

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
LIMITED B
GATT/CP.5/SR.25
20 December 1950
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fifth Session

SUMMARY RECORD OF THE TWENTY-FIFTH MEETING

Held at the Marine Spa, Torquay,
on Saturday, 16 December, 1950 at 10.30 a.m.

Chairman: Mr. ARGYROPOULOS (Greece)

- Subjects discussed:
1. Assured Life of Tariff Concessions in relation to Article XIX (continued) (GATT/CP.5/22)
 2. Scope of Articles XXV: 5(b) and XXXV (continued) (GATT/CP.5/9)
 3. Review of Quantitative Export Restrictions (GATT/CP.5/39/Rev. 1)
 4. Item 11 - Examination of Actual Cases of Import Restrictions.
 5. The Proposed European Coal and Steel Agreement
 6. Report of Working Party "L" on the Continuing Administration of the General Agreement (GATT/CP.5/49)

In accordance with Rule 11 of the Rules of Procedure, Mr. ARGYROPOULOS (Greece) was elected Chairman of the meeting, on the proposal of M. CASSIERS (Belgium).

1. Assured Life of Tariff Concessions in relation to Article XIX (continued) (GATT/CP.5/22)

The CHAIRMAN recalled that it had been decided at an earlier meeting to establish a working party on the withdrawal of item 1526(a) from Schedule XX, and he proposed as members: Belgium, Cuba, Czechoslovakia, France, Italy, Sweden, United Kingdom and United States, and as Chairman M. CASSIERS (Belgium).

This was approved.

2. Scope of Articles XXV: 5(b) and XXXV (continued) (GATT/CP.5/9)

The CHAIRMAN noted that the Cuban representative had not asked for discussion on this item and proposed that the Contracting Parties take note of the statement he had made. It would be possible, of course, for Cuba or any other contracting party to reopen the discussion at a later date if the need should arise.

This was agreed.

3. Review of Quantitative Export Restrictions (GATT/CP.5/39/Rev. 1)

The CHAIRMAN summarised the note that had been submitted by the Executive

Secretary.

Mr. SCHMITT (New Zealand) thought that the Secretariat proposal was generally in accord with the discussion that had taken place in the Contracting Parties. He drew the attention of representatives to the report of Working Party "H" on the Review of Import Restrictions and to paragraphs 4 and 5 which dealt with the obtaining of information on import restrictions under provisions other than Article XII. The wording of the Secretariat paper for export restrictions differed slightly from the Working Party proposal on import controls, and he thought it would be convenient to governments if identical information were requested with regard to both. He therefore proposed the adoption of a wording similar to that of paragraphs 4 and 5 of the report of the Working Party.

Mr. EVANS (United States) said that the Working Party dealing with the questionnaire on import restrictions had decided not to include questions which required the contracting parties to justify their action in the terms of the language of the Agreement. He could not agree with this, and, while not intending to reopen the question so far as import restrictions were concerned, he preferred the wording of the note by the Executive Secretary. This would make it possible to provide a report that would be of some interest rather than a purely statistical paper.

Sir Stephen HOLMES (United Kingdom) questioned the accuracy of the first phrase of the Secretariat note as a description of the suggestions of the Fourth Session Working Party. He agreed with the New Zealand representative that it would be desirable to request the same information for both import and export restrictions. In any case, any contracting party which wished to put in a statement on the "circumstances which gave rise to the application of each measure" was at liberty to do so.

The EXECUTIVE SECRETARY said that on previous occasions when export restrictions had been discussed, it had become apparent that important questions of security were involved. He wished it to be clearly understood that contracting parties, in replying to this enquiry, would not be expected to furnish information which they would not wish to furnish on security grounds. An appropriate reference to Article XXI would be included in any paper that was issued.

Mr. MAIR (India) agreed in principle that an enquiry into export restrictions would be useful, but as he had pointed out before certain governments would have difficulty in giving detailed information on two or three questionnaires at the same time. He had no objection to the New Zealand representative's proposal, but he would urge that the date for the two enquiries should be the same.

Mr. REISMAN (Canada) sympathised with the United States view that it would be useful to be informed of the reasons for the application of export restrictions. However, in the paragraph of the Working Party report to which the New Zealand representative had alluded, copies of laws and regulations were requested. As a practical matter he felt that these laws and regulations would give a fairly good idea of the reasons for the imposition of any measures, and therefore, the difference between the New Zealand and United States proposals could be met if the Secretariat were authorised to ask for copies of the instruments involved.

Sir Stephen HOLMES (United Kingdom) agreed to this proposal and only hoped that in the final paper the Secretariat would correct the inaccuracy of

the first phrase.

The EXECUTIVE SECRETARY replied that this would be done.

The CHAIRMAN said that the sending of laws and decrees by Governments would be optional and the Secretariat should simply ask that information be sent in as complete a form as possible.

This was agreed.

The CHAIRMAN proposed that similar questions and a similar date limit be agreed for the enquiries on export and import restrictions.

This was agreed.

4. Item 11 - Examination of Actual Cases of Import Restrictions

M. CASSIERS (Belgium) explained that in accordance with the procedure provided in Article XXIII of the General Agreement, Belgium had requested that an examination of actual cases of quantitative restrictions applied by certain countries for protectionist purposes and which, in the view of the Belgian Government, were unnecessarily causing damage to the Belgian economy, be placed on the agenda of the Fifth Session of the Contracting Parties. The Belgian request concerned restrictions imposed by the United Kingdom and by France. With regard to the former, the United Kingdom and Belgian Delegations had agreed to arrange the difference by means of a bilateral agreement, and he was glad to be able to inform the Contracting Parties that satisfactory results had already been achieved. In these consultations the United Kingdom Delegation acted in accordance with the spirit of Article XXIII and had given sympathetic consideration to the representations addressed by the Belgian Government. His Government was certain that the United Kingdom Government would find reasonable and satisfactory provisions to deal with the few remaining points and the two governments were, in any case, in constant contact on this subject.

With regard to the restrictions imposed by France, he recalled that the French Delegation had requested at the beginning of the present session that an arrangement be reached by means of bilateral consultation rather than by a debate before the Contracting Parties. Although the restrictive practices in question were particularly important to the commercial relations between France and Belgium, the representatives of the Belgian Government had agreed to an exchange of views with the representatives of the French Government. In the course of these consultations the French delegates had given assurances and agreed to investigate the possibility of constructive solutions which would eliminate certain of the obstacles which existed for Belgium in its trade with France. Bilateral conversations were thus undertaken and were continuing, and formal assurances had been given by the French representatives that they would, together with the Belgian representatives, seek a satisfactory settlement of the question under dispute before the end of 1950. The Belgian Government had therefore decided to await the results of these bilateral consultations before requesting the intervention of the Contracting Parties, and it hoped to arrive at a solution which would make such intervention unnecessary. M. CASSIERS therefore proposed that Item 11 be withdrawn from the agenda of the present session.

M. LECUYER (France) confirmed the Belgian representative's statement of the case. He expected satisfactory results from the consultations.

Sir Stephen HOLMES (United Kingdom) expressed his gratification at the references to the United Kingdom by the Belgian representative. This consultation had reflected the general processes of the Agreement at work. Since Article XXIII had been referred to, he wished only to say that he would not regard the matter as a complaint since, in the view of his Government, there were no grounds for such a complaint. He was satisfied with the settlement which had been reached.

It was agreed to withdraw Item 11 from the Agenda.

5. The Proposed European Coal and Steel Agreement

M. LECUYER (France) said that his delegation had not as yet received instructions on this item, since negotiations were continuing. Considerable progress had been made and he hoped that these negotiations would soon be finished. In any case, if the proposed agreement affected in any way the text of the General Agreement or its application the French Government would not fail to inform the Contracting Parties and to submit to them any questions which might arise. For the present moment, he would ask for withdrawal of this item from the Agenda.

It was agreed to withdraw this item.

6. Report of Working Party "L" on the Continuing Administration of the General Agreement (GATT/CP.5/49)

Mr. TONKIN (Australia) introduced the report. He congratulated the Working Party on its valuable and rapid work. He drew attention particularly to paragraphs 2, 3 and 8 of the report. With regard to paragraph 15, he explained that the question of establishing an adequate secretariat for the Contracting Parties would have to be studied as a separate matter at the Sixth Session; this had only been incidental to the matter under consideration by the Working Party, but it was nevertheless a question of basic importance to the effective administration of the Agreement. The Australian Delegation considered that the question should be taken up at the Sixth Session as a matter no less fundamental than the standing committee itself. He hoped that the Executive Secretary would place before the Contracting Parties in advance of the next Session an analysis of the functions of a permanent secretariat and suggestions for its structure and composition. The report of the Working Party was a unanimous one which he presented for consideration by the Contracting Parties and, if they so wished, for transmission to their governments.

The CHAIRMAN thanked the Chairman and the Working Party and proposed that the Contracting Parties take note of the report and submit it to their governments who would be able to take a decision on the matter at the Sixth Session.

Mr. COUILLARD (Canada) wished to thank particularly the Chairman and each member of the Working Party for their work, which had made it possible to submit a unanimous report to the Contracting Parties. The report did not perhaps go as far as the original Canadian proposal, but his delegation was prepared to accept it as a compromise which was as comprehensive as possible at this time. It was a useful report for governments to consider between now and the Sixth Session, and he hoped that the Contracting Parties at the Sixth Session would be able to agree to set up a standing committee, thereby strengthening the operation of the Agreement.

Mr. BYSTRICKY (Czechoslovakia) said that, as he had stated before, his government did not consider it necessary or desirable to establish a special body. His Government had been satisfied with the administrative work of the Secretariat, and anything beyond administrative work must be done by the plenary meetings of the Contracting Parties. He was, however, prepared to submit this report for consideration by his Government.

Sir Stephen HOLMES (United Kingdom) associated himself with the compliments to the Chairman and the Working Party. He referred to paragraph 14, the wording of which did not seem entirely satisfactory since it might be impossible even at the next Session to come to any final decision on the place of meeting, nor was it the idea of the Working Party that any final decision should necessarily be taken then.

Mr. AZIZ AHMAD (Pakistan) preferred to retain the present wording of the paragraph.

Mr. BORJESSEN (Norway) agreed that the report should be sent to the various governments. With reference to paragraph 9, he agreed on the designation of the committee, but thought it might be difficult to define precisely what were and what were not executive functions.

Mr. NAIR (India) proposed the addition of the words "on the committee" to paragraph 12(b).

This was agreed.

Mr. EVANS (United States of America) explained that his government had already decided to present for discussion with legislative leaders, and for possible legislative action, a proposal of this kind. They would wish to show this report to Congress and asked whether the Secretariat could be instructed to prepare an unrestricted version.

Dr. BOTHA (Union of South Africa) said that he had opposed the establishment of a standing committee. He was, however, pleased with the report of the Working Party and had no scruples in subscribing to it. With reference to paragraph 14, he hoped that the place of meeting of the standing committee would be the same as the headquarters of the Secretariat and that it would be in a neutral city rather than in a large capital. With reference to paragraph 15, he could not agree that the extra expenditure necessitated by this committee would be moderate. The budget of the Contracting Parties would be increased in his opinion by at least 50%, and governments would of course have additional expenditure in providing representation.

Mr. MAKATITA (Indonesia) hoped that the report would not be published before delegations had had considerable time for consultations with their governments.

Sir Stephen HOLMES (United Kingdom) agreed with the Indonesian representative. It was necessary for governments to have time to consider this report before it was published. Furthermore, the document was a working party report and was not being approved at this Session. It was questionable whether such a document should be completely de-restricted. It might be possible to meet the United States' request by agreeing that the report could be shown in confidence to legislative leaders, while retaining its restricted character.

Mr. EVANS (United States of America) said that he would accept this suggestion.

This was agreed.

The CHAIRMAN, speaking as a representative of Greece, wished to refer to the question of the executive nature of the proposed committee. He did not think that a restricted committee could have an executive character. Its functions should be to prepare the work for the Contracting Parties, thereby shortening their sessions. With regard to the site, he hoped that the proposal contained in the Canadian paper that the standing committee be located in a large centre where all countries were well represented would be taken into account at the Sixth Session.

Mr. LACARTE (Uruguay) wondered whether the proposals on the composition of the committee, contained in paragraph 12, which recalled the Executive Board of the Havana Charter, were not elaborate in terms of the type of work for the committee envisaged in paragraph 10. It might, of course, be decided later to expand the scope of the committee's work.

M. CASSIERS (Belgium) thought it would be useful for delegations, when submitting this report to their governments, to know the extent to which contracting parties who were not members of the Working Party approved the proposed terms of reference.

Mr. BYSTRICKY (Czechoslovakia) said the report must be submitted to governments for study, and it was therefore premature to discuss such issues at this stage. He proposed the closure of the debate.

M. LECUYER (France) supported this proposal.

Sir Stephen HOLMES (United Kingdom) also supported the motion on the understanding that it should not be recorded that the suggestion of the Belgian representative had passed without comment. It was not possible for representatives to express their personal views.

The closure of the debate was unanimously agreed.

The Contracting Parties took note of the Report of the Working Party and agreed that it be submitted to governments for further study.

The meeting adjourned at 1 p.m.

