

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.9/2

1 November 1954

Limited Distribution

CONTRACTING PARTIES
Ninth Session

SUMMARY RECORD OF THE SECOND MEETING

Held at the Palais des Nations, Geneva,
on Friday, 29 October 1954, at 10.30 a.m.

Chairman: H.E. Mr. L. Dana Wilgrass (Canada)

- Subjects discussed:
1. Rectification of Schedules
 2. Federation of Rhodesia and Nyasaland
 3. Application under Article XVIII by Ceylon
 4. Status of Protocols
 5. Belgian Dollar Import Restrictions
 6. Belgian Family Allowances
 7. French Statistical Tax on Imports and Exports

1. Rectification of Schedules (L/236)

The CHAIRMAN referred to the decision of the Intersessional Committee at its meeting on 26 July that a Schedules Working Party should be appointed early in the Ninth Session; governments had been invited to submit their proposals for rectifications by 1 September. A draft Fourth Protocol of Rectifications and Modifications had been distributed as document L/236 and he urged governments which still had proposals to make to submit them at once. The Chairman proposed the establishment of a working party to prepare the final text of the Protocol and to deal with other matters concerning the Schedules (although not of course with questions that would fall within the scope of any tariff negotiations), composed of Belgium, Brazil, Burma, France, India, Japan, Rhodesia and Nyasaland, Sweden, the United Kingdom and the United States, with Mr. Gerigk (Germany) as Chairman; the terms of reference would be as follows:

To examine such matters relating to the adjustment of Schedules as may be referred to the working party, and to make recommendations thereon to the CONTRACTING PARTIES.

The appointment of the Working Party as proposed was approved.

In reply to statements by the delegates of India, Haiti, and New Zealand that they had rectifications to propose to their respective Schedules, the CHAIRMAN suggested that these rectifications be submitted directly to the Working Party.

2. Federation of Rhodesia and Nyasaland

The CHAIRMAN recalled that the CONTRACTING PARTIES at the Eighth Session had referred to the Intersessional Committee questions which would arise in connection with the formation of the Federation of Rhodesia and Nyasaland. The Committee's report (L/250) contained a draft declaration which formally recognized the Federation of Rhodesia and Nyasaland as a contracting party to the General Agreement on Tariffs and Trade, inasmuch as the rights and obligations under the General Agreement of Southern Rhodesia on the one hand and of the United Kingdom in respect of the territories of Northern Rhodesia and Nyasaland on the other had been transferred to the Federal Government. Secondly, the Declaration formally recognized that in the application of balance-of-payments import restrictions the Federation would be governed by the provisions of Annex J.

Mr. HERTRAM (Federation of Rhodesia and Nyasaland) expressed the agreement of his Government with the procedure proposed by the Intersessional Committee, and assured the CONTRACTING PARTIES that the Federation was fully aware of its obligations under the General Agreement and intended to carry them out.

The proposed Declaration was adopted.

Mr. SVEC (Czechoslovakia) referred to the possible legal issues that might arise out of the recognition of a new contracting party. His Government was prepared to grant most-favoured-nation treatment to all contracting parties on a reciprocal basis, but he did not feel that the CONTRACTING PARTIES should pre-judge an issue that might call for decisions by the United Nations. He reserved the position of his delegation for further study.

The CHAIRMAN replied that the secretariat had investigated the legal aspects of the question and discussed them with the United Nations Legal Department. The latter was in agreement with the procedure now adopted. The reservation of the Czechoslovak delegate would, however, be recorded.

The Chairman then drew attention to the consequential matter of Schedule XVI (Southern Rhodesia) and Annexes A and G of the Agreement and called upon the CONTRACTING PARTIES to decide between the alternative courses proposed by the Intersessional Committee, i.e., whether to alter the title of Schedule XVI and make certain consequential changes by means of a Protocol, or whether to defer formal action with respect to the schedule in the light of whatever information the Federation might supply as to when the new tariff and schedule would be submitted to the CONTRACTING PARTIES.

Mr. BERTRAM (Federation of Rhodesia and Nyasaland) stated that a uniform tariff to take the place of the three separate tariffs was being prepared, and was expected to be submitted to the Federal Parliament by 1 July 1955. The preparation of this tariff involved a reconciliation of the different obligations in the three territories, most particularly the obligations under the General Agreement. The new tariff and a new schedule would be submitted to the CONTRACTING PARTIES about the middle of 1955. Perhaps, in these circumstances the CONTRACTING PARTIES would agree to defer action on Schedule XVI.

Mr. BROWN (United States) proposed that the Working Party on Schedules should examine these alternative courses since experience showed that it was desirable for such technical questions to be carefully examined.

Mr. SEN (India), referring to the attitude of his Government regarding the formation of the Federation, said that he shared the doubts of the Czechoslovak delegate as to the legal issues, and supported the United States proposal to refer the question of the schedule to the Working Party on Schedules.

It was agreed that the proposal of the Intersessional Committee relating to the Schedule and Annexes be referred to the Schedules Working Party.

The CHAIRMAN said that, in the light of the statement made by the representative of the Federal Government, it might be desirable to clarify, for the guidance of the CONTRACTING PARTIES, the situation with respect to the tariff being prepared by the Federation although this question was not before the CONTRACTING PARTIES at present. When the Federation submitted its new schedule the CONTRACTING PARTIES would wish to consider it under the procedures and principles laid down in Article XXIV, which provided, inter alia, for the negotiation with affected contracting parties of any proposed increase in a bound rate of duty.

3. Application under Article XVIII by Ceylon (L/230/Rev.1)

Mr. AMERASINGHE (Ceylon) referred to the revised notification of his Government (L/230/Rev.1) applying for an extension of five previous releases and for one new release. He suggested these applications might best be considered by a working party to which full details would be provided.

Mr. VALLADAO (Brazil) pointed out that the preceding Agenda item called for consideration in the light of Article XXIV, this one in the light of Article XVIII, and other items related to other Articles. It was not known how these Articles might be amended at the forthcoming Review and he questioned the usefulness of work done in the light of provisions that might shortly be modified.

The CHAIRMAN replied that the Agreement was and would continue in force until amended and until any such amendments entered into force. The CONTRACTING PARTIES could only operate under the Agreement in its present form.

Mr. VASSILIOU (Greece) shared the views of the Brazilian representative.

Mr. SVEC (Czechoslovakia) supported the proposal to refer the matter to a working party, which could take into account the views expressed at this meeting.

Mr. SEN (India) supported the Ceylon application and its reference to a working party.

The CHAIRMAN proposed the establishment of a working party to deal with the Ceylon application, to which would also be referred the application by Cuba and the notification by Uruguay (items 17(a) and (b)) after they had been considered by the CONTRACTING PARTIES in plenary sessions. He proposed that the membership of the working party should be the same as that of the Intersessional Committee on Article XVIII Applications, namely: Australia, Canada, Cuba, Denmark, France, India, the Netherlands, Pakistan, Peru, Turkey, the United Kingdom and the United States, with Mr. Goertz (Austria) as Chairman. The Working Party's terms of reference would be:

To examine applications and notifications submitted by contracting parties under the provisions of Article XVIII, and to make recommendations thereon to the CONTRACTING PARTIES.

The establishment of the working party as proposed was agreed.

4. Status of Protocols (L/252)

The CHAIRMAN referred to the list of signatures of protocols outstanding contained in document L/252 and requested the representatives of the Governments concerned, namely Chile and Peru in respect of the Second Protocol of Rectifications and Modifications, and Brazil, Chile, Nicaragua and Peru in respect of the Third Protocol of Rectifications and Modifications, to take the matter up with their respective Governments with a view to signature as soon as possible. He would revert to the question later in the Session.

5. Belgian Dollar Import Restrictions

Mr. SUESENS (Belgium) recalled that, when introducing discriminatory dollar import restrictions, the Belgian delegation had stated that these measures, which had been made necessary to mitigate the damage which the persistence of an abnormal disequilibrium in the balance of payments might inflict on the internal monetary stability of the Belgian-Luxemburg Economic Union, were temporary, would be relaxed as circumstances permitted and would finally be eliminated. The first relaxation had occurred in 1953 and the CONTRACTING PARTIES had been so advised at the Eighth Session. Mr. Suetens was gratified to be able now to inform the CONTRACTING PARTIES that, in accordance with the obligation undertaken at the Seventh Session, his Government had put an end to all dollar restrictions. The measure effecting this entered into force on 26 May 1954 and imports from the United States and other countries of the dollar area were accordingly subject to the same régime as that applicable to other countries whether or not they belonged to the European Payments Union.

Mr. SCHWARTZMANN (Canada) expressed his satisfaction with the removal of these restrictions. His Government had been under the impression that a few restrictions still remained but in the light of the statement by the Belgian representative he felt completely reassured.

Mr. BROWN (United States) also expressed the satisfaction of his Government. Like the Canadian Government, they had thought there still remained a few restrictions and he was glad to know that that was not the case.

6. Belgian Family Allowances (L/187)

Mr. SUIETENS (Belgium) referred to the Final Report of his Government to the effect that the discriminatory application of the tax imposed on imports purchased by public bodies had been terminated by a law suppressing the tax which entered into force on 6 March 1954.

The CHAIRMAN considered that this case was a particularly good illustration of the value of the CONTRACTING PARTIES as a forum for dealing with complaints and had great significance in relation to the consideration about to be given to the future organization of the CONTRACTING PARTIES. This item was now disposed of.

Mr. KOHT (Norway), Mr. SEIDENFADEN (Denmark), Mr. SCHWARTZMAN (Canada), Mr. SVEC (Czechoslovakia) and Mr. GOERTZ (Austria) expressed their gratification at the action taken by the Belgian Government in this matter.

7. French Statistical Tax on Imports and Exports (L/238)

Mr. PHILIP (France) referred to the Report by his Government (L/238). This tax, like that to which the previous item referred, related to a fund for social assurance. It had been suspended for the period 1 October to the end of the year and his Government intended that this suspension should become definitive.

Mr. BROWN (United States) expressed his appreciation of the action of the French Government and their intention to abolish the tax definitively.

The CHAIRMAN stated that the CONTRACTING PARTIES would revert to this item for a final report from the French Government before the end of the Session.

The meeting adjourned at 1.00 p.m.