

GENERAL AGREEMENT ON TARIFFS AND TRADE

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LIMITED B
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11 April 1950
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fourth Session

SUMMARY RECORD OF THE TWENTY-FIRST MEETING

Held at the Palais des Nations, Geneva,
on Monday, 3 April 1950, at 2.30 p.m.

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

- Subjects discussed:
1. Review of Brazilian Internal Taxes - Item 9 (GATT/CP.3/42, para.19) (cont.)
 2. The work undertaken by the European Customs Union Study Group on customs nomenclature and questions of customs regulations - Item 21.
 3. Report of Working Party G on Australian Subsidy on Ammonium Sulphate - Item 8 (GATT/CP.4/39)
 4. Report of Working Party F on Special Exchange Agreements - Item 16 (GATT/CP.4/41)
 5. Date of Fifth Session - Item 23.
 6. Report of Working Party D on Quantitative Restrictions.
 7. Notification of Application of Annecy Concessions.
 8. Publication of Report prepared by the Secretariat. (GATT/CP.4/43)
 9. Trade News Bulletin (GATT/CP.4/43).
 10. Most-favoured-nation Treatment for Japan.

1. Review of Brazilian Internal Taxes - Item 9 (GATT/CP.3/42)
(continuation of discussion)

The CHAIRMAN considered that much of the difficulty arose because this problem was being considered so close to the end of the Session. That information had not been received and the matter settled before now was no fault of the Brazilian Delegation. He suggested that the Contracting Parties might settle the question by taking the following Decision:

"THE CONTRACTING PARTIES

"TAKING NOTE of the expectation of the Brazilian delegation and Government, that a favourable solution to this problem will be found very shortly following the present session,

"DECIDE to take no further action at the present session. The CONTRACTING PARTIES also take note that, if the above-mentioned expectation is not fulfilled and failing satisfactory adjustment with the contracting parties which consider themselves materially affected, these contracting parties will have to consider whether to raise the matter of consequential measures at the Fifth Session."

Mr. RODRIGUES (Chile), Mr. DESAI (India) and Mr. LECUYER (France) supported this proposal.

Mr. RIBEIRO (Brazil) thanked the Chairman and the Contracting Parties.

The Decision was approved.

2. The work undertaken by the European Customs Union Study Group on customs nomenclature and questions of customs regulations - Item 21

The CHAIRMAN explained that this item was placed on the Agenda, at the request of the French delegation and that an expert from that delegation was now available to give a statement on the work of the Study Group.

Mr. DEGOIS (France) made a statement which is reproduced as document GATT/CP.4/45.

Mr. BURGESS (United Kingdom) said that he was sure that all the contracting parties were very grateful to the French Delegation for its most interesting account of the work of the Study Group as seen by them. Owing to his imperfect knowledge both of the subject matter and of the French language, he was not certain that he had fully understood all the points made by the French delegate; but in any event, since the exposition of this highly technical subject had been so full and detailed, and since representatives of the contracting parties had not had the benefit of any document on which they could where necessary obtain the advice of their Governments, he would in any case not be in a position to comment on the statement of the French delegate, and felt that the greatest benefit would accrue if there could be circulated to the Contracting Parties the French text and an English translation of the statement. This might enable the Contracting Parties to waive the oral translation of the statement into English.

The CHAIRMAN thanked Mr. Degois for the full statement he had made. As the Secretariat was in touch with the Secretariat of the Study Group, delegations could address any enquiries to the former about the work of the Study Group.

It was agreed to circulate Mr. Degois' statement.

3. Report of Working Party G on Australian Subsidy on Ammonium Sulphate - Item 8 (GATT/CP.4/39)

Mr. OFTEDAL (Norway) said that the Working Party had carefully examined the information presented both by the Australian and Chilean delegations and had decided that it was not necessary to seek the advice of an agricultural expert as had been suggested at an earlier meeting of the Contracting Parties. He summarized the report of the Working Party and explained that its findings were strictly limited to the particular complaint made as the Working Party had been aware of its possible importance as a precedent. He thanked the Australian and Chilean delegates for their cooperative spirit and also the two independent members of the Working Party.

Mr. SCHMITT (New Zealand) said that while his delegation approved the precedent of this report in so far as it had arrived at a conclusion more or less satisfactory to both parties, it did not, nevertheless, consider it a good precedent in that the Working Party had deemed it unnecessary to establish the facts of the actual damage involved before making a recommendation to one of the parties, nor with regard to the decision concerning the interpretation of a "reasonable expectation".

The Contracting Parties approved the Report, including its recommendation, and took note of the Australian statement contained in the Annex.

Dr. WALKER (Australia) thanked the Working Party and the Contracting Parties for their consideration of this case. He was glad that the charges of contravention of the Agreement itself had not been found sustainable and he assured the Contracting Parties that his Government would give careful consideration to the recommendation. As pointed out in the Annex to the Report, his delegation was concerned at the interpretation contained in the Report on Article XXIII:1 (b)

4. Report of Working Party F on Special Exchange Agreements - Item 16 (GATT/CP.4/41)

Mr. STEYN (Union of South Africa) summarised the Report. He added that the Working Party suggested that the Chairman, in replying to the communication of 3 March from the Executive Director of the Fund, should express the appreciation of the Contracting Parties for the arrangements made by the Fund for direct consultation. He also thanked the Fund delegation for its assistance and advice to the Working Party.

The Report was approved, together with the three resolutions contained therein.

Mr. SAW OHN TIN (Burma) thanked the Working Party and the Contracting Parties for their recommendation with regard to his country.

5. Date of the Fifth Session - Item 23

The CHAIRMAN said that this matter, together with the place of the Fifth Session, had been discussed at an earlier meeting, and he considered it unnecessary to reiterate the various arguments which had been made. He would merely invite any delegations which had changed their views or any which had not expressed their opinions to speak.

Mr. EVANS (United States) said that, while at the last meeting his delegation had tentatively agreed with the Chairman's suggestion of London as the site for the Fifth Session, and although they still recognised the validity of the reasons advanced for that proposal, in view of the arguments of the smaller delegations, his Government would support Torquay as the site of the session.

The CHAIRMAN thought that the sense of the meeting was in favour of Torquay.

This was agreed.

Mr. EVANS (United States) explained that his Government considered it advisable to advance the date of 9 November suggested by the Chairman by two weeks, i.e. to 26 October.

After some discussion, the date of 2 November was agreed.

Mr. BURGESS (United Kingdom) said that the United Kingdom Government would be very glad to welcome the Fifth Session as well as the Tariff Negotiations to Torquay.

6. Report of Working Party D on Quantitative Restrictions
(GATT/CP.4/33)

The CHAIRMAN enquired whether the Contracting Parties would agree to the derestriction of the report on Quantitative Restrictions (GATT/CP.4/33). He explained, in reply to a question by Mr. Schmitt (New Zealand), that since it was a document of general interest, publication earlier than the normal date might be desirable.

Upon a suggestion from Mr. SCHMITT (New Zealand) that a certain delay be allowed in order that governments have time to receive this document, the CHAIRMAN suggested that it be derestricted in one month's time.

This was agreed.

7. Notification of Application of Annecy Concessions

The CHAIRMAN reminded contracting parties of the need to notify the Secretary General of the United Nations of application of the Annecy concessions before 30 April. The following contracting parties had not yet notified: Australia, Brazil, Chile, France, India, Lebanon, New Zealand, Pakistan, Syria and South Africa. Norway was of course not involved, as it had been earlier agreed that its notification might be submitted as late as 30 June.

8. Publication of Report prepared by the Secretariat
(GATT/CP.4/43 : Note by the Executive Secretary)

The EXECUTIVE SECRETARY stated that the Secretariat felt that "The Attack on Trade Barriers" had been useful in giving broader understanding of the work of the Contracting Parties. He had originally intended to circulate a draft of the sequel for delegations' comments as had been done at Annecy with "The Attack on Trade Barriers". However, he had come to the conclusion that this was not necessarily the most desirable procedure to follow. He would therefore suggest, if delegations agreed to the publication of a sequel, that it be published on the responsibility of the Secretariat and not carrying the approval of the Contracting parties or of any individual contracting party. This would of course be indicated in the foreword.

The proposal was approved.

9. Trade News Bulletin (GATT/CP.4/43)

The EXECUTIVE SECRETARY explained that he had thought a trade news bulletin might be of some use particularly to the smaller countries which did not have as extensive facilities for receiving such information as the large ones. He wished, however, to know whether this publication, of which three trial issues had been distributed, was considered useful.

Mr. SCHMITT (New Zealand) supported the continued publication of the Trade News Bulletin, explaining that his country would find it extremely useful.

Mr. EVANS (United States) said that he had not commented before on the Bulletin as it appeared to be a publication particularly for the smaller countries. His delegation would be pleased to see its continuance, but suggested that the question be examined at the next session in the light of the experience of its usefulness in the meantime.

This was approved.

10. Most-favoured-nation Treatment for Japan.

Mr. EVANS (United States) explained that the question of most-favoured-nation treatment for Japan had not been placed on the Agenda of this session by his delegation in the interest of keeping the session brief and because of the tariff negotiations in September. However, the United States Government still considered it important and necessary to develop a method under which some or all of the contracting parties could grant most-favoured-nation treatment to Japan on a reciprocal basis. Since this question had been first raised some progress had been made in integrating the Japanese economy with the rest of the world. An exchange rate had been adopted last year of 360 yen to the dollar which had remained quite stable. Many of the trade practices which Japan had indulged in before the war had been substantially altered during the occupation, and the Diet had adopted a Fair Trade Act which prohibited such things as dumping. Furthermore, progress had been made in eliminating internal price subsidies and they were expected almost entirely to disappear in the near future. He wished to emphasise that his delegation did not raise this question in the expectation of any special advantage to the United States, but rather because they considered that only to the extent that sympathetic consideration was given to the question of treating Japanese trade like the

trade of other countries would Japan play a useful rôle after the end of the occupation. There would be mutual advantage both for Japan and for the contracting parties in the economic field and also because of the psychological effect within Japan itself. His delegation intended to raise this question at the Fifth Session and was hopeful that other contracting parties would join in working out a method to arrive at this end.

Dr. WALKER (Australia) said that his Government would find it very difficult to embark upon this question at Torquay despite the developments to which the United States representative referred, particularly at a time when little progress had been made towards the preparation of a peace treaty which might contain safeguards against the kind of economic practices which had been harmful to the trade of other countries before the war. Undue insistence on this matter might, he considered, affect the attitude of certain governments to the whole procedure of the negotiations and he wished in any case to remove any illusion that this would be a matter easily dealt with.

The CHAIRMAN gave a closing address which is reproduced as document GATT/CP.4/44.

The Fourth Session was brought to a close at 6 p.m.