

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Tenth Session

SUMMARY RECORD OF THE SEVENTEENTH MEETING

Held at the Palais des Nations, Geneva,
on Friday, 25 November 1955, at 2.30 p.m.

Chairman: Mr. F. Garcia Oldini (Chile).

- Subjects discussed:
1. Date for closing the session
 2. Italy/Libya waiver: Working Party report
 3. Status of Agreement and Protocols
 4. Procedures for elections
 5. Anti-dumping and countervailing duties
 6. Australia/Papua-New Guinea waiver:
Working Party Report
 7. United States dairy products

1. Closing Date for the Session

The EXECUTIVE SECRETARY said that it was necessary at this stage to fix a date for closing the Session and that it would be realistic to aim at mid-day on 3 December. This would be possible only with the maximum of cooperation from delegations in ensuring the speedy conduct of business.

It was agreed that the closing date would be 3 December.

2. Italy/Libya waiver: Report of the Working Party (L/458)

Mr. AZIZ AHMAD (Pakistan) Chairman of the Working Party, introduced the report and called attention, in particular, to the concern of the Working Party to ensure that the special treatment accorded to Libyan exports would not lead to a growing dependence on the Italian market, but rather to such development as would enable Libya to participate in international trade on a competitive basis. The Working Party was sympathetic to the proposal to extend the waiver and had drawn up a Decision to that effect for approval by the CONTRACTING PARTIES. This Decision contained certain changes in the schedule of products annexed to the original waiver.

Mr. DONNE (France) referred to the support of his Government in 1952 for the granting of the waiver. The annual reports submitted by Libya and Italy showed that the effects had been favourable. In the hope that Libya would be successful in pursuing its efforts for economic development, the French Government supported the recommendation of the Working Party for an extension of the waiver.

The Decision to extend the waiver for the application by Italy of special customs treatment to certain products of Libya was adopted by 27 votes in favour to none against.

Mr. VARGAS GOMEZ (Cuba) said that his delegation felt it useless to vote against decisions on waivers from Article I, but wished to record their dissatisfaction with the extension and growing use of such waivers which weakened the structure of the General Agreement.

The representatives of Libya and Italy thanked the CONTRACTING PARTIES; the former gave assurances of the continuing intention of his Government to forward all information required in the annual reports and that he would transmit the observations made during the course of the discussion to his Government.

3. Status of Agreement and Protocols (W.10/17)

Definitive Application of the Agreement

The CHAIRMAN stated that Burma was the only contracting party which had not notified its acceptance of the Resolution of 7 March 1955. The Executive Secretary had communicated again with the Government in Rangoon in this connexion.

Protocols of Amendment

The CHAIRMAN referred to the status of the three protocols of amendment as to signatures which was set out in document W.10/17. At the Ninth Session, 15 November 1955 had been fixed as the date by which these protocols should be signed. The first two of these had been signed by eleven countries, signed ad referendum by two and subject to ratification by one. The Protocol of Organizational Amendments had been signed by eight countries, ad referendum by two and subject to ratification by one. Several delegations had indicated a wish for postponement of that date and the Executive Secretary suggested that the date by which the protocols should be signed be fixed at the end of the second week following the opening of the Eleventh Session.

The Chairman referred to the rectifications that would be required in the protocols of amendment and the Executive Secretary's suggestion that these might be effected by a procès-verbal, a draft of which had been circulated (W.10/19). If this procedure were agreed to, the countries which had already signed the protocols should sign the procès-verbal, if possible, before the close of the Session, and the other contracting parties would sign it at the time they signed the protocols.

Mr. HOCKIN (Canada) reserved the position of his delegation on the text of the Procès Verbal.

Agreement on the Organization for Trade Cooperation

The CHAIRMAN stated that this Agreement had been signed by Greece, Haiti, and India, signed ad referendum by four countries, and signed subject to approval by two. No final date had been fixed for signature of this Agreement. He referred to the first meeting of the Session (SR.10/1, pages 4-8) at which time Germany, Japan, Luxemburg, the United Kingdom and the United States had indicated their intentions with regard to this Agreement.

Mr. MACHADO (Brazil) said that the Agreement had been submitted to the Brazilian Congress and he was not in a position to say when Congress would act upon it. Nevertheless, he thought a time-limit should be fixed for the signature, at the end of which if the Agreement had not entered into force the CONTRACTING PARTIES would review the situation. The date suggested for the amendment protocols would be suitable, and the agenda for the Eleventh Session could contain an item for the review of the situation with respect to the Organizational Agreement. It would be most undesirable to continue indefinitely the present situation of uncertainty and provisional application.

Protocols of Rectifications and Modifications

The CHAIRMAN said that the list of countries which had not signed the 2nd, 3rd and 4th protocols of rectifications and modifications was contained in document W.10/17. He reminded delegations from those countries - Austria, Czechoslovakia, Dominican Republic, France, Germany, Haiti, Nicaragua, Peru and Turkey - that these protocols could not enter into force unless they were signed by all contracting parties.

Protocol of Rectifications to the French Text

The CHAIRMAN said that the list of countries which had not signed this protocol was also given in W.10/17; this protocol too required signature by all contracting parties before it could enter into force.

Declaration on the Continued Application of Schedules

The CHAIRMAN recalled that the Declaration of 10 March had been signed by twenty-six contracting parties; six other contracting parties had undertaken to observe its provisions, and thus thirty-two contracting parties had given

effect to its provisions. Greece had requested that the period fixed for signature be prolonged until 15 December. Thus, only Nicaragua and the Federation of Rhodesia and Nyasaland would, after that date, still not have accepted the Declaration. Any government which had not yet signed the Declaration, or had accepted it subject to confirmation, could at any time request a prolongation of the time fixed for signature which, under the intersessional arrangements, would be submitted to the other signatories and if no objection were received within thirty days, the Declaration would be open to signature by the requesting government.

He referred to the negotiations under Article XXVIII and the fact that a certain number of signatories of the Declaration had informed the Intersessional Committee in September that they would not be able to complete negotiations before 30 September and requested that they be authorized, in accordance with paragraph 2(a) of the Declaration, to continue their negotiations under the procedures and conditions of Article XXVIII:4 as amended. The Committee had judged that these were cases of special circumstances and had authorized the governments to pursue their uncompleted negotiations. Most of these negotiations had by now been completed and for those which still continued there were no provisions fixing a date for termination. However, Article XXVIII:4(c) provided that if no agreement were reached within sixty days, the contracting party wishing to modify or withdraw a concession could bring the matter before the CONTRACTING PARTIES. It would be necessary to authorize the Intersessional Committee to deal with any such questions which might arise.

Mr. FINNMARK (Sweden) stated that both the revised General Agreement and the Agreement on the Organization required ratification by the Swedish Parliament, the first opportunity for which would be during the spring session beginning in January. In the meantime, the technical arrangements to prepare the appropriate bills were being made. His delegation supported the establishment of a time-limit for ratifications up to the Eleventh Session. The Swedish Government and Parliament when considering the question would have before them a report drawn up by a Royal Committee. That report concluded that, although no substantial changes had been made in the present Agreement, the proposed amendments would contribute to a further consolidation of the Agreement and give the contracting parties better guarantees for the integral application of its rules. It was also hoped that the revised Agreement would contribute towards the maintenance of tariff stability, from which point of view there would be advantage in its early entering into force. The report expressed the hope that the new Organization would play a useful rôle as a more permanent forum for deliberations on problems of international trade and tariff policy. On the other hand, the Royal Committee expressed its regret (in the terms put forward by the Swedish delegation at the close of the Ninth Session) that so little had been achieved in the field of tariff reduction and levelling the present disparities in tariff levels. The report noted with disappointment the fact that so many countries, among them leading trading nations, did not feel it possible to respond more positively to proposals by the low-tariff countries tending to guarantee a real and continuous reduction of tariffs. The lack of

reciprocity between the obligations and achievements in the field of tariff reduction, on the one hand, and the rules regarding quantitative restrictions, on the other, had always been a source of weakness of the Agreement and the report noted that the weakness remained in the Agreement as revised. The Committee report drew attention to the forthcoming tariff conference, and Mr. Finnmark expressed the hope of his delegation that during that conference substantial progress would be made towards the reduction of tariffs and gradual elimination of present disparities.

Mr. POUPOURAS (Greece) said that Greece had signed all the instruments except the Declaration; he recalled the reservation made by his delegation at the meeting of 7 March 1955 (SR.9/47) to the effect that Greece would be prepared to sign the Declaration when they had completed the bilateral negotiations undertaken under Article XXVIII. They had now concluded and signed agreements with all countries with which they were negotiating with the exception of France and the United Kingdom, where agreement had been reached in principle, and with Austria, where negotiations still continued. He hoped therefore that there would be no objection to a prolongation of the date for signature until the end of February, by which time the latter negotiations would have been concluded.

The CONTRACTING PARTIES agreed:

1. That the closing date for signature of the three protocols of amendment should be the end of the second week following the opening of the Eleventh Session;
2. That there should be a review of the status of these protocols and the Organizational Agreement at the Eleventh Session;
3. That the errors in the protocols of amendment should be corrected by means of a procès-verbal, the text of which had been distributed;
4. That Greece be authorized to sign the Declaration on the Continued Application of Schedules up to 29 February 1956;
5. That the Intersessional Committee be authorized to deal with any matters raised by contracting parties carrying on negotiations under Article XXVIII:4 (revised), in accordance with the provisions of that Article.

4. Procedure for Elections: proposal by Pakistan (W.10/22)

Mr. AZIZ AHMAD (Pakistan) stated that the proposal by his delegation was intended to apply to the election of the Intersessional Committee and to such other elections as were contested. In the latter case the application of the proposal should be at the discretion of any contracting party. His delegation was led to make this proposal because it appeared that the CONTRACTING PARTIES had now reached the stage where there was a need for a collective body to take the place of the one or two individuals who had perforce to discharge certain

responsibilities connected with such elections in the past. It seemed to his delegation that the most appropriate machinery would be a committee of Heads of Delegations meeting informally with no records and presided over by the Chairman of the CONTRACTING PARTIES. In most international organizations some such machinery existed either in the form of a nominating committee or a committee of Heads of Delegations. In connexion with the Intersessional Committee, certain important criteria had to be fulfilled as to the type of representation, and before these could be applied there should be some forum where the matter could be discussed. In addition to the criteria, there was also an understanding in respect of the number of countries to be elected from each region of the world. It was essential that there should be some means of discussing these matters before the actual elections were held. Moreover, prior to the holding of elections certain regional understandings might have been reached to the satisfaction of all concerned in a particular region, and all the contracting parties outside the region would doubtless wish to be informed of such understandings. With regard to other elections which were likely to be contested, if any contracting parties wished that they first be discussed by a committee of Heads of Delegations, the result might be to conduct the actual election with dignity and to obviate the need for nomination speeches at the election stage; any such speeches that were felt necessary could be made in the committee of Heads of Delegations. Mr. Ahmad emphasized that his proposal was put forward as a basis for discussion; his delegation felt that in the circumstances of the GATT the most appropriate sort of body would be a committee of all delegations.

Mr. MACHADO (Brazil) supported the proposal with only the modification that the meeting be open not only to the Head of each delegation in person but, in the absence of the Head, to a deputy appointed by him. Moreover, that adoption of such procedure could of course only commit the CONTRACTING PARTIES, not the future Organization.

Dr. STANDENAT (Austria) felt the suggestion merited study. Its general lines were acceptable to him but he wished to emphasize that any factual note prepared by the secretariat could only refer to a description of the past.

Mr. LEDDY (United States) saw no objections to the proposal being applied to elections for the Intersessional Committee and to contested elections, provided that the latter could be defined. As it was drawn up, however, it appeared to apply to all elections, including the Chairman and Vice-Chairmen of the CONTRACTING PARTIES, and the result might be somewhat cumbersome. Some thought might be given perhaps to the method of determining what was a contested election, possibly by a nominating committee.

Mr. TAHA CARIM (Turkey) thought the proposal did fill a gap in the procedures of the CONTRACTING PARTIES but that to draw up a series of procedures was perhaps a somewhat rigid method in the light of what the elections themselves consisted of. He thought it would be useful to have a private meeting before any election to the Intersessional Committee or any contested election, but suggested that more thought be given to the proposal with the aim of simplifying it before adoption by the CONTRACTING PARTIES.

Mr. ANNIS (Canada) and Mr. SWAMINATHAN (India) agreed with the remarks of the Turkish representative.

Mr. WARWICK SMITH (Australia) sympathized with the Pakistan proposal but shared the view that more time for consideration should elapse before a definite decision was taken. Among the considerations to be borne in mind were the possibility of appointing a nominations committee, and rules as to the time between nomination and election. It should be possible to make arrangements for the elections at this session, which need not necessarily be permanent. The matter could be reviewed during the intersessional period and at the next session.

Mr. PHILLIPS (United Kingdom) questioned the need to distinguish a Heads of Delegations meeting from a regular plenary beyond the omission of the record.

Mr. MACHADO (Brazil) observed that if the system proposed by Pakistan were adopted, which was his hope, it should in fact determine the elections - there should be no separate outside discussions of these matters.

Mr. AZIZ AHMAD (Pakistan), replying to various comments, said that their intention was that the Heads of Delegations should settle everything relating to an election, and the conduct of the election should then be in accordance with the consensus of views reached at that meeting. Apart from elections for the Intersessional Committee, his delegation only visualized that the procedure would be used for contested elections and it seemed to them that any contracting party should be free to ask that an election be subject to that procedure. He agreed that the meeting should be attended by the effective Head of Delegation. The only information that would be circulated by the secretariat would be factual information, and that seemed to him clear from the wording of the proposal. It was clearly more satisfactory that such a meeting be distinguished from an ordinary plenary and a more useful discussion could take place in a relatively limited group with a fairly informal atmosphere and no records.

The CHAIRMAN said there seemed a general desire to study the matter further and a feeling that it would be useful to charge the Intersessional Committee with considering the proposal, with a view to drawing up a general procedure for use in the future. In the meantime, the Intersessional Committee must be elected at this session and he would suggest that before its election a meeting of the Heads of Delegations be held and the general lines of the Pakistan proposal be followed.

It was agreed to follow the procedure suggested by the Pakistan delegation in relation to the forthcoming election of the Intersessional Committee, and to charge that body with studying the proposal with a view to drawing up a plan for elections in future.

5. Anti-dumping duties (L/409, W.10/10)

The CHAIRMAN recalled the earlier discussion of this item (SR.10/7) when the CONTRACTING PARTIES had approved a proposal that governments be invited to send to the secretariat a copy of their laws and regulations concerning the imposition of anti-dumping and countervailing duties, and the application of all other measures having similar effects.

Mr. KOHT (Norway) suggested some changes in the note by the Executive Secretary regarding the request to be addressed to contracting parties in order to obviate any possibility of interpreting it as covering a wider field than was intended. It was not intended that this inquiry should enter into the question of valuation or action taken under Article XIX or other Articles of the Agreement.

Mr. FINNMARK (Sweden) also had changes to suggest in the wording in so far as it covered the suggestion by the Swedish representative at the earlier discussion that information on governments' experience of anti-dumping legislation also be supplied.

The CONTRACTING PARTIES agreed that contracting parties be asked to submit to the Executive Secretary (in English or French) not later than 30 June 1956, extracts from their national customs legislation and administrative regulations providing for the levy of anti-dumping and countervailing duties, and other supplementary duties and charges intended to protect domestic production against the competition of low-priced imports. Interested contracting parties might provide, if they would so wish, such comments as they would consider to be useful on their experience in this field. The CONTRACTING PARTIES also agreed that the information submitted be placed before the Intersessional Committee, and an item relating to this question be included in the Agenda for the Eleventh Session.

Mr. GARCIA OLDINI (Chile) reserved the position of his Government on this matter.

6. Report of the Working Party on the Australia/Papua-New Guinea Waiver (L/457)

Mr. TAHA CARIM (Turkey) Chairman of the Working Party, introduced the report of the Working Party. The Working Party had examined the new waiver requested by Australia and had been in agreement on the desirability of its objective. They submitted a Decision in this regard for approval by the CONTRACTING PARTIES. The Working Party had then examined the second annual report on the existing waiver and had agreed that plywood be specifically

included in the list of products in the new waiver in order to remove any uncertainty which might exist with respect to the existing one.

The Report of the Working Party on Australian treatment of products of Papua-New Guinea was adopted and the CONTRACTING PARTIES approved the draft Decision regarding special customs treatment accorded by Australia to certain forestry products of Papua New-Guinea by twenty-four votes in favour, none against.

7. United States dairy products

Baron BENTINCK (Kingdom of the Netherlands) referred to the Resolution of 5 November 1954 on United States import restrictions on dairy products, the first part of which had now, in fact, been taken over by the waiver of 5 March 1955 to the United States in connexion with import restrictions imposed under Section 22 of the Agricultural Adjustment Act. In 1952 this matter had been handled by two separate instruments, one dealing with the import restrictions by the United States and the other a determination authorizing the Netherlands Government to suspend certain of its obligations under the Agreement in view of these restrictions. The 1955 waiver declared explicitly that action under Article XXIII was not precluded. The authorization granted to the Netherlands was, therefore, in their opinion unaffected. It was for this reason that his Government had requested that a separate item be included in the Agenda.

The Resolution of 5 November 1954 requested a report from the United States Government. From a strict formal point of view, this obligation was not fully complied with by the presentation of the report under the United States waiver, mainly because a report under the Resolution should cover a period some months longer. His delegation did not wish to insist on such a separate report but would like the CONTRACTING PARTIES to confirm that the views he had expressed regarding the relationship of the Resolution and the waiver were correct. At the same time it seemed desirable that it be formally decided that the United States had, through its report under the waiver, sufficiently met the reporting requirements of the Resolution. This might be done by a ruling from the Chair.

On the substantive side of this matter, Baron Bentinck referred to his remarks when the United States import restrictions on dairy products were discussed earlier in the Session (SR.10/9 page 92). The effect of the restrictions on dairy products remained substantially unchanged from the situation which prevailed at the time of the Resolutions of 8 November 1952, 13 October 1953 and 5 November 1954. Consequently, the concessions granted by the United States to his country remained impaired in the sense of Article XXIII to virtually the same degree. In view of this situation he was instructed to request an extension for another year of the authorization granted to his Government to apply a limit of 60,000 metric tons per annum on imports of wheat flour from the United States. In view of the inter-relationship of this matter with the problems under consideration in the

Working Party on the United States waiver, it might be advisable for practical reasons that the present request be referred to that Working Party.

Mr. WARWICK SMITH (Australia) supported the Netherlands' request and their procedural proposal.

Mr. KASTOFT (Denmark) associated himself with the statement by the Netherlands' representative and referred to his own statement at the earlier discussion of the United States report under the waiver (SR.10/9, page 91).

It was agreed to refer the questions raised by the Netherlands representative to the Working Party on the United States waiver.

The meeting adjourned at 4 p.m.

