

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
LIMITED B
GATT/CP.5/SR.11
10 November 1950
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fifth Session

SUMMARY RECORD OF THE ELEVENTH MEETING

Held at the Marine Spa, Torquay
on Thursday, 9 November, 1950 at 10.30 a.m.

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

- Subjects discussed:
1. Agenda: Proposal of the Delegation of Czechoslovakia (GATT/CP.5/22) to include an additional item - "the Assured Life of the Tariff Concessions with regard to Article XIX".
 2. Preservation of Secrecy.
 3. Accession of Uruguay (GATT/CP.5/21).
 4. Review of Restrictions on Imports and Second Report on the Discriminatory Application of Restrictions (GATT/CP.5/5).

1. Agenda: Proposal of the Delegation of Czechoslovakia (GATT/CP.5/22) to include an additional item - "the Assured Life of the Tariff Concessions with regard to Article XIX".

Mr. BROWN (United States) said that his delegation would welcome the inclusion of the item proposed by Czechoslovakia, and requested the Contracting Parties to take it up at the earliest possible moment.

The inclusion of this item was approved.

In reply to an indication by Mr. AHMED (Pakistan) that he would need instructions from his government, the CHAIRMAN said that discussion of the item would be deferred for several days.

2. Preservation of Secrecy

The CHAIRMAN reminded delegations once again of the confidential nature of the discussions and papers of the Contracting Parties and of the Tariff Negotiations. His attention had been called to various press reports on confidential matters, and he emphasized that no disclosure should be made to the press.

3. Decision relative to the Accession of Uruguay (GATT/CP.5/21)

The CHAIRMAN recalled that approval in principle to the accession of Uruguay had been given at the second meeting of the Session. It was now necessary, in order to give formal effect to this approval, to adopt a Decision, under the terms of Article XXVIII, by a two-thirds majority.

The Decision was approved by a vote of 27 in favour, none against.

Mr. LECARTE (Uruguay) thanked the Committee for this action.

4. Review of Import Restrictions and Second Report on the Discriminatory Application of Restrictions (GATT/CP.5/5)

The CHAIRMAN said that this was one of the most important items on the Agenda of this Session. The General Agreement concerned itself not only with tariffs but with all kinds of restrictions on trade. After the Third Session a questionnaire was issued for the purpose of collecting information for the preparation of a Report under Article XIV: 1(g). This Report was drawn up at the Fourth Session. Also at the Fourth Session it was decided that the review of balance-of-payments restrictions provided for in Article XII: 4(b) should be undertaken, together with the preparation of the Second Report under Article XIV: 1(g). The Chairman summarised the recommendations of the Working Party on Quantitative Restrictions of the last session (document GATT/CP.4/33), viz. that the Secretariat be instructed to prepare a draft questionnaire, taking into account the replies to the first questionnaire, the discussion at the Fourth Session, and the relevant provisions of the Agreement, and, secondly, that the questionnaire be finalized and issued at the Fifth Session, so that draft reports could be prepared for consideration at the Sixth Session. The study of Import Restrictions was therefore proceeding by various well defined stages. The Secretariat had submitted a draft questionnaire, and as it would clearly be necessary to establish a Working Party to give it detailed consideration, it was desirable that there should be a general discussion by the Contracting Parties for the guidance of the Working Party. The CHAIRMAN said he understood also that it was the intention of the New Zealand delegation to propose that the scope of the investigation of Import Restrictions be widened, so as to include those imposed under Articles other than XII and XIV.

Mr. STEYN (South Africa) said that in view of the technical nature of the questionnaire he would confine himself to general comments as to what should be the guiding considerations of the Working Party. A questionnaire, in order to be effective, should comply with four requirements. Firstly, it should be so composed as to enable the contracting parties to secure a complete picture of Import Restrictions applied pursuant to Article XII and of the degree of discrimination in their application. The present draft did not perhaps completely meet this requirement. Secondly, it should be realistic in that it should ask for information that contracting parties could reasonably be expected to supply without undue difficulty. Under some of the paragraphs of the present draft countries would have great difficulty in supplying the information requested and Mr. Steyn gave as examples question 8 and some of the statistical data required. Thirdly, in the requests for information, a careful balance should be preserved between those contracting parties which had elected to be governed by Annex J and those which had chosen the Havana option. Section IV gave him the impression of exacting more detailed information from the countries which were operating under the provisions of Annex J. Finally, the questionnaire should not be so loosely drafted that it left contracting parties uncertain as to what was expected of them, thus defeating its purpose. The persons who would prepare the replies would not always have the background of the discussions of the Contracting Parties to guide them as to exactly what was required by the various questions. In formulating the draft questionnaire the Secretariat had, of course, been guided by the questionnaire drawn up after the Amecy meeting, and experience since that time would doubtless enable the Contracting Parties to improve on the original version.

Mr. MELANDER (Norway) said that the questionnaire gave him the impression of imposing on countries the burden of proving that they were applying their import restrictions in accordance with the terms of Articles XII and XIV. These Articles allowed import restrictions, and discrimination in their application under certain circumstances, and it was also clearly laid down that any suspected infringement might be brought before the Contracting Parties at any time. A review of import restrictions should be based on the assumption that these rules were being applied correctly unless there were proof to the contrary. Furthermore, the questionnaire asked so many questions and presupposed the existence of so large an amount of information and such ability to forecast the future, that countries would have great difficulty in replying. Mr. Melander believed that a more useful approach would be to ask each country to send a memorandum indicating the main principles of commercial policy, particularly with regard to discriminatory measures. The Secretariat could then analyse the various memoranda in order to see what principles were being applied in the context of the Articles in question. After such a general examination of the problem it would be possible to go into such details as might be required by the Contracting Parties.

Mr. JOHNSEN (New Zealand) had no detailed comments at the present time and said that his government would be glad to supply any information necessary and available to enable a report to be made in accordance with Articles XII: 4(b) and XIV: 1(g). He agreed that it might be difficult to answer some of the questions, owing to the impossibility of foreseeing coming events, but all any contracting party was called upon to do was to answer to the best of his ability, and as helpfully as possible. He also doubted whether all the statistical information asked for was necessary or useful. It was, of course, necessary to have the information sent in in a uniform manner or the task of evaluating it would be impossible. With regard to the proposal of his delegation concerning the collection of information on other import controls, he referred to the Report of the Working Party set up at the Fourth Session, which had mentioned the restrictions imposed under Articles XI, XVIII, XIX and XX. Owing to the concentration on the balance-of-payment articles, particularly in preparation for the review, not much examination had been given to the others. His delegation thought that the new questionnaire might be an opportunity to obtain information on the other forms of import restrictions - not for a review, since there was no provision in the Agreement for such a review - but in order to have a comprehensive picture of the measures being applied for the control of imports. He suggested that this might be referred to the Working Party for consideration.

Mr. DI NOLA (Italy) said that his delegation agreed in principle with the idea underlying the draft questionnaire, but had some observations to make on various points of the draft. It would be difficult to comply with all the requests contained in paragraph 6 of the General Notes. Regarding Question 8, it would be possible to give a reply of only a general nature to the first sentence since it was impossible to establish what the volume of trade of a contracting party applying discriminatory restrictions would be if the rule of non-discrimination were applied, and any figures provided would be purely arbitrary. As for the second part of the question, it would be almost useless to list the categories of products which were the object of discriminatory measures, and the supplying countries of each, and it would in any case be impossible to furnish anything but the most general indications

regarding expectations of improvement. His delegation considered that Question 9 was not sufficiently clear since a discriminatory policy was not generally applied by making all purchases of one product in one particular country. In any case, here again the reply would probably be of a general nature and of little importance. He did not see how Question 11 could be answered since discriminatory restrictions, precisely because they were discriminatory, inevitably resulted in altering the normal structure of international trade. Furthermore, he did not see how the re-establishment of multilateral trade and a constant equilibrium in the balance of payments could be achieved by discriminatory measures. Regarding Question 12, it was evident that a precise reply could not be given since no-one could foresee when economic equilibrium would be re-established in various countries. Question 14 could only result in replies of a general character since commercial policy was governed by many factors, and not exclusively by commercial ones; in any case the present situation was too unstable to permit the establishment of any programme. As for Question 16, the Italian delegation regretted that it would not be able to furnish the data which would be required by the Belgian proposal.

Mr. TONKIN (Australia) said that the draft prepared by the Secretariat was based on the relevant provisions of the Agreement and provided a useful basis for discussion by the Contracting Parties, who would decide on the practicability or desirability of covering the subject as comprehensively as proposed. The general framework appeared appropriate, but the amount of detailed information and forecasting required was perhaps ambitious. There were also certain points that were not quite clear, for instance, the words "and administration" in paragraph 6 of the General Notes and Question 3, where it was not clear whether every product should be listed. He also had doubts as to Section 6, as he thought this information would be difficult to supply. Furthermore, to speak of plans for the removal of restrictions was unsuitable in the case of Australia, whose balance of payments depended on the movements in the prices of a few commodities which were quite unpredictable. However, the questionnaire as a whole had been framed with due regard to the difficulties of each country. With respect to the Belgian proposal, he thought there would be considerable difficulties in going beyond the statistical data already required by the questionnaire.

Sir Stephen HOLMES (United Kingdom) thought that the form of the document was unfortunate, and that even the statistical services of the United Kingdom would have difficulty in answering some of the questions. The Working Party should address itself to the substance and form of the questionnaire and try to eliminate some of the questions which could not be answered, either because of the difficulty of providing material, or because of the necessity of looking into the future. His delegation, of course, recognised the importance of having adequate information on the subject of import restrictions.

Mr. LEHTINEN (Finland) thought the questions too broad, and that they would result in very varied replies. Better results could be obtained if they were broken down into a greater number of questions, and defined as precisely as possible.

Mr. DESAI (India) agreed with other representatives that many of the questions asked the impossible. The Secretariat could not be blamed, because they knew what they required, but could hardly know what governments were in a position to supply. Since the report on discrimination would be

an annual affair, it might be desirable to consider some permanent arrangement in order to avoid a lengthy Working Party at each session to decide on a questionnaire. Also, the time had come to look at the provisions of Article X and to supply the Secretariat regularly with all the regulations mentioned therein. The Secretariat could then be a centre for co-ordinating and classifying the various types of information submitted, and they would then know what kind of information was available. He proposed that delegations be asked to provide the Secretariat with lists of material that could be sent regularly.

Mr. ARGYROPOULOS (Greece) thought that the Working Party should address itself to clarifying, and, if possible, reducing the number of questions. He also asked that account be taken of the proliferation of questionnaires from various international organizations and the difficulty for governments to reply to them all.

Mr. REISMAN (Canada) said that the draft questionnaire fulfilled the mandate of the Fourth Session. It was complex and detailed because the articles dealing with import restrictions were complicated, and also because the technique of restriction had become so complex, and the restrictions themselves so widespread. He thought that the suggestions made by the South African representative for the guidance of the Working Party were very constructive, and he fully supported them. The draft questionnaire was a good basis to work on, and delegations should concentrate on the constructive contributions that could be made to the task of the Working Party. As far as the difficulty of looking into the future was concerned, he recalled meetings of other bodies in which delegations had been willing to make forecasts and estimates.

The meeting adjourned at 1 p.m.