

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
LIMITED B
GATT/CP.6/Sk.23
24 October 1951
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Sixth Session

SUMMARY RECORD OF THE TWENTY-THIRD MEETING

Held at the Palais des Nations, Geneva
on Wednesday, 24 October, 1951, at 2.30 p.m.

Chairman: Mr. Johan MELANDER (Norway)

- Subjects discussed:
1. Item 28 - Application of Haiti relating to Schedule XX Withdrawals.
 2. Report of Working Party 2 on Schedules.
 3. Item 23 - Nicaragua-El Salvador Free-Trade Area.

1. Application of Haiti relating to Schedule XX Withdrawals - Report by the Delegations of Haiti and the United States GATT/CP.6/42

The CHAIRMAN referred to the report by the delegations of Haiti and the United States concerning the withdrawal of certain concessions which stated that the Haitian application under Article XXIII was withdrawn and that the two Governments would consult, after the close of the Sixth Session, to consider what further action might be taken to solve the problem originally raised by the delegation of Haiti at Torquay.

The Report was adopted.

2. Report of Working Party 2 on Schedules (GATT/CP.6/40)

M. DONNE (France) reported that the Working Party had considered various changes to the Schedules and had come to the conclusion that it was preferable to draw up a single protocol of rectifications and modifications to the Schedules. The protocol entitled First Protocol of Rectifications and Modifications covered miscellaneous rectifications, the results of the negotiations under Article XXVIII which were unfinished at Torquay, the transposition of the Geneva and Annecy Schedules of the United Kingdom into the Brussels Convention Nomenclature, and various modifications that had been made to the schedules either by decision of the Contracting Parties or by consultations in accordance with the procedures established by the Contracting Parties and which had already entered into effect. It was hoped that the protocol would be signed by all delegations before they left Geneva.

The Working Party had also drawn up a protocol to incorporate into the General Agreement the results of negotiations completed by the Union of South Africa and the Federal Republic of Germany in August 1951. This

protocol was based on the model protocol established by Working Party 4 on Arrangements for Tariff Negotiations.

With regard to the preparation of the consolidated schedules, M. Donne emphasised that the English and French texts should be handed to the Secretariat before the close of the Session.

The First Protocol of Modifications and Rectifications and the First Protocol of Supplementary Concessions to the General Agreement (South Africa and Germany) were approved.

The CHAIRMAN explained that both the protocols would be open for signature at the close of the Sixth Session and asked delegations who had not yet deposited full powers to sign them to do so as soon as possible.

Mr. DHARMA VIRA (India) hoped to have the necessary authority before the close of the session or, if not, expected to be able to sign shortly thereafter.

The CHAIRMAN referred to the recommendation that the Protocol of Rectifications and Modifications be printed.

The EXECUTIVE SECRETARY, in reply to a question by Mr. CISNEROS (Cuba), said that the protocol would be printed in the form in which it was signed and that delegations had therefore the opportunity to make minor changes to the text (which would be distributed) before signature.

This recommendation was approved.

Mr. PRESS (New Zealand) enquired whether the Union of South Africa and Germany intended to sign the First Protocol of Supplementary Concessions at the close of the Session.

Dr. BOTHA (Union of South Africa) explained that he had powers to sign the Protocol of Modifications and Rectifications only, as his Government had expected that the results of the negotiations with Germany would be incorporated therein. There were in any case certain legislative and administrative difficulties which made it difficult for South Africa to sign the protocol at the present time. Referring to the negotiations with Germany, he said they had been carried out in the confident expectation that the Contracting Parties would find some procedure for incorporating the results into the Agreement and he was gratified that the results of the negotiations between South Africa and Germany were being incorporated into the Agreement in accordance with the procedures worked out at this session.

Mr. HAGEMANN (Germany) associated himself with the remarks of the delegate of South Africa.

The Report of the Working Party was approved.

3. Nicaragua-El Salvador Free-Trade Area (GATT/CP.6/24 and Add. 1)

The EXECUTIVE SECRETARY said that when this question had been first discussed no representative of Nicaragua had been present, and it had therefore been thought that the matter would have to be left over until the next session. Since then, however, a delegate from Nicaragua had arrived and the Secretariat had discussed the Free-Trade Treaty with him and with the observer from El Salvador. The Addendum to GATT/CP.6/24 embodied additional information and a draft decision which might serve the purposes of the Contracting Parties, should they wish to approve the free-trade area arrangements under paragraph 10 of Article XXIV.

Mr. PORTOCARRERO (Nicaragua) thanked the Contracting Parties for the opportunity given to him to present the Treaty between El Salvador and Nicaragua for review. He emphasised that his Government had always in mind its obligations under the General Agreement and hence great care had been taken to draft the Treaty in such a way as to further the objectives of the Agreement. Referring to special problems encountered in arranging a Treaty, he mentioned particularly the wide difference in tariffs in the two nations and the peculiar exchange difficulties. He referred also to the reservations in Articles III and IV of the Treaty as being essential to meet unforeseen and abnormal trade developments.

Mr. Portocarrero added that there were no quantitative restrictions in force at present but his Government would invoke the power reserved in this connection by the end of 1951 in respect of four out of the twenty-nine items for which such power had been reserved. These items related to cotton textile goods only. He said that he had been authorised by his Government to say that any action taken in accordance with Articles III and IV of the Treaty would be taken in a manner consistent with the fundamental objective of the Treaty and of Article XXIV of the General Agreement. He expressed the willingness of his Government, if the Contracting Parties so desired, to submit reports on any action taken under these Articles or submit such additional information as might be useful to the Contracting Parties to enable them to examine them in the light of the provisions of the General Agreement. In conclusion, Mr. Portocarrero said that in Nicaragua, raw material resources and products of agriculture and livestock predominated, while El Salvador was more developed industrially. In the past, trade between the two countries had been negligible owing to customs barriers and other restrictions. His government believed that the Treaty would make possible a great increase in the exchange of goods and indirectly contribute to the development of the economic resources of the two countries.

Dr. AMY, Observer of El Salvador, expressed his pleasure at the opportunity given to him to explain the point of view of the Government of El Salvador in regard to the Treaty with Nicaragua. In his opinion the Treaty was generous and liberal and conformed to the spirit of the Havana Charter and the Charter of the United Nations. Although El Salvador was not a party to the General Agreement, his Government was anxious to submit the Treaty for the support of the Contracting Parties. It was in accordance with the provisions of Article XXIV, paragraph 5 of the General Agreement. If the text of the Treaty was examined it would appear that none of the

provisions contravened any of the provisions of the General Agreement. In his note, dated 22 October, the Executive Secretary had given a very good analytical and critical study of the Treaty. He referred to the agreements contemplated under Article 16, paragraph 2(e) of the Havana Charter, especially to the reference to El Salvador and Nicaragua in the Annex. He emphasised that the Government of El Salvador attached great importance to the approval of this Treaty by the Contracting Parties.

The meeting adjourned at 4.00 p.m.