

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## SUMMARY RECORD OF THE THIRTEENTH MEETING

Held at the Palais des Nations, Geneva, on  
Monday 3 November 1952, at 3 p.m.

Chairman: Mr. Johan MELANDER (Norway)

- Subjects discussed:
1. Special Import Taxes of the Greek Government
  2. Increase of Greek Import Duties, (Schedule XXV).
  3. Arrangements for the continuing Administration  
of the Agreement
  4. Other Business: Pakistan Licence Fee & Duty on Exports  
of Jute

### 1. Special Import Taxes of the Greek Government (G/25)

Mr. ISEISTER (Canada), introduced the report of the Panel and stated that it was an interim report recommending that the CONTRACTING PARTIES defer a decision pending the receipt of further information. The Panel had examined the complaint of the French Government on the alleged inconsistency of a special "contribution" levied by the Greek Government on certain imported goods but the Greek Government had issued a new decree on 8 October 1952 and the Panel had not had sufficient time for a detailed investigation. Further information was necessary to determine whether the Greek measures fell within the terms of Article II or Article III of the General Agreement, or to obtain the opinion of the Fund as to whether this "contribution" constituted a multiple currency practice; even should the Fund find that this was the case the matter might be brought before the CONTRACTING PARTIES under Article XV:4. Consequently, the Panel recommended that the CONTRACTING PARTIES invite the interested parties to submit additional information and that the CONTRACTING PARTIES address an enquiry to the International Monetary Fund to determine if the Greek "contribution" was a multiple currency practice and whether or not it was in conformity with the Articles of Agreement of the International Monetary Fund.

M. LEGUYER (France) stated that this question had been raised as a matter of principle and the French delegation now found the report a satisfactory analysis of the situation and considered that the procedure proposed by the Panel would permit a solution to be arrived at expeditiously.

The Report was approved and the CHAIRMAN stated that this item would remain on the Agenda and that an inquiry would be addressed to the International Monetary Fund as recommended.

2. Increase of Greek Import Duties (Schedule XXV) (G/27)

Mr. ISBISTER (Canada) introduced the report. The Panel had examined the complaint by the United Kingdom regarding the increase in coefficients for currency conversion, as a result of a measure taken by the Greek Government on 10 July 1952. Agreement had been reached in the Panel, with the concurrence of all the parties concerned, that the measure was inconsistent with the obligations of the Greek Government under Article II:1 of the General Agreement. In view of the fact that these measures had been introduced as emergency measures to meet acute financial difficulties, the United Kingdom and the Panel had accepted as a solution the undertaking by the Greek Government to remove, before 1 July 1953, the recent changes in the pre-war coefficients, and to re-establish the levels as they applied to products described in Schedule XXV; this was embodied in the Recommendation submitted by the Panel. The Greek Government should also be invited to report to the CONTRACTING PARTIES on the matter. Mr. Isbister remarked that in this case, as in the case of the special import taxes, although considerations of commercial damages were involved, the complaining party had made clear that the complaint was based on questions of principle.

Mr. LECKIE (United Kingdom) concurred with the recommendation in paragraph 6 of the Report, and expressed his appreciation to the Panel for the efficient handling of this complaint, and to the Greek Government for their undertaking. His delegation, in this matter, had been more concerned with the principle than with the actual damage involved.

Mr. PAPATSONIS (Greece) said that his delegation agreed fully with the decisions of the Panel. He thanked the Panel for its handling of these two cases and hoped that with the assistance of the International Monetary Fund his country would be able to demonstrate before the next Session its respect for its international obligations.

The CHAIRMAN was gratified by the settlement proposed by the Panel and thought that the Panel had proved useful as a means for settling these questions.

The CONTRACTING PARTIES approved the Report and the Recommendation contained therein.

3. Arrangements for continuing the Administration of the Agreement (L/52)

The CHAIRMAN stated that his note dealt principally with the continuance of the Intersessional Committee and contained some suggestions for improving the procedures. The past year had shown a definite need for an intersessional committee. The experience of that year had also shown that the representatives on the committee should be conversant with the Agreement and qualified to deal with questions of substance. The committee should also be empowered to examine problems of interpretation even though it should not be expected to resolve any very important questions of that nature. The Chairman referred to his suggestion that the committee be authorised to establish working parties to deal with technical questions prior to the Eighth Session.

Finally, he thought that cases might arise where two or more contracting parties might wish to bring a dispute on some other question before the Intersessional Committee, and that the committee, having considered the case and drawn up its recommendations to the CONTRACTING PARTIES, the countries concerned might be willing to consider the recommendation of the committee as a recommendation of the CONTRACTING PARTIES. It was clear that this could only be the case where both the parties concerned agreed and requested such action.

Mr. Di NOIA (Italy) agreed that the intersessional committee had been useful and supported the proposal to renew its mandate. He felt that it had thus far been too reluctant to enter into questions of interpretation and that, although the committee should not have the power to make decisions on issues of interpretation, it should be able to give an opinion. He did not agree with the proposal that the committee should be empowered to establish working parties (paragraph 11(d) of the document). It was, in his view, inadvisable to establish working parties to examine matters that the CONTRACTING PARTIES themselves had not yet agreed to inscribe on their agenda. Furthermore, the line between technical and substantive matters was a difficult one to draw and it was hard to conceive of a purely technical question that would be at the same time very urgent.

Mr. ISBISTER (Canada) considered that the intersessional committee had proved its usefulness if only by the fact that it had been possible to accomplish the complex work of the present Session in five weeks. The sessions must be kept short if senior representatives were to be present. It was clear that a number of items under discussion would require some intersessional machinery and he considered it reasonable to envisage an expansion of the procedures established at the Sixth Session. The Canadian delegation was in agreement with the Chairman's recommendations, and particularly with the suggestion that the committee should be able to examine questions of interpretation since otherwise it was difficult to see how it could usefully operate. As to the concern expressed by the Italian delegate about the setting up of working parties in advance of the Eighth Session, he wondered whether this could not be met if it were made clear that representation on such working parties would be drawn from all of the contracting parties. All contracting parties were free to attend meetings of the Intersessional Committee and it would be useful if the committee could establish working parties to deal with technical matters that might arise.

The CHAIRMAN referred to paragraph 3 of the Report of the Sixth Session Committee on this subject (page 207 of the Basic Instruments and Selected Documents) which provided that the Intersessional Committee might establish working parties consisting of some or all of its members, together with the countries directly concerned and any other countries which the committee might consider it necessary to invite and which were willing to serve. This had been in his mind in preparing the present report.

M. LECUYER (France) agreed generally with the Chairman's suggestions which he thought would make for a more efficient Intersessional Committee.

He shared the doubts expressed by the Italian delegate about giving the Committee the authority to establish working parties. It would be undesirable to begin a tendency to frequent meetings of working parties. Such meetings presented problems of proper representation to governments since experts could not easily be spared by their own administrations. He felt that working parties should be created only in exceptional and urgent cases.

Mr. AZIZ AHMAD (Pakistan) supported the Chairman's suggestions and felt that some intersessional machinery was essential. He agreed generally with the extension of powers as recommended in paragraph 11 of the report but stressed that, insofar as interpretation was concerned, it should be done prudently and only when there was agreement to engage in such an examination among all parties concerned. He supported the Canadian suggestion respecting representation on working parties but pointed out the practical difficulties for countries far from Geneva.

Mr. von SCHWEINITZ (Germany) stated that the German Delegation welcomed the recommendations of the Chairman. It would be useful for the new ad hoc body to undertake to examine questions of interpretation and to set up working parties when necessary provided that any items which they dealt with then appeared on the Agenda of the subsequent session. His Government would instruct an officer in the administration concerned, to keep abreast of all GATT questions in order to facilitate the intersessional work of the secretariat.

Mr. SEIDENFADEN (Denmark) raised the question whether, in the terms of reference for the intersessional committee, some instructions should not be included concerning preliminary studies on the problem of the revision of the General Agreement. He referred to Article 101 of the Havana Charter which provided for the carrying out of a general review of the provisions thereof in the fifth year after the entry into force of the Charter, and that at least one year before this special session, the members would be invited to submit amendments and observations. In 1953, the GATT would have been in operation for five years, and in view of its complex nature, a revision might be expected after the practical test it had already undergone. The adequacy of some of the present provisions of the Agreement should be reconsidered since their use in practice had demonstrated certain weaknesses and gaps. Some of the most complicated provisions were unquestionably due for simplification. The question arose of incorporating more of the provisions of the Havana Charter into the GATT. Also there was the problem of the adequacy of the machinery and organisation of the Agreement and finally the whole framework and structure of the protocols and agreements needed consideration.

Mr. Seidenfaden felt that some consideration could usefully be given to this matter by the Intersessional Committee so that the matter would not come up at the Eighth Session with no preparation and probably postponement as a result. If some basic material were collected in advance from interested governments and studied by the Intersessional Committee, much more constructive work at the Eighth Session would be possible. Once the forthcoming Commonwealth Conference in London and the United States elections were over, many problems in the field of national and international economic policy would be crystallized and the next session would have a sound basis for creative work in the field of international economic co-operation.

Mr. Seidenfaden explained that this was not a formal proposal but asked that some thought might be given to the question of whether the time was yet ripe for such preparatory work to be undertaken. If so, the question might be submitted to a group of experts or to a special session.

Mr. VERNON (United States) said that the views expressed in the Chairman's report were also the views of the United States on the merits and weaknesses of the intersessional procedures and he considered the various suggestions practical. With reference to the Chairman's statement that the Committee might make recommendations between sessions in cases where countries submitted questions to it, Mr. Vernon felt that such a possibility would be more acceptable if such decisions were in the nature of arbitral awards which would not have the same value as precedents as decisions taken by the CONTRACTING PARTIES as a whole. Nor should the observations accompanying such arbitrations be considered as precedents in the same sense as are observations contained in the reports of the CONTRACTING PARTIES.

Mr. LECKIE (United Kingdom) agreed with the Chairman's report and supported the establishment of a new intersessional committee. Even had there been no business now foreseeable for the Committee to deal with he felt that its work in preparation for the present Session would justify its re-establishment. On the question of interpretation, Mr. Leckie felt that it would be useful if the Intersessional Committee were to go so far as at least to analyze what the issues of interpretation were, but it should not make recommendations until such analyses had been considered by the CONTRACTING PARTIES. He agreed with the representative for France concerning the setting-up of working parties. There was a danger that many proposals from outside bodies would be submitted to the CONTRACTING PARTIES and particularly in the case of such proposals it would be useful for the CONTRACTING PARTIES to consider them before consigning them to study by a working party. He agreed on the need for improvement in the submission of documentation. In this connection it might be useful if the Intersessional Committee on the Agenda could meet perhaps six weeks before the Session instead of four weeks, thus giving governments more time to consider its recommendations before the opening of the Session. As for the Chairman's suggestion to use the Intersession Committee as a sort of "panel on complaints" he would see no objection provided the parties concerned agreed. It should be clear that any contracting party could reserve the right to bring its case before the CONTRACTING PARTIES.

Mr. Leckie thought that the Danish suggestion that the Intersessional Committee might consider proposals for amendments and review of the Agreement would extend the scope of the committee too much. This was far too large a question to be settled within the context of the Intersessional Committee and the CONTRACTING PARTIES themselves would have to initiate action on this matter.

Mr. SINGH (India) supported the Chairman's suggestion. The Intersessional Committee had been useful and it was proper to consider how this usefulness might be enhanced. He shared the misgivings of the delegates of Italy, France and the United Kingdom about authorising the Committee to appoint working parties. It was preferable that subjects be debated first by the CONTRACTING PARTIES.

Dr. TREU (Austria) said that the Intersessional Committee provided an element of security for the operations of the General Agreement. He felt that the Intersessional Committee should have authority to consider questions or complaints of contracting parties. Since the Committee was appointed by the CONTRACTING PARTIES it would mean that at least preliminary consideration could be given on behalf of the CONTRACTING PARTIES.

Dr. BOTHA (South Africa) thought that the extensions to the terms of reference of the Intersessional Committee suggested by the Chairman were not excessive and would permit even more useful work by the Committee. He supported the reappointment of the Committee and the suggestions for improving liaison arrangements. With regard to the Danish suggestion he felt that if any work were to be done by the Committee it must be of only a very preliminary nature since the time had not yet come for a review of the General Agreement.

Mr. TONKIN (Australia) said it was obviously necessary to have an intersessional committee to deal with the many matters outstanding and supported its reestablishment with the terms of reference as suggested by the Chairman which he considered an improvement. He thought the Chairman's further suggestion that two or more contracting parties might bring questions or complaints to the Committee had distinct possibilities and he would be interested to hear some further explanation of this idea.

Mr. TAYLOR (New Zealand) supported the views of other speakers. It would be helpful if provision were made whereby representatives of interested countries might participate as full members of the committee. He was aware that observers could always be heard at the committee meetings but it would be better if direct representation were given to them.

Mr. van BLANKENSTEIN (Netherlands) supported the Chairman's suggestions for the intersessional procedure which seemed to him to improve the machinery for the administration of the Agreement. He also supported the suggestion by the Danish Delegate for a study of the problems of the operation of the Agreement in general. It was important that the yearly sessions be short and he hoped that contracting parties would assist the work of the intersessional committee by submitting items in ample time for consideration by the Committee before meetings of the CONTRACTING PARTIES. He had also been somewhat disappointed by the reluctance the Committee had shown in the past year to take up certain matters. The question of representation was always a problem and he would prefer to see the representation on the Committee as continuous as possible. The only satisfactory solution was to make the CONTRACTING PARTIES into an organisation and give thereby the secretariat a stronger position than was possible under the present circumstances.

The CHAIRMAN noted that there seemed to be agreement to reestablish the Intersessional Committee within the terms of reference contained in doc. L/52; that the Committee should be authorised to examine questions of interpretation although any final consideration on recommendations in this field would be the province of the CONTRACTING PARTIES. There seemed to be agreement that the Committee should not be too freely authorised to establish working parties and that they should not be set up to discuss questions which had not been considered by the CONTRACTING PARTIES. The earlier rules in this case should

apply. Any recommendations of the Committee would be submitted to the contracting parties by postal ballot, at a special session, or at regular sessions. It seemed the general view that a kind of arbitral procedure would be useful, provided the contracting parties concerned agreed to use the Intersessional Committee in this way. In any case, decisions taken in this way would not create precedents. The Chairman referred to the suggestion that the Intersessional Committee meet six weeks before the Session and thought there might be difficulties since rule 2 of the rules of procedure provided that items for inclusion in the provisional agenda could be submitted up to one month from the date of meeting and many papers and items would not be submitted earlier. The general view of the question raised by the representative of Denmark seemed to be that, if the Intersessional Committee were to go into the question of a general review of the Agreement, it should only be with caution and on more definite instructions from the CONTRACTING PARTIES.

The Chairman proposed the same membership for the future Intersessional Committee as there had been in the Ad Hoc Committee Committee and stressed the importance that the representatives should be thoroughly familiar with the problems of the General Agreement. He asked the Executive Secretary to draft new procedures and terms of reference

The Chairman's summing up and the membership of the Committee were agreed.

4. Other Business: Pakistan Licence Fee and Duty on Exports of Jute

The Chairman recalled that the CONTRACTING PARTIES had made no decision on the question of including this item on the Agenda of the present Session. In view of the limited time remaining, he had discussed the matter with the delegates of India and Pakistan who had agreed that the CONTRACTING PARTIES take note of the matter for the moment in the following terms:

"The CONTRACTING PARTIES take note of the complaint by India against Pakistan. The CONTRACTING PARTIES also take note of the fact that certain aspects of this question and certain suggestions with regard to it are still under consideration by the Government of Pakistan. In these circumstances, and having regard to the fact that it would not be possible for the CONTRACTING PARTIES to deal with the substance of the matter in the few days remaining of the present Session, it is agreed that if and when the Indian Government feels it necessary, in the light of the circumstances, and having regard to any consultations which may be proceeding between the two Governments, to ask the CONTRACTING PARTIES to proceed with the discussion of the substance of the complaint, it will be considered by the Intersessional Committee to be established by the CONTRACTING PARTIES to operate between the Seventh and Eighth Sessions. It is also agreed that if after a reasonable period the Indian

Government finds it necessary to proceed to the discussion of the substance of this matter, the necessary steps will be taken for the matter to be considered promptly by the Inter-sessional Committee, and thereafter, if necessary, by the CONTRACTING PARTIES."

Mr. SINGH (India) stated that the question was an urgent one for India and hoped that if it became necessary to ask the CONTRACTING PARTIES to consider the matter, it could be taken up promptly so that a decision could be reached with no delay.

Mr. AZIZ AHMAD (Pakistan) stated that his delegation accept the formula proposed by the Chairman. He hoped that the matter would be settled satisfactorily without having recourse to the CONTRACTING PARTIES.

The CONTRACTING PARTIES agreed to the statement read by the Chairman.

The meeting rose at 6.25 p.m.