

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.9/13

13 November 1954

Limited Distribution

CONTRACTING PARTIES
Ninth Session

SUMMARY RECORD OF THE THIRTEENTH MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 11 November 1954, at 3.30 p.m.

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

Subjects discussed:

1. Review of the Agreement
2. Proposals for the arrangements of
Review discussions

Statements by the Leaders of Delegations

The following statements were made:

Mr. Alexander DOMINIQUE (Haiti)	(cf. Press Release GATT/199)
Mr. REPIC (Yugoslavia)	(cf. Press Release GATT/203)

The CHAIRMAN summed up the discussion. (cf. Press Release GATT/204)

2. Proposals for arrangements of the Review discussions - Second Report of the Administrative Steering Group (W.9/10)

The CHAIRMAN remarked that the first of the three stages described in the first report of the Steering Group (W.9/2) had now been completed. The second report (W.9/10) dealt with the headings to be adopted for discussion in the working plenaries, the working party structure and procedure. There had been a proposal to dispense with the second stage (working plenaries) in view of the detailed statements which had already been made, but, upon enquiry, the Steering Group had found that many delegations attached importance to this second stage. If the Group's recommendations were accepted, the discussion in the working plenaries, which should centre on the principal headings of the Agreement rather than on specific proposals for its amendment, would afford delegations an opportunity to explain their views on the various issues and provide guidance to the working parties. The four principal headings suggested by the Steering Group were quantitative restrictions, tariff schedules and customs administration, other barriers to trade, and organizational and functional questions. The Group

considered that it would be logical for the working party structure to follow the same pattern and suggested that there be four principal working parties corresponding to these main headings. It was necessary to keep the number of working parties small in order to progress expeditiously and also for purposes of coordination and to avoid over-specialization. The Steering Group has concluded that a working party composed of about eighteen members would permit efficient work and also provide adequate opportunity for all contracting parties to participate. All other contracting parties and observing countries and organizations had the right to attend as observers and participate when they so desired.

The Chairman called the attention of delegates to the fact that a more strict security control would henceforth be exercised and therefore delegations should be cautious in their contacts with the press.

Mr. MACHADO (Brazil) supported the holding of working plenaries. He felt however that the Steering Group's report did not quite cover all the questions that had been raised thus far. For example, economic development was mentioned only once in the report, and then en passant. For Brazil, however, this was a question of the utmost importance and his delegation hoped that it was not to be considered as a secondary matter or as an exception, but as one of the fundamentals of the new Agreement. The prime importance of economic development had been recognized by the United Nations and other bodies. In this Review Session, questions relating thereto should be dealt with in a special committee. In his view this proposal would meet the need both to expedite and coordinate the work. Two viewpoints had emerged, that wishing a stronger Agreement bearing in mind the steps being taken towards convertibility, and that wishing a more flexible Agreement which would permit certain countries to remain within it. If the point of view of the underdeveloped countries was to be presented in each of the four working parties proposed, difficulties of coordination would be experienced. If it were desired to keep the working parties to four, the working parties on tariffs and subsidies might be merged. He formally moved the establishment of a working party on economic development.

Mr. Machado also requested clarification of the subjects to be discussed under the various topics. He did not quite understand where commodities and relations with other international organs would be dealt with. So far the only organization mentioned was the Fund. The Brazilian delegation considered that, for many contracting parties, economic rather than specifically financial questions were involved, and would like to see provisions made for coordination with the United Nations regional economic commissions.

The CHAIRMAN in reply stated that both these items would be dealt with under organizational and functional questions; relations with the Fund would also be dealt with under the topic which covered Article XV.

He wished to explain that the Steering Group had considered the question of economic development very carefully and had concluded that it was fundamental to the discussion of so many aspects of the Agreement that it would not be feasible to consider it separately. This was a matter that affected the whole future of the Agreement and should, in the view of the Steering Group be looked at in relation to all the various provisions.

Mr. MAKATITA (Indonesia) supported the point raised by the Brazilian delegate but, after hearing the Chairman's explanation, thought it might perhaps be more useful to instruct the working parties on quantitative restrictions and other barriers to trade to refer regularly to a committee of the whole for consideration of how best to take account of the problem of economic development in their deliberations.

Mr. JHA (India) said that it was first necessary to consider how the Review might most speedily progress and to avoid a structure that would result in one working party having to wait for decisions in another. Underdeveloped countries, however, did have special problems. The question of exceptions would arise only at a second stage in discussing the basic structure of the Agreement. Mr. Jha felt that it would be more expeditious to follow the Steering Group's recommendations, and revert at a later time to the question of the establishment of another working party should it appear necessary to consider specifically the problem of economic development.

Mr. MACHADO (Brazil) considered that the problem of economic development could be effectively dealt with only if it were considered as a whole. The right of all countries to economic development had been admitted on the political level, and he did not wish that, within the context of the Agreement, it should be considered as an exception. He proposed that the establishment of a separate working party on this matter be formally approved by the CONTRACTING PARTIES.

Mr. AZI^z AHMAD (Pakistan) explained that he had been particularly interested within the Steering Group to ensure that sufficient working parties were provided to go into all the aspects of the Review. He did not think that there was any side of the problem of economic development that could be isolated from the Articles of the Agreement. If a separate working party were appointed it would have to consider all the Articles, and thus duplicate much of the work done elsewhere.

Mr. MACHADO (Brazil) disagreed with the delegate of Pakistan. He requested that, if the report of the Steering Group were put to the CONTRACTING PARTIES for approval, his proposal to establish a separate working party for economic development also be put to the CONTRACTING PARTIES for approval or disapproval by roll call.

The CHAIRMAN explained that the CONTRACTING PARTIES need only decide on the agenda and organization of the working plenaries at this point. The appointment of working parties could be taken up when that debate was ended.

In reply to a question by the delegate of South Africa, the Chairman explained that the sub-topic "subsidies" broadly covered all forms of export incentives, and that countervailing measures were included therein because they were generally imposed in relation to subsidies, although the administration of such duties would be discussed under "customs administration". In reply to a remark by the delegate of Rhodesia and Nyasaland, the Chairman explained that the arrangement of their work would be left to the working parties themselves. They could always refer back to the CONTRACTING PARTIES for guidance.

The recommendations of the Steering Group for the discussion of the Review proposals in working plenaries were agreed.

The meeting adjourned at 5 p.m.