Notifications under Article XVIII.
 4. Rectification and Modification of Schedules
 5. Application of Annecy Schedule XIV (Norway) (GATT/CP,3/84)

1. Distribution of Secret documents

M. LECUYER (France) raised a point of order on the distribution of Secret documents. He considered that one copy for each Delegation was not sufficient.

The CHAIRMAN replied that Delegations requiring extra copies could obtain a limited number from the Secretariat.

2. Adoption of Agenda - Document CP.4/1 Rev.2

The CHAIRMAN called the attention of the Delegates to item 22, proposed by the French Government, and originally listed under "Other Business", and to the three provisionally approved items 13, 14 and 15, on which the United States had submitted memoranda.

- a) Item 13 - Arrangements for regular Reporting in accordance with paragraph 2 of Annex J (GATT/CP.4/15).

Mr. SCHMITT (New Zealand) questioned the advisability of singling out the arrangements for regular Reporting under Annex J as the only such arrangements to be considered. There were several other Articles, for instance Article XVI, which required reporting. Furthermore, he wondered whether an investigation such as was implied under Item 13 would not overburden the Contracting Parties and the Secretariat.

Mr. HOLMES (United Kingdom) agreed that there was a serious danger of overburdening the Agenda of the Contracting Parties with items such as this one, requiring extensive study and leading to long and possibly inconclusive discussion. He thought it might better be omitted. At a later stage, in the operation of the General Agreement, there might be occasions for improving and broadening its procedure, but to overburden the Agenda now would not in his opinion serve the best interests of the General Agreement itself. He suggested deferring a decision on this item until there had been time to consider the papers more thoroughly.

Mr. GRADY (United States) referring to the question raised by the New Zealand Delegate, said that the United States would be glad to have Article XVI added for consideration.

Mr. WALKER (Australia) questioned the wisdom of including this item and items 14 and 15 in the Agenda; but firstly he wished to verify the fact that they had been placed on the Agenda in accordance with the rules of procedure, since his Delegation had not received notice of them before leaving Australia. The Australian Delegation felt that while it was important to take up promptly issues raised as a result of specific grievances, great care should be exercised in undertaking comprehensive studies in the general field of commercial relations, such studies should not be entered into without careful consideration by the Contracting Parties.

The CHAIRMAN replied to Mr. WALKER's first point that the item had been included in the provisional Agenda in accordance with the rules of procedure.

Mr. GRADY (United States) said that his delegation felt that these were items of real importance and urged that they be retained in the Agenda.

Mr. BOTHA (South Africa) did not think that these items were of such urgency that they required consideration at this Session.

Mr. COUILLARD (Canada) supported the inclusion of the items; he could not agree that the Secretariat would be unduly overworked as a result, and as to the question raised by the Delegate of New Zealand, the United States had already agreed to the inclusion of Article XVI, and, no doubt, upon investigation, more provisions would be found to require similar study. He suggested amending the wording of Item 13.

The CHAIRMAN suggested that if it were agreed to broaden the scope of Item 13, the words "and other provisions of the General Agreement" be added.

Mr. HOLMES (United Kingdom) felt that the discussion indicated the advisability of postponing a decision upon the inclusion of Item 13. He suggested that the Secretariat might prepare a paper showing the practical effects of the adoption of Item 13 as broadened and a decision might then be taken.

M. LECUYER (France), while not opposed to broadening the terms of Item 13, agreed with Mr. HOLMES that such a paper by the Secretariat would be useful.

Mr. SCHMITT (New Zealand) wished to clarify his statement. Although he felt that Item 13 should not be accepted in its present form as strictly limited to reporting under Annex J, it was not necessarily his intention to extend the scope of the item to cover all the provisions of the General Agreement relating to reporting. He suggested, however, that the Secretariat, in the preparation of its paper, should cover all possible arrangements for reporting, regular or otherwise, in order that the Contracting Parties might then decide.

The CHAIRMAN said that the Secretariat would prepare a comprehensive memorandum, and the inclusion of item 13 in the Agenda would be considered at a later date.

b) Item 14 - Review of application of Quantitative Restrictions on Imports designed to afford Protection to Domestic Industry (GATT/CP.4/13).

Mr. SCHMITT (New Zealand) felt that the papers issued in connection with this item and with item 15 required further study.

It was agreed to postpone consideration of the inclusion of items 14 and 15 until item 13 was again taken up.

2. Item 4 - Notifications under Article XVIII

1) Notification by Haiti (GATT/CP.3/40)

The CHAIRMAN pointed out that, according to the provisions of paragraph 12 of Article XVIII, the Government of Haiti should have submitted a full statement of considerations in support of the measure within 60 days of its becoming a contracting party, i.e. before March 1. He was informed that the Haitian representative had telegraphed his Government to send an expert on the State monopoly (tobacco, cigars and cigarettes) to supply the necessary information to the Contracting Parties. The Chairman suggested that, since this was a matter requiring detailed examination, it would be as well to decide now to refer the question directly to the Working Party when it was set up and when the Haitian representative arrived.

11) Item 4 - Application by Southern Rhodesia, concerning Margarine Factory (SECRET/CP/2).

Mr. WARD (Southern Rhodesia) said that since the factory was not yet in production the necessary information could not be provided, nor could it be surely stated at the present time that the protection would be necessary; he, therefore, wished to withdraw the application on the understanding that it could be renewed at a later date if necessary.

THE CHAIRMAN said that in that case no further action was required by the Contracting Parties.

iii) Decision on certain measures notified by Syria and Lebanon.
(GATT/CP.3/60 Rev.1).

The CHAIRMAN recalled that at their Third Session the Contracting Parties deferred decision on two items in the Syria/Lebanon application - viz. natural and artificial silk and hosiery on account of inadequate information. A decision had been taken on the basis of paragraph 5 (a) of Article XXV authorizing the maintenance of the measures pending a decision at this Session. In taking that decision the Contracting Parties had requested the Governments of Syria and Lebanon to submit a statement in support of the measures at least two months before the date of the opening of the Fourth Session, if they wished to maintain the measures. This requirement had not been complied with ^{by} Syria/Lebanon. It was therefore for the Contracting Parties to decide what action should now be taken.

Mr. HOLMES (United Kingdom) said that there seemed to be nothing to refer to a Working Party, and that it appeared that the item should be deleted from the Agenda and the maintenance of the measures disallowed.

The CHAIRMAN emphasized that it was necessary for the Contracting Parties to take a decision at this Session, and inquired whether the United Kingdom proposal that the measures be disallowed by the Contracting Parties was agreed.

Mr. HASNIE (Pakistan) said that although it was quite clear that Syria/Lebanon had not complied with the directive of the Contracting Parties, he felt it might be possible to postpone the decision for a certain time and give the two governments a further chance to provide the necessary information, or to explain why they were not able to do so.

The Delegates for CANADA, NEW ZEALAND and the UNITED STATES supported Mr. HASNIE.

Mr. HOLMES (United Kingdom) said that he would agree with the suggestion of the delegate of Pakistan provided it was made quite clear in the telegram that, unless the information were provided, the measure would have to be disallowed at this Session of the Contracting Parties.

The CHAIRMAN then suggested that the telegram point out the failure of the two governments to comply with their undertaking at the last Session, and request that the information be supplied not later than 24 March, with the understanding that if it were not supplied by that date the Contracting Parties would assume that Syria/Lebanon withdrew their application for the approval of these measures, and the waiver granted in paragraph 5 at the Third Session would be cancelled.

This was agreed upon and the date was altered to 17 March.

The CHAIRMAN said that the setting up of the Working Party would, consequently, be deferred.

3. Item 5 - Rectification and Modification of Schedule.

i) Schedule VI - Ceylon - Report on negotiations.

Consideration of this item was postponed since the document had not been distributed.

Mr. JAYASURIYA (Ceylon) wished to explain that the negotiations had been concluded within the time set, and the report was in the hands of the Secretariat. Its distribution had been delayed by representations on the part of one of the Contracting Parties interested.

ii) Schedule X - Czechoslovakia (GATT/CP/27 & Corr.1).

The CHAIRMAN recalled that the proposed rectifications had been handed in at the end of the Annex Conference, and that it had then been proposed that they be considered together with the Protocol of Rectifications that would be drawn up at this Session. He consequently suggested that it be referred immediately to the Working Party.

This was agreed.

iii) Schedule XV - Pakistan (GATT/CP/41).

It was also agreed to refer this to the Working Party directly

iv) Annex Schedules (GATT/CP.4/3 & Add.1).

In reply to points raised by Mr. DI NOLA (Italy) and M. LECUYER (France) the CHAIRMAN said that any new lists of rectifications would be considered by the Working Party.

In reply to a question by Mr. OFTEDAL (Norway) the CHAIRMAN said that the problem of the numbering of Norwegian Tariff items should also be referred to this Working Party.

It was agreed to set up a Working Party and the CHAIRMAN explained that, since many of the rectifications concerned Schedules of Acceding Governments, these countries should feel free to take part in the deliberations of the Working Party.

4. Item 7 - Application of Annex Schedule XIV (Norway)
(GATT/CP.3/84).

Mr. OFTEDAL (Norway) said that his Government had hoped that the new Storting would be able to approve application of their Annex Schedule before the date of April 30. It was now clear, however, that this would not be possible and it was necessary for him to request postponement to June 30.

This was agreed, and the CHAIRMAN stated that a formal decision would be drawn up declaring that the obligation contained in the Annex Protocol would be waived in the case of Norway and the date extended to 30 June. The Secretary General of the United Nations would also be advised.

Mr. OFTEDAL (Norway) thanked the Contracting Parties.

The meeting adjourned at 12.50 p.m.

- - -