

# GENERAL AGREEMENT ON TARIFFS AND TRADE

Intersessional Committee

## SUMMARY RECORD

of the Meeting held at the Palais des Nations, Geneva,  
on 6 August 1957 at 3.30 p.m.

Chairman: Mr. O.P. Machado (Brazil)

Subjects discussed: 1. Modifications in the Indian import restrictions  
2. September Meeting of the Intersessional Committee  
3. Meeting of Ministers

In the absence of the Chairman and the Vice-Chairmen of the CONTRACTING PARTIES, Mr. O.P. Machado (Brazil) was elected to preside.

1. Modifications in the Indian import restrictions (L/648 and GATT/ATR/117)

The CHAIRMAN, referring to L/648 reproducing documents communicated by the Government of India on 18 July 1957 notifying certain measures taken on 1 July 1957, said that these measures appeared to constitute a substantial intensification of restrictions within the meaning of paragraph 4(b) of Article XII and in accordance with paragraph 9 of the Intersessional Procedures, the Chairman of the CONTRACTING PARTIES and the Executive Secretary had determined that there was a prima facie case for initiation of a consultation under that provision. In accordance with paragraph 8 of the Intersessional Procedures the matter was now referred to the Intersessional Committee.

Miss KROGER (Denmark) said that her Government was of the opinion that the Government of India should consult with the CONTRACTING PARTIES pursuant to the provisions of Article XII:4(b). These consultations, however, could be held concurrently with those to be conducted with India at the Twelfth Session under the 1957 consultations programme.

Mr. PADMANABHAN (India) made a statement outlining the circumstances which had necessitated the action taken by his Government. The full text of the statement is reproduced in document L/648/Add.1. In conclusion he expressed some doubt whether the provisions of Article XII:4(b) relating to the obligation to consult within thirty days were strictly feasible in this specific case. His Government would prefer consultations to be held in October but nevertheless his delegation was prepared at this stage to give any information deemed necessary.

The CHAIRMAN said the Committee should decide on the basis of information provided by the Indian Government and the statement by the representative of India, whether in fact the measures taken constituted a substantial intensification in the sense of Article XII:4(b). If so, the Government of India should be invited to consult with the CONTRACTING PARTIES, and the Committee might wish to proceed directly to initiate the consultation.

Mr. CLARK (Canada) said that his Government had been working on the premise that the measures did constitute a substantial intensification and the impression of his delegation was that the Committee would proceed with the initiation of consultations forthwith in accordance with the provisions of Article XII:4(b).

Mr. BRUNET (France) agreed with the representative of Canada and pointed out that since it was evident that there had been an intensification of restrictions the Committee should be now concerned with fixing a date for consultations with the Government of India as prescribed in paragraph 4(b) of Article XII. Nevertheless, in the light of the statements by the representatives of Denmark and India, his delegation was prepared to support the proposal that the consultations be held concurrently with the consultation scheduled for October.

Miss SEAMAN (United Kingdom) supported the view that the measures represented a substantial intensification of import restrictions and that it was expected that the CONTRACTING PARTIES would invite the Government of India to enter into consultations. However, for a country so far distant from Geneva as India it would no doubt be difficult for the Government to send representatives to Geneva at short notice to take part in such consultations, particularly when there was such a pressing need for their services at home. Her delegation felt, therefore, that there might be some advantage in initiating the consultations now and concluding them in October. At the present meeting those representatives with particular questions they wished to ask could put them to the Indian representative who could transmit them to New Delhi. Thus the Indian delegation to the October consultations could be forewarned of the type of questions they would be expected to answer.

Mr. TESORO (United States) agreed with previous speakers that Article XII:4(b) was applicable in this particular case. It only remained for the Committee, therefore, to determine the timing of the consultations. In his view, with the statement made by the Indian representative, the consultation could be regarded as already having been initiated at this meeting. It should be taken as far as possible and should be resumed in October when more complete and detailed consideration could be given.

Mr. CLARK (Canada) said that his Government attached great importance to the obligation in Article XII:4(b) that any contracting party intensifying its import restrictions should consult within thirty days. In particular the time-limit was important so as to ensure an exchange of views with major trading partners before any policy measures aimed at correcting long-term imbalance were taken. However, his delegation agreed that there were special attendant problems in this particular case and was prepared to accept the procedures suggested.

Mrs. BRAENDEN (Norway) also supported the proposed procedures.

The Committee agreed that the proceedings of this meeting should be reproduced as follows:

1. The Committee took note of the modifications introduced by the Government of India on 1 July in the import restrictions which it maintained under the provisions of Article XII, as notified in document L/648.
2. The Committee considered that these modifications constituted a substantial intensification of India's restrictions, and consequently agreed to invite the Government of India to enter into consultation in accordance with the second part of the first sentence of Article XII:4(b).
3. With the concurrence of the Indian representative, the Committee initiated the consultation, and heard a statement from the Indian representative supplementing the information given in document L/648. The statement by the Indian representative is circulated in document L/648/Add.1.
4. The Committee considered that the statement of the Indian representative was very useful and enabled it to understand better the nature of the modifications and the circumstances leading to them. The Indian delegation was, however, not fully prepared and equipped to engage in substantive discussions on all the matters normally covered in a consultation of this nature. In the circumstances, the Committee agreed that this consultation with India, initiated on 6 August 1957, should not be concluded now but should be continued in October. It should be combined with the consultation with India under Article XII:4(b) under the general programme of 1957 consultations.
5. In the meantime contracting parties were invited to give indications, either to the Indian Government or to the secretariat, of the points on which they were particularly interested in having information. The Committee also agreed to instruct the Executive Secretary that the basic document being prepared should also include information on the measures of intensification.
6. The Executive Secretary should invite the International Monetary Fund to consult with the CONTRACTING PARTIES pursuant to Article XV:2, concerning this consultation with India.

Mr. PADMANABHAN (India) expressed gratitude for the sympathy and understanding that had been shown by the Committee towards the present problems faced by his Government. With reference to the doubt that he had expressed concerning the applicability of Article XII:4(b) he observed that the principles embodied in Section B of the Revised Article XVIII should not be entirely overlooked in such cases and that the difficulties of countries in the process of economic development should be duly taken into account. Nevertheless his delegation was prepared to accept the decision of the Committee and should any contracting party wish to raise questions on particular points now he would be glad to transmit them to his Government.

Mr. CLARK (Canada) said that at the October consultations his delegation would be particularly interested in answers to such questions as those set out in Part II and questions 9, 10, and 13 of the Plan for Consultations under Article XII:4. (Basic Instruments and Selected Documents, 4th supplement, pp.44-45)

Mr. TESORO (United States) said that his delegation would transmit questions to the representative of India as soon as possible.

The CHAIRMAN stated that any contracting party which wished to raise other points with the Government of India may do so directly or through the secretariat.

2. September Meeting of the Intersessional Committee (GATT/AIR/118)

The EXECUTIVE SECRETARY referred to GATT/AIR/118 in which he had drawn attention to the fact that the Meeting of the Committee scheduled for 23 September would coincide with the opening day of the Annual Meeting of the Board of Governors of the International Monetary Fund and the Bank. In view of the extremely close working relations and inter-connexions of contracting parties with the International Monetary Fund it was essential to have meetings arranged to avoid clashes which would create difficulties for government officials and officers of the secretariat. If the Committee were to meet on 19 September it would enable officials to participate in the first days of the Committee's Meeting and also attend the Fund's Meeting the following week.

The Committee agreed that the meeting be held on 19 September.

3. Meeting of Ministers (GATT/AIR/118)

The Committee at the request of the Executive Secretary discussed the question of the meeting of Ministers during the Twelfth Session which had been agreed upon in principle at the Eleventh Session.

The Committee considered that it was desirable that contracting parties should make known as soon as possible their intention as to taking part in such a meeting, since the decision of a number of them, particularly those in Europe, would be influenced by whether or not there would be a representative attendance of overseas Trade Ministers.

The Committee therefore agreed that the attention of governments of all contracting parties should again be drawn to this matter and that they be requested to transmit their views to the secretariat as soon as possible and in any case before the opening of the next meeting of the Committee on 19 September 1957.

As regards the Agenda for the meeting it was agreed that the Intersessional Committee itself should make recommendations on this point at its next meeting.