

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
LIMITED B
GATT/CP.5/SR.1
6 November 1950
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fifth Session

SUMMARY RECORD OF THE FIRST MEETING

Held at The Marine Spa, Torquay, England on
Thursday, 2 November 1950 at 3.00 p.m.

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

- Subjects discussed:
1. Chairman's Opening Speech (GATT/CP.5/18)
 2. Invitation to Yugoslavia to Send an Observer
 3. Adoption of Agenda (GATT/CP.5/Rev. 2)
 4. Order of Business.

1. The Chairman's Opening Speech (GATT/CP.5/18)

The CHAIRMAN declared open the Fifth Session and delivered an opening speech (See GATT/CP.5/18).

Sir Stephen HOLMES (United Kingdom) thanked the Chairman for his appreciative remarks on the arrangements for the conference which, he pointed out, had been made by the Conference Department of the Foreign Office in collaboration with the local authorities of Torquay.

Dr. VARGAS-GOMEZ (Cuba) thanked the Chairman for his remarks concerning Cuba and stated that the presence of the Cuban delegation at Torquay was the result of careful consideration by the Government in the field of foreign economic policy. The determination had been taken upon the initiation of a process of adjustments in the country's relations with other countries, which were likely to have constructive effects on international economy. Cuba had withdrawn from the Third Session because at that time it could not obtain, within the frame of the General Agreement, the indispensable protection required to ensure the survival of important domestic industries. At first the Cuban Government, in an expectant mood, had absented itself from the Fourth Session and delayed signing or accepting several protocols. Later, desirous of proving its devotion to international co-operation, Cuba had accepted the recommendation of the Contracting Parties and entered into bilateral negotiations with the United States. Such negotiations had been initiated in February in a spirit of reciprocal goodwill and understanding. The agreement reached, when approved by the contracting parties, would meet the requirements of Cuba. Bases for an understanding had also been found upon which further negotiations here at Torquay would no doubt make it possible for Cuba to overcome its difficulties in regard to its textile industry. Though a fully satisfactory solution had yet to be found with respect to the status of the preferential system in force between Cuba and the United States, Cuba had nevertheless obtained from Washington an offer of cooperation for the development of Cuba's trade with Europe. The Cuban Government wished to acknowledge the conciliatory spirit and goodwill which the United States government had shown throughout the negotiations. In conclusion, Dr. VARGAS-GOMEZ expressed the hope that the mutual confidence shown in these events would prevail in the activities of the Contracting Parties to the benefit of the future of international economic relations.

Mr. BROWN (United States of America) associated himself with the Chairman's remarks concerning the presence of the Cuban representative. The Contracting

Parties would indeed be handicapped in their work by the absence of one of its members. The spirit of cooperation and understanding shown by the Government of Cuba in the happily concluded negotiations was greatly appreciated by his Government. Mr. BROWN felt that if all the contracting parties should show the same spirit in the deliberations here the work confronting the Session would surely be accomplished with great rapidity.

Mr. DI NOLA (Italy) thanked the Chairman for the welcome he had extended to those countries which participated in the meetings of the Contracting Parties for the first time. He assured the Contracting Parties that Italy, for one, would give full cooperation to the Contracting Parties in their efforts for the development of a sound world economy.

2. Invitation to Yugoslavia to send an Observer

The CHAIRMAN informed the meeting that the Yugoslav envoy in London had approached him in the capacity of Chairman of the Contracting Parties on the question of sending an observer to the Session. It appeared that Yugoslavia fulfilled the requirement of Rule 9 of the Rules of Procedure and could be invited to send an Observer. The CHAIRMAN proposed that the terms of invitation be based on the model of Rule 8.

The contracting parties agreed to invite the Government of Yugoslavia to attend the meetings of this Session as an observer and to participate in the discussions without vote.

3. Adoption of the Agenda. (GATT/CP.5/Rev. 2)

The CHAIRMAN introduced the Provisional Agenda; the latest version GATT/CP.5/Rev. 2 circulated the day before was only a re-arrangement in a more logical order of the earlier one, involving no change of substance.

There being no general comments on the Agenda as a whole, the items were considered one by one.

Items (numbering as according to GATT/CP.5/Rev. 2) 1 to 6, 8, 10, 11, 13 to 15, 17, 19 to 26, 28 to 30 were approved for inclusion in the Agenda without discussion.

Item 7: (Review of Import Restrictions). At the suggestion of the CHAIRMAN, it was agreed that the title of the item be changed to read: "The Review of Import Restrictions and the Second Report on Discriminatory Application of Restrictions".

Item 9: (South African Import Control) Mr. SLD (International Monetary Fund) explained that any report that could be submitted by the Fund at the present time on the financial aspects of South African import restrictions would relate to the restrictions now in force, but these were to be terminated by the end of this year; such a report, therefore, would seem to serve no useful purpose. As for the new restriction plan which would come into force in South Africa on January 1st 1951, he had received a communication from the Executive Board expressing general approval but detailed comments would have to be withheld until the plan itself had been in force for some time.

It was agreed that Item 9 should be deleted.

Item 12: (Cases of Quantitative Restrictions Applied for Protective Purposes)

Mr. LECUYER (France) said that although the title of the item made no

reference to his country it was clear that it related to relations between France and Belgium, and that his delegation had no objection to its inclusion in the Agenda or to a frank discussion of the question. A comprehensive memorandum had recently been received by his delegation from his government. As this involved some sixty items, the French delegation had not been able to define its position and if the question were taken up forthwith by the Contracting Parties, there might have to be prolonged discussions. The French delegation would therefore prefer that preliminary consultations should take place between the Belgian and French governments with a view to exploring the possibility of resolving the differences without recourse to a decision by the Contracting Parties. His delegation, however, would have no objection to the inclusion of the item provisionally if it could be withdrawn at a later date.

Mr. CASSIERS (Belgium) said that according to information his delegation had received from the Belgian Ambassador in Paris, the Quai d'Orsay had agreed to have the matter examined by the Contracting Parties at Torquay and had intended to instruct accordingly the French delegation, which, in fact, included the French experts on the matter. As the length and complexity of the memorandum showed clearly that a detailed examination was called for, he could see no alternative but for the Contracting Parties to submit it to the close study of a working party.

Mr. LECUYER (France) reaffirmed that he had received the memorandum from his Government without accompanying instructions, but his delegation would ask for these to be given at the soonest possible moment.

Sir Stephen HOLMES (United Kingdom) said he could see no objection to including this item in the Agenda provided the proper procedure envisaged in Article XXII had been followed by the contracting party proceeding under Article XXIII. Furthermore, it would appear to be incumbent upon the country proposing an item of this nature to specify the action or actions on the part of the contracting party or parties against which the complaint was made, as well as the provision or provisions which were alleged to have been infringed.

Dr. BYSTRICKY (Czechoslovakia) said he fully shared the doubts expressed by the representatives of France and the United Kingdom. No documentation had been supplied to indicate the nature and scope of the proposed item. With reference to Rule 4 of the Rules of Procedure, the Czechoslovakian delegation would have no objection to the inclusion of the item provided it was understood that its deletion could be considered on a later occasion, as an amendment within the meaning of that Rule.

Mr. CASSIERS (Belgium) explained that documentation had not been supplied because it was thought better to delay this until after having the views of other delegations which might wish to ask questions or request specific information. His delegation would do all it could to see that the fullest information was supplied. At the present he could assure the Contracting Parties that the item referred to real and concrete cases, his delegation being fully aware of the view of the Contracting Parties that concrete cases rather than abstract principles should be submitted for judgment.

The CHAIRMAN referring to Rule 4 of the Rules of Procedure, confirmed the view that the deletion of an item from the Agenda could be regarded as an amendment within the meaning of that Rule.

Item 16: (The Administration of the Agreement) Mr. LECUYER (France) thought that the title of the item was too restricted, and proposed that it should be amended in such a way as to enable a discussion of the questions relating to Article XXIX which had been left in abeyance at the last session. The CHAIRMAN suggested that the present wording did not prevent the discussion envisaged by the representative of France. It was not the intention of the Canadian delegation in submitting its proposal to limit the scope of the item to what was discussed in the supporting document (GATT/CP. 5/11), which had merely purported to give a general indication of the nature of questions to be considered.

It was agreed to retain the item with the understanding that any related questions could equally be considered as falling under it.

Item 18: (Brazilian Internal Taxes) Mr. de CASTRO MENEZES (Brazil) said that his delegation had no objection to the inclusion of this item but would reserve its right to discuss it fully at the appropriate time. The item was then approved.

Item 27: (Amendment of Article XX) At the suggestion of Sir Stephen HOLMES (United Kingdom) and with the concurrence of Mr. MELANDER (Norway), it was agreed to insert the words "the last paragraph of Section II of" after the words "Amendment of....".

Mr. BYSTRICKY (Czechoslovakia) pointed out that no documentation had been supplied in respect of this item, or items 21, 25 and 26, and appealed for an early submission of supporting documents.

Sir Stephen HOLMES (United Kingdom) expressed sympathy with the views of the representative of Czechoslovakia, adding that a paper relating to item 27 had been transmitted that day to the Secretariat for distribution.

Mr. LECUYER (France) explained that the question referred to in Item 21, namely the proposed European Coal and Steel Agreement, was still under discussion between the governments concerned. Similarly, in the case of Item 25, the position of Indo-China with respect to its foreign relations was in a fluid state. Although complete independence in the conduct of its foreign relations had been granted to the associated state of Indo-China, the question of diplomatic representation abroad was yet to be settled. The items had been notified and placed on the Agenda by the French Government as a matter of courtesy as it was expected that intervention by the Contracting Parties would be required at a later date. However, his delegation would endeavour to supply the necessary information as soon as possible.

In reply to a question by Dr. BOTHA (Union of South Africa), the CHAIRMAN explained that the Agenda contained an item on "Other Business" in order to provide for the possibility of discussing any questions which might arise and which might need to be considered separately.

The Agenda was approved as a whole. The CHAIRMAN then announced the procedure to be followed in regard to the publication of an "Informal Guidance for the Press" and reminded the delegations that corrections to the draft Guidance which had been distributed should reach the Information Officer by 1 p.m., Saturday, 4 November.

4. Order of Business

The CHAIRMAN proposed an "order of business" for the first meetings.

Mr. DI NOLA (Italy) requested that the consideration of Item 15 be deferred until such time as the Italian experts on the question of economic development would have arrived.

Mr. DOMINIQUE (Haiti) said that his delegation would appreciate an early consideration by the working party of the application made by his government under Article XVIII.

The CHAIRMAN assured the representatives of Italy and Haiti that the working party appointed to consider the question would no doubt take into consideration the request of the two representatives when arranging their order of business.

Mr. CASSIERS (Belgium) wished Item 12 to be discussed and considered by a working party as soon as possible after the necessary data had been supplied by the Belgian delegation.

In reply, the CHAIRMAN said that this would be considered when the necessary papers were received. At the request of Dr. BOTHA (Union of South Africa), Item 14 would be considered at a later date.

Mr. OLDINI (Chile) stated that the Chilean delegation would be ready to make a statement within two or three days on Item 17.

The Order of Business for the first meetings of the Contracting Parties was approved.

The meeting rose at 5.40 p.m.

