

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
LIMITED B
GATT/CP.6/SR.2
18 September 1951
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Sixth Session

SUMMARY RECORD OF THE SECOND MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 18 September 1951 at 10.30 a.m.

Chairman: Mr. Johan MELANDER (Norway)

Subjects discussed: 1. International Chamber of Commerce Resolutions
2. Unfinished Article XXVIII Negotiations
3. United Kingdom Schedules

The CHAIRMAN announced that Turkey had signed on 17 September 1951 the Torquay Protocol and would therefore become a contracting party on 17 October.

Mr. ADAIKAR (India), on a point of order, said that there was a loss of time in the transmission of documents to governments far from Europe and they had not yet had time to study the papers for all the items which appeared on the Agenda. Consequently, delegations had not received full instructions.

The CHAIRMAN suggested that the order agreed upon at the previous meeting be maintained without prejudice to the right of individual delegations to ask, as the necessity arose, for a postponement of the discussion of any item.

1. Resolutions submitted by the International Chamber of Commerce (GATT/CP.6/7 and Add.1)

Mr. SVEC (Czechoslovakia) said that there was no provision in the rules of procedure allowing a non-governmental organization to make proposals to the Contracting Parties. The resolutions before them could, therefore, only be dealt with if they were put forward by a contracting party; otherwise the only course would be to take note of them without further action.

The EXECUTIVE SECRETARY agreed that the resolutions before the Contracting Parties had no formal status since there were no arrangements at present between the Contracting Parties and non-governmental organizations which would entitle the latter to make proposals. The resolutions were however of a far-reaching character and had been submitted by an important and influential non-governmental organization. These proposals of the Chamber could be discussed only if some contracting party supported their inclusion in the Agenda, and it was for the purpose of bringing them to the notice of contracting parties that this item had been placed on the provisional list. With reference to one of the resolutions, that on samples and advertising material, he wished to point out that it had already been submitted to the Economic and Social Council which had expressed the hope that the Contracting Parties would examine the question at their next session.

M. CASSIERS (Belgium) expressed the view that the resolutions deserved study and suggested that the Contracting Parties take them into consideration. He proposed that a Working Party be set up to study them and report to the Contracting Parties.

Samples and Advertising Materials

The CHAIRMAN said this Resolution had been passed by the International Chamber of Commerce in 1949 and was based on the draft convention drawn up by the League of Nations in 1935. The ground had been so thoroughly explored that he did not think any great difficulty would be encountered by the Contracting Parties in the study of the question.

Mr. SVEC (Czechoslovakia) opposed the consideration of this matter because, as the League draft convention showed, any such action tended to grant advantages to more industrially developed countries which would benefit from concessions made by under-developed countries without offering compensation.

Mr. CALDER (United Kingdom) thought the matter deserved serious consideration and should, if the majority of contracting parties agreed, be referred to a Working Party to prepare a draft agreement for consideration by the Contracting Parties. A good deal of work of a technical character had already been done by other bodies and lately by a committee of the Customs Union Study Group in Brussels.

M. LECUYER (France) supported the United Kingdom proposal and disagreed with the contention of the representative of Czechoslovakia that the advantages would all flow to the more industrially-developed countries. A greater measure of freedom would benefit all parties.

Mr. ADARKAR (India) wished to reserve his Government's position on this item. He pointed out that the League draft convention on which it was proposed to base any study was an antiquated document. Account would have to be taken of the widespread quantitative restrictions prevailing today. His country's policy was very liberal towards the admission of samples and he thought that care should be taken to avoid the possibility of abuses involving loss of revenue and evasion of exchange regulations. While he agreed with the representative of Czechoslovakia that any such convention would favour industrialised countries he would not oppose consideration of the matter by a Working Party provided the latter took account of the change in conditions which had occurred since the League had first drafted its convention.

Mr. ARGYROPOULOS (Greece) supporting the representative of France, suggested that the less-developed countries had a particular interest in spreading information on their products and thought that considerable improvement would be made in the League draft if more attention were paid to the inclusion of agricultural products among the items listed in Article II. Such a step would do away with any measure of discrimination which might be found in the League draft.

The Contracting Parties agreed that the question be referred to a Working Party.

Valuation of Goods for Customs Purposes

Mr. CALDER (United Kingdom) understood that at the time the International Chamber of Commerce passed this resolution it had not had time to study the interpretative notes to the Brussels definition which had been prepared by the Customs Union Study Group. Since then consultations had proceeded between the International Chamber of Commerce and the Study Group to resolve certain outstanding difficulties. His delegation felt it would be preferable to defer examination of this resolution pending the outcome of these consultations.

M. LECUYER (France) supported Mr. Calder's suggestion. He pointed out that the consultations mentioned by him might cause amendments to be made in the Brussels Convention on Customs Valuation. The matter should be referred to the next session.

M. CASSIERS (Belgium) and Mr. ADARKAR (India) supported this proposal.

The proposal was agreed.

Nationality of Manufactured Goods

Mr. CALDER (United Kingdom) said this matter was very important in the application of customs tariffs and would have to be treated with great circumspection. The International Chamber of Commerce proposals ran completely counter to the regulations in the United Kingdom on the eligibility of products for preferential rates, and he would not be able to support the proposals.

At the suggestion of M. CASSIERS (Belgium), supported by M. LECUYER (France) it was agreed that this resolution be placed on the Agenda of the next session.

Resolutions on Documentary Requirements and Consular Formalities

Mr. CALDER (United Kingdom) said that the United Kingdom's procedures with few exceptions agreed with the proposals set forth by the International Chamber of Commerce. Procedures of some other contracting parties were, however, more complicated and the consular and other fees charged on importation constituted a significant barrier to the movement of goods. His Delegation would like to see a discussion by the Contracting Parties and they would support recommendations drawn up in the sense of the International Chamber of Commerce's suggestions.

It was agreed to refer these resolutions to the proposed Working Party.

Formalities connected with Quantitative Restrictions

The Contracting Parties agreed to refer this resolution to the next

Session.

Introductory Resolution

Mr. THORP (United States) pointing out that the creation of national committees was a purely internal matter falling outside the responsibilities of the Contracting Parties, suggested that no consideration need be given to this Resolution.

This view was supported by Mr. ARGYROPOULOS (Greece), Mr. ISBISTER (Canada) and Mr. ADARKAR (India).

It was agreed that this resolution required no further consideration.

2. Results of Negotiations under Article XXVIII which were unfinished at Torquay. (GATT/CP/107, GATT/CP.6/119 and Add. 1, 2, 3, and GATT/CP.6/14)

In introducing this item the CHAIRMAN suggested that this, together with items 13, 14 and 29 of the Agenda, all involved modifications or rectifications of the schedules of the Agreement, and might be referred without much general discussion to a technical working party. He recalled that, at the Special Session in April, certain contracting parties had been authorised to continue their negotiations on a few items notified for withdrawal or modification under Article XXVIII. As suggested in GATT/CP.6/14 there were two possible means of formalising the changes resulting from these negotiations: either a special protocol could be drawn up or they might be incorporated in a sixth protocol of rectifications.

Mr. PERERA (Ceylon) expressed the regret of his government that no agreement had been reached on their difference with France over the withdrawal of two items affecting Ceylon's trade. The offer of compensation by France had not been found acceptable and his government had, as a counter-proposal, suggested a concession on tea. The French Government had replied that no commitment could be entered into by them without previous consultation with the Associated States of Indochina. This, however, had not yet been possible and Ceylon had recently been informed that the French Delegation hoped to be able to start the negotiations before the end of the present session. Therefore he might wish to refer to the question again at a later date in the session.

M. LECUYER (France) confirmed the statement of the representative of Ceylon and pointed out that the latter's government was suffering no hardship as the new rates had not yet been put into force.

Mr. VARGAS-GOMEZ (Cuba) said that their negotiations with the United States had not been completed and that he would like to make a statement on the following day after consultation with the United States Delegation.

M. BONHOMME (Haiti) mentioned that, as recorded in GATT/CP/119 their negotiations had been completed in time for inclusion in the Torquay Protocol.

Mr. CALDER (United Kingdom) doubted whether it would be appropriate to include negotiations under Article XXVIII in a protocol of rectifications. He favoured a separate protocol of modifications and agreed that the matter should be referred to a working party.

It was agreed that this item be referred to a working party.

3. The Geneva and Annecy Schedules of the United Kingdom
(GATT/CP/101 and Add. 1, GATT/CP.6/16)

Mr. CALDER (United Kingdom) recalled that the Contracting Parties had agreed at the Fifth Session that the re-definition of the concessions in the Geneva and Annecy schedules of countries signatories of the Brussels Convention on Nomenclature for the Classification of Goods in Customs Tariffs should be effected by means of the normal rectifications procedure. The transpositions of the Annecy and Geneva Schedules of the United Kingdom had been circulated in Torquay in February and April and the contracting parties and acceding governments were requested to furnish any observations before the present session. Sweden and the United States were the only countries which had submitted observations and his delegation assumed that, subject to these queries being disposed of, the Contracting Parties would be prepared to give their approval to the transposition as circulated. Final nomenclature versions of the Geneva and Annecy Schedules had been prepared which were identical with the protocols circulated in Torquay except that the order had been rearranged to follow the numbered headings of the Nomenclature and a few small changes had been incorporated. As a complementary measure to the adoption of the new nomenclature versions of the Geneva and Annecy schedules it would be necessary to amend the old schedules by the insertion of the following paragraph:

"If the Government of the United Kingdom brings into force during the currency of this agreement a tariff based on the Brussels Convention for the classification of goods for customs tariffs, this schedule shall cease to be valid upon the date on which such a tariff comes into force and shall be replaced by the schedule in the new nomenclature which immediately follows this schedule".

Mr. Calder proposed, in view of the considerable amount of time which had already been given, that 1 October 1951 should be taken as the final date for the lodging of objections. As for the manner of giving effect to this transposition he favoured incorporation in a protocol of rectifications rather than a protocol to replace the present schedules.

The meeting adjourned at 1 p.m.