

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
LIMITED E.
GATT/CP. 5/SR. 12
14 November 1950
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fifth Session

SUMMARY RECORD OF THE TWELFTH MEETING

Held at the Marine Spa, Torquay,
on Thursday, 9 November 1950, at 3 p.m.

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

Subject discussed: Review of Import Restrictions and Second Report on
Discriminatory Application of Restrictions -
Questionnaire (GATT/CP. 5/5) (continued discussion)

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

M. LECUYER (France) said he could not agree to the contention put forward by the Norwegian representative that the questionnaire imposed on answering countries the burden of proving that they were not guilty of infringing the provisions of the Agreement; on the contrary, to supply such information would be a demonstration of a clear conscience. It would also provide governments with an opportunity of reviewing their own restrictive measures and of ascertaining their necessity. This work was merely a continuation of what was left unfinished at the Fourth Session, and the draft questionnaire had been prepared by the Secretariat in pursuance of instructions given by the Contracting Parties. The draft was, perhaps, a little too scholastic and over-restrictive. For instance, it required that texts of laws and decrees be furnished, whereas the Secretariat had already been amply supplied with such documents, and would probably find difficulty in coping with even greater masses of documentation. A list of such laws, giving titles, numbers and dates would probably suffice for that purpose. Similarly, the information required by Section VII, if fully supplied, would be too bulky to be dealt with by the Secretariat. Moreover, it was obviously impossible for governments to anticipate the trend of future trade, especially at this juncture. In conclusion, M. Lecuyer expressed satisfaction with the work performed by the Secretariat in preparing the draft.

Mr. BRONZ (United States) joined the other representatives in commending the Secretariat for the work done in carrying out the instructions of the Fourth Session. The United States Government might have different views from those held by some other governments, as it did not maintain any restrictions on balance-of-payment grounds. The difficulties which would confront governments in answering the questionnaire would by no means be commensurate with those confronting business men who had to deal with a maze of ever changing and varying regulations. Restrictions maintained on the ground of balance-of-payment difficulties had been prevalent, and the Contracting Parties had an obligation to ascertain whether, in each case, there was a real need for them; whether a country had not gone beyond what was permissible under the Agreement, and whether any restriction had incidental protective effects inconsistent with their original purpose. For these purposes, the Agreement called for a review to be made under Article XII: 4(b), and reports under Article XIV: 1(g). The questionnaire was the

and report.

first step towards such a review. The draft prepared by the Secretariat provided an excellent basis for working out a questionnaire calculated to carry out these obligations.

As for the criticism that prophecy would be involved in the answering of certain questions, Mr. Bronz said it was obvious that every decision taken in the economic field inevitably involved a certain amount of prediction. The maintenance of quantitative restrictions for balance-of-payment reasons itself involved prediction of the trend of trade and the effect of restrictions. There was no need to forecast any events in the distant future and the purpose of such a forecast was not to show the proficiency of governments in the art of forecasting. Such exercises would, however, at least be of value to the governments maintaining such restrictions as they would help them to make future decisions. As regards the possible confidential character of trade agreements, attention should be drawn to the provisions of paragraph 1 of Article X of the Agreement. In reply to the suggestion by the New Zealand representative that questions be added relating to quantitative restrictions applied under other provisions of the Agreement, the United States delegation would agree to the collection of such information and his Government would no doubt be prepared to supply it when required. However, as the working party to be appointed would be composed chiefly of financial experts not expected to be conversant with non-financial measures, it would probably not be sufficiently competent to advise on questions relating to restrictions other than those for balance-of-payment purposes.

Dr. GUERRA (Cuba) said that the document prepared by the Secretariat, when considered as a whole, provided an excellent basis for working out a questionnaire; taking account of the complexity of the questions involved, it was a draft as good as could be prepared by any group of persons with the same terms of reference. A working party would probably not be able to improve on it to any considerable extent if no further positive directives were given by the Contracting Parties. It had been pointed out that a questionnaire should be comprehensive, realistic, well-balanced and to the point. In his own opinion, the ruling consideration in drawing up the questionnaire was that it should serve its purpose, requiring only necessary and relevant information but no more. Dr. Guerra, agreeing with the representative of Finland, thought that the purpose of the questionnaire being the preparation of a comprehensive and useful report, it might be advisable to break down the more general questions to ensure more even answers, susceptible of analysis. But above all, the primary consideration in devising a questionnaire, which the working party should keep in mind, was that all questions should have a definite purpose and be directly relevant to the provisions of the Agreement.

Mr. OLDINI (Chile) said that countries which did not apply such restrictions should attempt to understand the point of view of those which did. The United States representative had stressed the business man's point of view. Needless to say, the individual's need should be met to the fullest extent consistent with the welfare of the community. But, the result of such licence for the satisfaction of the individual might, in fact, be disastrous for the country as a whole. When a country had balance-of-payment difficulties, it was unreasonable to expect it to relax the necessary restrictions. That the subject was a complicated one was no reason why the questionnaire should be equally complicated. Clarity and brevity were the first qualities in literature, and would seem to be virtues which should also be aimed at by financial experts. Above all, the experts should not attempt to

live in a world of their own and take no account of realities. With all its facilities for statistical work, even the United Kingdom had thought it difficult to answer all these questions, and the majority of the other countries would naturally find it impossible to face up to the task. The questionnaire should be drafted with strict reference to circumstances, so that it could be answered by countries with fewer resources.

Dr. BYSTRICKY (Czechoslovakia) pointed out that the draft questionnaire had been prepared along the same lines as the one used for the preparation of the first report under Article XIV: 1(g). A repetition of information should be avoided so as to lessen the work of both the Secretariat and national governments. He agreed with other speakers that the questions proposed by the Belgian representative exceeded the requirements of the General Agreement and would add an unnecessary burden on all parties concerned to the extent of endangering the proper functioning of the Agreement. However, the Contracting Parties were entitled to detailed information on things which were new to them and apparently inconsistent with the provisions of the Agreement. The arrangements referred to in Section V of the questionnaire were entirely strange to the Contracting Parties and should be given full examination to see whether they were harmful to the interests of countries outside such groups, and whether they were in direct conflict with the provisions of Article I: 1 or Article XIII: 3.

The CHAIRMAN outlined the past developments which had led to the preparation of the draft questionnaire by the Secretariat. A year ago a questionnaire had been issued for the preparation of the first report under Article XIV: 1(g). The report was eventually drawn up on the basis of the replies to that questionnaire, and was considered by the Contracting Parties at the Fourth Session. Experience had shown that questions of too general a character led to uneven answers, which were difficult to utilize in drawing up a report. The Working Parties on Balance-of-Payments Questions and on Quantitative Restrictions at that Session, came to the same conclusion that questionnaires should be of a more detailed character. To relieve the burden of governments, the Secretariat had been instructed to draft a single questionnaire for the preparation of the review and the report under Article XII and Article XIV respectively. The Secretariat in preparing the draft had been guided by the discussions at previous sessions, and by the instructions of the Contracting Parties. A preliminary draft statement was issued by the Secretariat on 10 July for comments. Replies were received from certain governments, and, with the exception of the one from India which had arrived too late for the purpose, had been taken into account in preparing the final draft. These comments, as well as all relevant data, would be available to the working party which was to be established. Attention should be drawn to paragraph 2 of the General Notes preceding the draft questionnaire, in which it was pointed out that contracting parties need not repeat information already furnished.

Mr. MELANDER (Norway), referring to question 13, stated that the working party would be well advised to get in touch with the Secretariat of the Organization for European Economic Co-operation with a view to getting systematic information on the arrangements made under its Convention, as confusion might arise if each of the contracting parties who were members of that group should attempt to supply information independently in answer to that question. The same suggestion would equally apply to other groups, such as the Sterling Area countries.

The CHAIRMAN then proposed the following Terms of Reference and Membership for the Working Party, which were approved by the Contracting Parties:

Terms of Reference:

- (1) To prepare and submit to the Contracting Parties for consideration and adoption a draft questionnaire for the review of import restrictions, required by Article XII: 4(b), and the second report on the discriminatory application of restrictions under the transitional period arrangements of Article XIV, required by Article XIV: 1(g), taking into account the questionnaire prepared by the Secretariat (GATT/CP.5/5) and suggestions put forward in the course of the discussion in the plenary meetings of the Contracting Parties;
- (2) to make such other suggestions as will facilitate the reviews referred to in (1) above;
- (3) to consider and make proposals regarding the collection of information on the application of quantitative restrictions under other provisions of the General Agreement notably the provisions referred to in paragraph 16 on page 5 of GATT/CP.4/33.

Membership

Chairman: Dr. J. A. GUERRA (Cuba)

Members:	Belgium	Italy
	Canada	New Zealand
	Chile	Union of South Africa
	Cuba	United Kingdom
	France	United States
	India	

The meeting rose at 6.30 p.m.