

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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LIMITED B  
GATT/CP.4/SR.19  
1 April 1950  
ORIGINAL : ENGLISH

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CONTRACTING PARTIES  
Fourth Session

## SUMMARY RECORD OF THE NINETEENTH MEETING

Held at the Palais des Nations, Geneva,  
on Saturday, 1 April 1950 at  
10.30 a.m.

Chairman: Hon. L. Dana WILGROSS (Canada)

- Subjects discussed:
1. Revalidation (Prolongation of the Assured Life) of the Schedules to the Agreement. (GATT/CP.4/25/Annex I).
  2. Accession of Sweden to the General Agreement.
  3. Report of Working Party A on Modifications and Rectifications.
  4. Records of Changes in Schedules and of Action by the Contracting Parties.
  5. Report of Working Party H on the Application of Ceylon under Article XVIII in respect of Cotton Verties.
  6. Appointment of Inter-Sessional Committee on Article XVIII.
  7. Report of Working Party E on Balance of Payments Questions.
  8. Inter-sessional Committee on Articles XII, XIII, XIV.

1. Revalidation (Prolongation of the Assured Life) of the Schedules to the Agreement (GATT/CP.4/25/Annex I)

The CHAIRMAN recalled that the resolution had been approved in principle at a previous meeting. The Annecy acceding governments had been asked to associate themselves with the declared intention of the Contracting Parties, and replies had been required by 31 March, failing which their concurrence would be assumed. The replies received were circulated, and Nicaragua had previously notified its agreement with the United Kingdom's original proposal.

The Resolution was adopted.

## 2. Accession of Sweden to the General Agreement

The CHAIRMAN informed the Contracting Parties that Sweden had signed the Annex Protocol of Terms of Accession on March 31 and would become a contracting party in thirty days. He welcomed the new contracting party.

## 3. Report of Working Party A on Modifications and Rectifications (GATT/CP.4/34 and GATT/CP/57)

Mr. BENES (Czechoslovakia) introduced the report calling the attention of contracting parties to the proposed departure from accustomed procedure so as to include in the Protocol only rectifications to the authentic texts of the schedules. Rectifications to the non-authentic texts were incorporated in an annex. With a view to avoiding any complication which might arise because of any delayed entry into force of this Protocol, the Working Party had annexed to its report a declaration concerning the schedules of Indonesia. It was proposed that this declaration be approved by the Contracting Parties at the present session in order that the present Section C of Schedule II of the General Agreement and Schedule II of Annex A of the Annex Protocol be considered as Schedule XXI of the General Agreement. The present Section C of Schedule II would, however, remain applicable to New Guinea as a section of Schedule II. The Report was then considered by the Contracting Parties.

The Report as a whole was approved including the recommendation contained in paragraph 2 and the Declaration relating to new Schedule XXI.

The CHAIRMAN associated himself with the remarks contained in Paragraph 1 deprecating the long delays in the entry into force of the Third Protocol of Rectifications and the First Protocol of Modifications.

Subject to the correction of the typographical errors in the Indonesian Schedule, pointed out by Mr. VAN BLANKENSTEIN, the Fourth Protocol of Rectifications and the corrigendum to the non-authentic texts of the Schedules were approved.

The CHAIRMAN emphasized the importance of signing this Protocol at the end of the present session or, if this should not be possible, without delay at the Headquarters of the United Nations.

## 4. Records of Changes in Schedules and of Action by the Contracting Parties

Mr. EVANS (United States) alluding to the lengthy and numerous documents which had been drawn up by the Contracting Parties in their four sessions, proposed that the Secretariat compile and circulate a list of all actions taken affecting the Schedules, by schedule and affected item, and indicating, after

each item number, an appropriate reference to the document reflecting the action taken with respect to that item.

For the purpose of simplifying as much as possible the use of the ever-expanding series of documents, he proposed that the Secretariat prepare a check list of all the results, decisions and like actions of the Contracting Parties, whether or not included in analogous collections which the Secretariat had circulated at the end of previous sessions, and give a short statement as to the action taken. He suggested that reference be made also to documents containing information relevant to a complete understanding of the action taken and to documents indicating subsequent action taken pursuant to it. He proposed that the two lists be compiled and circulated with a view to the subsequent issue of supplements keeping them up to date.

The proposal was approved by the Contracting Parties.

5. Report of Working Party H on the Application of Ceylon under Article XVIII in respect of Cotton Vertices (GATT/CP.4/32)

In the absence of the Chairman of the Working Party, the CHAIRMAN introduced the Report which, he said, was satisfactory to all the parties concerned. The Working Party had very carefully considered the suggestions of the governments participating in the London negotiations and had, in particular, studied the eligibility of the measure in question under the provisions of paragraph 5 of Article XVIII. They had also studied the question whether the figure suggested by the negotiating countries "for the maximum domestic availability" was appropriate. Great precautions had been taken to see that there should be no possible complaint in regard to the legality of the recommended release after it had become effective. For this reason they had recommended that the release should not become effective until the expiration of a period of 30 days from the time of the decision.

The report as a whole was approved and the recommended decision to grant the release to Ceylon was approved by 20 votes in favour and none against.

Mr. KOELMEYER (Ceylon) thanked the Contracting Parties for their decision.

6. Appointment of Inter-Sessional Committee on Article XVIII

The Contracting Parties agreed to appoint a Committee to consider and report on applications made under Article XVIII between the Fourth and Fifth Sessions in regard to new measures, composed as follows:

Dr. de Vries (Indonesia), Chairman;  
Australia, Canada, Ceylon, Chile, France,  
India, Netherlands, United Kingdom and  
United States.

7. Report of Working Party E on Balance-of-Payments Questions  
(GATT/CP.4/38)

Mr. DEUTSCH (Canada), Chairman of the Working Party, introduced the report, which took the form of a letter of transmittal to the Contracting Parties of the following:

- (i) The Draft Report by the Contracting Parties on the discriminatory application of import restrictions (GATT/CP.4/37) was based on the replies of governments to the questionnaire circulated by the Secretariat and on the further information supplied by representatives in the course of the meetings of the Working Party. He called the attention of the Contracting Parties to the statement that in the preparation of this draft report the Working Party had agreed that it was not required of them to consider whether measures being taken by the reporting countries were consistent with the Agreement. He also pointed out that it had been left to the Contracting Parties to decide whether the report should be published, and that it was recommended that a limited circulation be given to the replies to the questionnaire. Governments should be asked by the Secretariat to correct any errors of fact contained in their replies.
- (ii) Their second report (GATT/CP.4/35) related to the submission of information required by paragraph 1 of Annex J. They had felt that in the interests of economy of effort this information be requested with the questionnaires which were to be sent out in other connections. They had recommended that if any action were taken between the submission of annual reports the Secretariat should be informed.

(iii) Their third report (GATT/CP.4/31) dealt with the intensification of restrictions and the countries which should consult with the Contracting Parties. In view of the fact that the International Monetary Fund would not be ready to enter into full consultation with the Contracting Parties with respect to the countries mentioned in the report, except for the United Kingdom, the Working Party recommended that consultations with all the countries mentioned take place at the Fifth Session of the Contracting Parties.

(iv) With regard to the fourth report before them on the communications from South Africa (GATT/CP.4/36), the Working Party recommended that the consultation undertaken by South Africa under Article XII: 4(a) be considered as having been satisfactorily concluded, whereas any consideration of the discriminatory aspects of the South African programme would have to be deferred pending the receipt of a report from the International Monetary Fund.

Mr. BOTHA (South Africa) wished to express his appreciation to the Chairman and members of the Working Party for the high quality of their work. He was attending a meeting of the Contracting Parties for the first time and had been impressed by the spirit of friendliness and understanding which prevailed among representatives.

The four reports were then discussed.

- (i) First Report (1950) by the Contracting Parties on the Discriminatory Application of Import Restrictions under the transitional period arrangements of Article XIV (GATT/CP.4/37)

The Contracting Parties accepted the recommendations of the Working Party that the report be issued as an unrestricted document.

After the five sections of the Report had been approved separately, the Report as a whole was approved.

- (i.) Submission of reports required by paragraph 1 of Annex J (GATT/CP.4/35)

The CHAIRMAN stated that the decision on the questionnaire to be circulated by the Secretariat would be taken in the course of the examination of the report of Working Party D and the Report was approved.

(iii) Consultation on the Intensification of Import  
Restrictions required by Article XII: 4(b)  
(GATT/CP.4/31)

Mr. CASSIERS (Belgium) said that he had asked the Chairman of the Working Party whether a contracting party which had intensified its restrictions against Belgium should be asked to enter into consultation with his country. The Chairman had informed him that his question was not covered by the terms of reference of the Working Party. The Working Party had, in fact, been asked to determine which countries were substantially intensifying import restrictions and should therefore be invited to consult with the Contracting Parties. He therefore wished to take the opportunity to request that the consultations should cover the whole field and should include an examination of the effect of the measures on the countries which were discriminated against. In a previous discussion he had expressed his surprise that the United Kingdom delegation did not think it appropriate to discuss the matter of intensification with Belgium because of the existence of a bilateral agreement between their two countries. In a discussion he had had with representatives of the United Kingdom they had decided to leave the matter open and he now wished to ask the United Kingdom representative whether they agreed to discuss the question in their consultation with the Contracting Parties despite the existence of a bilateral agreement.

Mr. SPARKS (United Kingdom) said that his delegation would agree that there had been an intensification of restrictions in the sense of Article XII, but that the argument of Belgium related more to Article XIV under which action was taken by the United Kingdom with respect to Belgium. In saying this he wished to add that in the proposed consultation under Article XII his government was prepared to discuss fully all relevant questions including any which Belgium might wish to raise.

Mr. DEUTSCH (Canada) said that his ruling in the Working Party to which the Belgian representative had referred was due to his wish not to anticipate in any way the decisions of the Contracting Parties. It was clear that when consultations would take place the Belgian Government would be in a position fully to discuss any aspect of the import programmes of the countries entering into consultation.

Mr. CASSIERS (Belgium) thanked the representative of the United Kingdom and Mr. Deutsch for their assurance that he could discuss his problem.

The recommendation of the Working Party that consultations take place at the Fifth Session with Australia, Ceylon, Chile, India, New Zealand, Pakistan, Southern Rhodesia and the United Kingdom was approved.

(iv) South African Import Restrictions (GATT/CP.4/36)

The Report was approved.

8. Inter-Sessional Committee on Articles XII, XIII, XIV.

The CHAIRMAN suggested that, in view of the plans that had been made for the work of the Fifth Session, it was unlikely that the Contracting Parties would be confronted with a need for urgent decisions between the present and the next session. He therefore recommended that the arrangement made at the Third Session, whereby the Chairman could set up a Working Party, should the need arise, should be allowed to remain. The Contracting Parties approved the Chairman's proposal.

The meeting adjourned at 1 p.m.