

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED  
LIMITED B  
GATT/CP.6/SR.15/Corr.2  
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ORIGINAL: ENGLISH

CONTRACTING PARTIES  
Sixth Session

## SUMMARY RECORD OF THE FIFTEENTH MEETING

### Corrigendum

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Replace Mr. Reisman's statement by the following:

"Mr. REISMAN (Canada) said that the review of quantitative restrictions applied for financial reasons and the report on discrimination gave the Contracting Parties an opportunity to take stock of where they were and were going in this important field of commercial policy. In 1947 when the General Agreement was written, it was clearly agreed that what was wanted was to establish as soon as possible a multilateral system of world trade free of restrictions and discrimination. Countries recognized, of course, that this could not be achieved immediately and the General Agreement was written in a realistic way to permit the use of discriminatory restrictions during the postwar period when countries were attempting to restore their production and re-establish the normal channels of trade. It had been expected, however, that by 1951 countries would be well on their way to the achievement of these objectives.

"While there had certainly been some progress these last four years, the widespread use of discriminatory restrictions by many countries showed that the goal of multilateral trade free of discriminatory restrictions was still a long way off. To some extent there had perhaps been too much optimism when drawing up the Agreement. The serious economic disruption which the war had left in its wake had been underestimated, and countries had planned for a world of peace, not a world of cold and hot war. Nevertheless, very real progress had been made and most countries had by 1950 succeeded in making good the damage caused by the war. Production and trade were considerably above the pre-war levels and significant progress had been made towards reaching equilibrium in their international accounts. In particular the improvement which had occurred by 1950 in overcoming the dollar gap had been especially gratifying. It appeared, however, that the progress which had been made in removing restrictions and discrimination in international commerce had not kept pace with the real improvement in basic economic conditions.

"The Korean war had, of course, introduced a number of complicating elements into the picture. But the effects of the Korean war and the active preparations for defence were not entirely negative as far as their

impact on international trade were concerned. Some countries found themselves in a much better position as far as their reserves and balance of payments were concerned, while others which were directly involved in defence measures had suffered some deterioration in their position. Taking all these factors into account in appraising the present position, it appeared to Canada that some countries had not moved as rapidly as their circumstances would have permitted to the progressive relaxation of trade restrictions and discriminatory practices.

"Canada placed special emphasis on the need to re-examine the application of discriminatory trade restrictions. The replies to the questionnaire showed that all countries, with minor exceptions, which were applying trade restrictions were applying them in a discriminatory manner against the dollar countries. While such practices might have been justified during the period when the dollar problem was the main element in the post-war trade disequilibrium, it should be recognized that real progress had been made in overcoming the dollar shortage. It was not unreasonable to expect that discrimination against dollar imports should be reduced in keeping with the progress in overcoming the dollar problem. There was no automatic link between the need to restrict imports and the need to discriminate between supplying countries. In fact, the General Agreement envisaged that in certain cases quantitative import restrictions might be required after the post-war transitional period, whereas trade discrimination would disappear entirely. Even in circumstances, however, when discriminatory trade restrictions might be justified, it did not follow automatically that such discrimination should be against dollar countries. It would be useful if the Contracting Parties, in their consideration of these problems, gave increasing attention to the desirability of doing away with discriminatory practices as soon as possible.

In conclusion, the Canadian delegation believed that with the present acute shortage of many goods and the heavy inflationary pressure in many countries, the existing structure of restrictions had to a large extent become obsolete. In these circumstances, while some form of control might indeed be necessary, it should be recognized that the removal of restrictions would help countries deal with the problems of shortages and inflation. He hoped that countries would take this opportunity to re-examine their position with a view to removing these restrictions which were not strictly necessary either for financial reasons or for considerations of defence."