

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED  
LIMITED B  
GATT/CP.5/SR.4  
7 November 1950  
ORIGINAL: ENGLISH

CONTRACTING PARTIES  
Fifth Session

## SUMMARY RECORD OF THE FOURTH MEETING

Held at the Marine Spa, Torquay  
on Saturday, 4 November, 1950, at 10.30 a.m.

Chairman: The Hon. L. Dana Wilgress (Canada)  
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### Subjects

- discussed:
1. Budget and Administrative Arrangements for 1951 (GATT/CP.5/10 and 13, (contd.), and GATT/CP.5/19)
  2. Consideration of a Review of Quantitative Export Restrictions (GATT/CP.5/3)

1. Budget and Administrative Arrangements for 1951 (GATT/CP.5/10 and 13)  
(continuation of discussion)

The CHAIRMAN referred to the proposal of the Czechoslovak delegation regarding the scale of contributions (GATT/CP.5/19) which had just been distributed and said that yesterday's discussion on the two secretariat papers on the budget (GATT/CP.5/10 and 13) would be continued.

Mr. FLALA (Czechoslovakia) explained that his delegation had tried to evolve a system of contributions that would be more equitable than the present system and had taken as a basis for calculation the export trade of each country with contracting parties rather than its total volume of foreign trade.

Mr. REISMAN (Canada), while agreeing that the problem of contributions was always difficult, nevertheless felt that it would be better to avoid any fixed rules as long as the situation of the Contracting Parties remained unsettled. The original formula had been found generally workable and had been modified from time to time to meet different conditions. He thought that the Working Party should base itself on the original formula and, although new proposals should be given full consideration, bear in mind that the time was perhaps not suitable for such a change.

Mr. ALLAS (Philippines) asked if his delegation might submit a new plan of contributions to the Working Party.

It was agreed that the Philippine Delegation should be invited to appear before the Working Party with its new plan for consideration.

Mr. BROWN (United States) agreed with the Canadian delegate that the Working Party should examine all proposals thoroughly but should approach its task with the idea that the burden of proof rested on those who proposed changes to the present system.

Mr. SCHMITT (New Zealand) thought it unprofitable to discuss formulae for contributions in the abstract. In practice the existing scale seemed fair enough and in theory a case could be made for any basis of calculation.

M. ROYER (Secretariat) pointed out that one of the features of the new Czechoslovak proposal was the fixing of a basic contribution. He felt that the amount of \$200 suggested would represent more or less the cost of one set of documents produced in a year by the Secretariat. As the minimum services rendered by the Secretariat to a Delegation should be more extensive than the provision of one copy of the documents issued, it would appear desirable to appraise carefully the amount of the basic contribution. Another alternative would be to issue the documents on a subscription basis as was done for the Nancy Schedule, and to apply a scale of contributions to the other expenditure.

Mr. FIALA (Czechoslovakia) agreed that the base figure of \$200 was perhaps low and that the Working Party could consider an adjustment.

The CHAIRMAN proposed a Working Party with terms of reference as follows:

"To consider the budget estimates for 1951 and other financial documents submitted by the Executive Secretary and to make appropriate recommendations to the Contracting Parties;

"To recommend a scale of contributions for consideration by the Contracting Parties"

and a membership of Canada, Czechoslovakia, Dominican Republic, Indonesia, Italy, United Kingdom and United States, with Mr. Pastoriza (Dominican Republic) as Chairman.

This was agreed.

Mr. AHMAD (Pakistan) enquired whether the second of the terms of reference meant that the Working Party could recommend a permanent scale of contributions.

The CHAIRMAN explained that it was necessary to give the Working Party latitude in its recommendations and although the immediate problem was a scale for 1951, the Working Party might consider it desirable to recommend the continuation of any scale for a longer period.

The Chairman also asked delegations to indicate to the Secretariat as soon as possible when they expected to remit the contributions which were outstanding and also when they expected to remit their contributions for 1951.

## 2. Consideration of a Review of Quantitative Export Restrictions (GATT/CP.5/3)

The CHAIRMAN summarised the note by the Executive Secretary and asked the Committee to consider whether the Secretariat should be instructed to request information on export restrictions from contracting parties and prepare a statement on the application of such restrictions.

Mr. TONKIN (Australia) referred to the report of the Working Party at the Fourth Session (GATT/CP.4/33) and its proposal that the Contracting Parties should embark on a detailed review of any restrictions other than taxes imposed on the export of goods. No priority had been suggested for this work and any such determination had been left to the Contracting Parties.

The Australian Government could not support any review of export restrictions comparable to the review of import restrictions which were already being carried out. The Australian Delegation at the last session had opposed the inclusion of this item in the terms of reference of the Working Party and its continued opposition was based on the opinion that the General Agreement did not contemplate this kind of treatment for export restrictions. No obligation had been undertaken in respect of export restrictions comparable to that contained in Article XIV:1(g) regarding import restrictions, and until the question of the future of the General Agreement was determined, his Government would oppose any broadening of its obligations under the Agreement. The Australian Government felt that export restrictions should be dealt with in accordance with the procedure originally agreed upon, i.e., bilateral discussions in accordance with the terms of Article XXII and, in the event of failure, recourse to the terms of Article XXIII. He proposed that there be no further discussion of this matter.

Mr. CUERRA (Cuba) did not propose at this stage to discuss whether or not action should be taken on a review of quantitative export restrictions, but he did wish to note the reason given by the Australian Delegation for its opposition. He agreed that there was no specific provision in the Agreement dealing with such restrictions, but Articles XI and XIII applied to export as well as import restrictions and an obligation was therefore implied in the general context of the Agreement. He consequently took exception to the Australian statement.

Mr. BROWN (United States) said that his Delegation felt that export restrictions were of interest and significance to the Contracting Parties. Although no provision of the Agreement dealt specifically with export restrictions, the latter were certainly as much an obstacle to trade as import restrictions and subject, in the same way, to uses which might be contrary either to the letter or the spirit of the Agreement. Hitherto this subject had been of less importance to the Contracting Parties than other problems before them, but he understood that it had been agreed at the Fourth Session that it would be desirable to know how export restrictions were operating. Countries were going into a period of developing shortages, and export restrictions were becoming more prevalent. Whatever the legal obligation in the Agreement, he felt that the Contracting Parties had a legitimate interest in knowing what was taking place in this field. His Government considered it quite appropriate for the Contracting Parties to request them to notify their plans and operations in this field and would be prepared to provide the necessary information. They took that position in the knowledge that, in the present circumstances, they might be forced to use export restrictions which might affect the trade of other countries. It was precisely because countries were now **entering** an emergency period of short supply that it was most important for the Contracting Parties to keep abreast of developments and ensure that any measures necessary to deal with the situation be undertaken in such a manner as not to crystallize into long-term measures, and be kept under constant scrutiny. He therefore supported the proposal. The nature of the information to be obtained could be worked out in a Working Party.

Mr. SCHMITT (New Zealand) thought that perhaps the difficulty in agreeing to this item arose from the use in the title of the word "review" which had a specific meaning in Article XII:4(b) regarding import restrictions. In the Working Party report the actual question was whether individual contracting parties should be asked to prepare material on export restrictions and whether the Secretariat should be given some task relating to the coordination of any such material so that it might be presented in a systematic and comprehensive manner. Some slight additional information in the field of commercial policy might complete the picture for the Contracting Parties. Such material on import restrictions, introduced for balance of payments reasons or within the terms of Article XVIII, was already available and more would be forthcoming after the approval of the questionnaire for this session. There were other articles in the Agreement under which import restrictions could be imposed and if there were enough time for the delegations and the Secretariat to provide and collate such material, it might also be collected. Insofar as export restrictions were concerned, his country was only interested in those which particularly affected its own trade and they would collect full details of these in any case.

Mr. HENRIEFS (Brazil) supported the proposal of the United States delegate. Results of such an investigation could not, however, require immediate action, since the only reasons for export restrictions were either to avoid price rises in the domestic market, or currency difficulties. The first reason could not be opposed and the second could best be met by studying the possibility of freeing exchange rates.

Mr. REISMAN (Canada) agreed with the New Zealand delegate on the matter of the title of the Agenda item. His delegation felt it would be useful to have the information referred to in the Secretariat paper, as the more information available to Contracting Parties the more likely they were to arrive at equitable solutions to the various problems before them. If a legalistic basis were wanted for the collection of such material, reference could be made to Article X concerning the publication and administration of trade regulations and to the provision of the corresponding article of the Charter that copies of such regulations should be sent to the ITO. He agreed with the New Zealand delegate that it would be wise to continue the effort to complete the survey of import restrictions. This should not, however, interfere with an investigation of export restrictions, and perhaps the Secretariat would say whether it would be able to undertake the task.

The EXECUTIVE SECRETARY replied that with its present resources, the Secretariat could assume any additional work that might arise in connection with this item of the Agenda.

M. LECUYER (France) agreed that such a compilation would serve a useful purpose and said that his delegation was ready to furnish the necessary information. He did consider, however, that it might not be necessary to furnish the text of laws and regulations, as suggested, and that a simple list of statistics of the restrictions in force and the categories of exports affected would be adequate.

Mr. BROWN (United States) agreed with the delegate of New Zealand regarding the title of the Agenda item.

Sir Stephen HOLMES (United Kingdom) considered that the question was whether or not it was necessary to have a more detailed collection of information than that already available from the ordinary sources of government journals and commercial offices in the various countries, and the Trade News Bulletin. Certain kinds of information were required to be published under Article X and some was provided. His delegation would not oppose any decision on a fuller or more orderly compilation of information in the field of export restrictions, but thought should be given as to whether it was needed immediately or whether this item could be put forward to the following session.

Mr. DI NOLA (Italy) wondered how it was possible for Contracting Parties to exercise control over import restrictions established for balance of payments or other reasons, unless they also had information on export restrictions which could be used for the same purpose. It was necessary to survey the entire system of restrictions. However, the study of import restrictions was not yet very far advanced and it could be said, therefore, that the problem of export restrictions was less urgent. He agreed with the delegate of New Zealand, but would not oppose any decision of the Contracting Parties that such an investigation should be undertaken now, and his government was ready to provide all the information.

Mr. MELANDER (Norway) considered that the proposal was sound in principle and that what should now be discussed was the kind of information to be obtained in the first instance. He thought that the type envisaged was too detailed at this stage for export restrictions and proposed that general memoranda only be requested from governments. The Secretariat could then make a comparatively short and simple survey as to what might be obtained at a later date and the Sixth Session could decide what was of immediate and what of more academic interest.

Mr. GUERRA (Cuba) associated himself with the delegates who had felt that the Secretariat should undertake the compilation. It would be useful to obtain such information in view of the coming period of shortages and the survey would help to put import restrictions in the right perspective.

The CHAIRMAN said that while there was no specific provision in the Agreement requiring a review of quantitative restrictions on exports similar to that required for import restrictions, it was nevertheless clear that there was nothing to prevent the Contracting Parties from collecting information on export restrictions. The question was whether to proceed now with the collection of this information. Export restrictions had been considered at the last session by a Working Party which had found that it could not proceed very far in the absence of more information. The report pointed out clearly that the question should be considered from the point of view of priority. If the Contracting Parties agreed in principle to instruct the Secretariat to collect this information, the Executive Secretary could be asked to prepare a statement, in the light of today's discussion, on the exact type of information to be collected. This would be considered at a later meeting.

Mr. MAJUMDAR (India) agreed in principle on the usefulness of a compilation of this kind but, like the delegate of the United Kingdom, thought there was no need to add to the material at present available. It would be difficult for his government to answer any further questionnaires, and it did not seem to him that a general memorandum, as suggested by the delegate of Norway, would advance the knowledge of the contracting parties in this matter.

It was agreed by a vote of 13 to 5 to adopt in principle the Note by the Executive Secretary. Particulars of the types of information would be supplied at a subsequent meeting.

Mr. SCHMITT (New Zealand) raised a point of order concerning the proposal he had made for obtaining additional information on import restrictions. He enquired whether this point should be raised under Item 7 of the Agenda.

The CHAIRMAN stated that the question under discussion was export restrictions, and the New Zealand proposal would come more appropriately under Item 7, as an extension of the enquiry now contemplated.

The meeting adjourned at 1.15 p.m.

