

GENERAL AGREEMENT ON TARIFFS AND TRADE

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19 September 1951
ORIGINAL. ENGLISH

CONTRACTING PARTIES Sixth Session

SUMMARY RECORD OF THE FOURTH MEETING

Held at the Palais des Nations, Geneva
on Wednesday, 19 September, 1951, at 10.30 a.m.

Chairman: Mr. Johan MELINDER (Norway)

Subjects discussed: 1. Informal Guidance for Correspondents
 2. Continuing Administration of the Agreement (Continued)

1. Informal Guidance for Correspondents

The CHAIRMAN referred to the informal guidance for press and radio correspondents (Press Release GATT/35) which was before the delegates for their approval after which it would immediately be released to the press. This was approved.

2. Continuing Administration of the Agreement (Continued)

The CHAIRMAN stated that the preceding day's discussion had concluded for the time being the consideration of secretariat services. The Contracting Parties should now consider the question of a Standing Committee.

Mr. COUILLARD (Canada) referred to the report of the working party appointed at Torquay (Document GATT/CP.5/49) which had been limited to the procedural and administrative aspect of the question and covered these aspects very extensively. The Working Party after studying these matters had concluded that a standing committee could serve a useful purpose and contribute to the efficient administration of the Agreement. There now remained only the question whether contracting parties were ready and willing to establish a standing committee. Arguments based on procedural or administrative grounds could not change the position which governments had presumably taken in the interval between the close of the Fifth Session and the present one. The previous day's discussion had shown in any case that governments were concerned more with practical than procedural considerations.

The Canadian Government still agreed with the conclusions contained in the Report and would welcome the establishment of a standing committee as envisaged in the Report. They would hold to this position, however, only if a sufficient number of contracting parties shared their opinion and were ready to make a standing committee effective, provide adequate representation and, in fact, take the normal steps required to make the General Agreement an effective and growing organization. His government believed that the operation of the General Agreement should be made more effective and businesslike and that the Contracting Parties should be in a position to do all the work outlined in the Report. Alternative proposals might, however, prove acceptable. The Contracting Parties might prefer to establish a number of

intersessional working parties and to delegate to the Secretariat much of the work assigned in the Fifth Session Report to the proposed standing committee. These matters could obviously only be decided when a decision had been taken on the question of principle.

M. SUETENS (Belgium) considered the problem a delicate one and thought it would be unwise to take very settled positions from the start of the discussion. The report of the Working Party raised many questions. It was clearly stated several times that a standing committee would have no authority to take any decisions. He wondered whether in such circumstances it would be possible to delegate any powers to such a committee. He referred to the fact that the ITO Charter, and even the Interim Commission for the ITO, provided for smaller groups, composed on the basis used in the Report for the standing committee, to which certain powers were delegated, and he wondered if this principle had been completely abandoned. A committee which merely prepared agenda items did not seem very useful, as it would be sufficient merely to appoint a working party composed of suitable experts and to assign further functions to the Secretariat.

Mr. ARGYROPOULOS (Greece) could not agree with the Belgian Delegate. A standing committee would be of great assistance in undertaking a preliminary examination of questions, thereby shortening the time which the Contracting Parties would have to devote to their consideration. Certainly the delegation of powers by the Contracting Parties to a body which included only certain countries could not be contemplated, nor was it desirable to accord to such a body the power of decision. A standing committee should be viewed as an enlarged working party whose decisions, because of the number and variety of countries represented, would have somewhat greater weight than those of an ordinary working party. The composition of a standing committee would, of course, be an important matter. A sufficient number of countries should be represented without, however, making the Committee too unwieldy. Furthermore, he believed there should be yearly rotation of membership on a geographical basis so that the interests of the different regions would always be represented; only in this way could the committee be fully representative and the results of its work have sufficient weight with the Contracting Parties.

Sir Hartley SHAWCROSS (United Kingdom) expressed his pleasure in taking part in a session of the Contracting Parties and emphasised the importance which his Government attached to their work. He regretted that he had to disagree with the proposal for a standing committee. The General Agreement was of particular interest to the United Kingdom as co-signed with the United States of the Atlantic Charter, where the idea of an international commercial body had originated, and as a close associate of the United States in evolving the 1945 commercial policy proposals. The series of conferences that had taken place since that time had made this a notable international enterprise and, although all the work had not come to full fruition, the efforts in drawing up the Havana Charter had not been in vain. There was no ITO, but the Contracting Parties had already an impressive record as a co-operative effort in international trade. His government attached much importance to continuity in the official representation of the various countries and he mentioned the debt of the Contracting Parties to M. Suetens, Mr. Wilgress and the present Chairman.

The United Kingdom Government, along with others, had not yet felt able to commit itself finally to the General Agreement. It wished at some point to review the whole operation of the Agreement as it stood in the light of experience. The United Kingdom would have to assess particularly how far the restrictions on imperial preferences and the provisions concerning relations with the International Monetary Fund were counterbalanced by tangible advantages to the United Kingdom contained in the Agreement in its present form. Whatever the United Kingdom's view on these matters, however, they fully supported the idea of the Agreement. The periodic meetings of the Contracting Parties were also considered of great value and the mutual friendship and understanding built up by such meetings was, if perhaps intangible, one of the most significant developments of the post-war years.

The practical character, which the General Agreement combined with its high ideals, was to the United Kingdom of the greatest importance. His Government felt that new international bodies should not be superimposed on the already large number existing, unless there was definite proof that they would be worth the time and money involved. International co-operation was not necessarily promoted by increasing the number of international bodies and he doubted whether a standing committee would be sufficiently useful. The Belgian delegate had referred to the Executive Board of the ITO: this might have been proper for the ITO, but the volume of work of the Contracting Parties was very much smaller than that contemplated for the ITO and it did not follow that methods suitable for the larger organization would be suitable for the smaller.

The main question was how to deal with matters which arose between sessions. There was also the lesser question of making preliminary studies of agenda items. His Government in considering this matter had asked themselves various questions; first, would there be enough work for a standing committee? Experience to date suggested that there would not. The Contracting Parties had already provided for the appointment of intersessional working parties on particular subjects and in only three or four cases had it been necessary to call them together. There had been occasions when preliminary work would have been useful on the agenda for a session, but such work might, on the other hand, only have resulted in duplication. Unless the scope of the Contracting Parties were greatly extended there would probably not be sufficient work for a standing committee to do, and if it were not fully occupied, it could not build up the continuity of experience which would be its main value or it might, on the other hand, create work in order to justify its existence. Secondly, was the work of such a kind that it could best be done by a body of fixed composition rather than by ad hoc working parties appointed to deal with the specific matters? His government considered ad hoc working parties made up of suitable experts on particular items more efficient.

The present method of periodic meetings of Contracting Parties had one great advantage which might be lost by the creation of a standing committee. The people who met together from time to time each year for the Contracting Parties spent most of their time in their respective countries engaged in the day-to-day administration of the various matters that were discussed at the meetings. They had therefore experience in the practical application and the implication of any policy. Members of a standing committee, on the other hand, would become specialists in international discussion and would be isolated from the

practical application of the results. The present realistic spirit of the discussions derived essentially from the direct contact of practical administrators with their opposite numbers in other countries.

The time might of course come when the scope of the General Agreement would be such that an effective body operating between sessions would be necessary. He would prefer to defer further consideration of this proposal until such time: in fact, it would be more appropriate to take it up when the Contracting Parties came to consider the revision of the terms of the General Agreement which his Government felt would be necessary if the Agreement were to become a fully satisfactory instrument of international trade policy.

Mr. SVEINBJÖRNSSON (Denmark) said that it had been the general opinion of the Working Party in Torquay that a standing committee could serve a useful purpose. Contracting parties had agreed to take no final position then but to be prepared to state their positions at the Sixth Session. The Danish Government was prepared to support the establishment of a standing committee on the lines laid down in the Report of the Fifth Session. They agreed that a standing committee should take no decisions, but thought it could do useful preparatory work. His government also supported in principle the suggestions on the composition of the standing committee, though they would have to reserve their final position until the actual membership was proposed, and on its terms of reference. The question raised by the Belgian delegate of the power of taking decisions had been carefully discussed in Torquay. It had been agreed that a standing committee could take no decisions, and his government would certainly not be able to support any other proposal. While Denmark was prepared to support the creation of a standing committee, it did not wish to press the proposal and he was quite prepared for further discussion. Referring to the remarks made by the United Kingdom representative Mr. Sceinbjörnsson said that he did not understand that the creation of a standing committee would prevent the setting up of specialised working parties where necessary. The idea was rather that such a committee would be useful and helpful for the contracting parties and the Secretariat in the intervals between sessions of the Contracting Parties. He could not agree that before adopting any new methods of procedure, complete success must be assured; surely the criterion should be that the new procedures could do no harm and might be helpful. With reference to the United Kingdom suggestion that consideration of the standing committee be postponed until the Agreement in general was reviewed, he suggested that experience of the actual operation of a standing committee might be useful when the time came for taking a final decision.

Mr. THORF (United States) thought there was agreement that there was a real problem of dealing with matters which arose between sessions. His government felt that a standing committee was one satisfactory solution to the problem, but their basic concern was with a solution rather than with any particular form. He was not particularly impressed with some of the difficulties that had been raised. The suggestion had been made that the committee might be composed of impractical people creating work for themselves. His government had never envisaged a standing committee in continuous session but rather that it would be available to meet when circumstances required and that its meetings would be considered sufficiently important so that the practical administrators would attend them. As to the increased strain on government resources, the solution

of ad hoc working parties might prove as great a strain. A standing committee, on the other hand, might be able to lessen the strain by careful planning. Furthermore ad hoc committees were appointed essentially to carry on and report on matters after a full discussion had taken place in the Contracting Parties, while the proposal for a standing committee provided that preparatory work could also be done. If the purpose of a standing committee were carried out and the preparatory work successful, the sessions of the Contracting Parties themselves might be considerably shortened, and this would surely be of benefit to governments. It would never be really possible, of course, to assess which of the two forms would be the least expensive.

He was concerned, however, . . . the suggestion that the imperfections of the General Agreement and the need for eventual reconsideration should influence decisions on the means of improving its present efficiency. The United States did not attach importance to the standing committee in itself, but was anxious to find a solution which would increase the efficiency of the organisation.

Mr. BORRESEN (Norway) said that in the discussion at Torquay they had sought a means of increasing the efficient operation of the Agreement in its present form. Norway continued to support the establishment of a standing committee, and did not consider that it could in any way prejudice the future of the Agreement itself. The revision of the Agreement, which he agreed would certainly have to take place, might perhaps involve altering the standing committee. His government felt that a standing committee would serve a useful purpose but would not press strongly for its establishment if other countries disagreed. He suggested that a working party be set up to study further the Torquay Report and the papers prepared by the Secretariat in the light of these discussions.

Mr. PERERA (Ceylon) said that his government could not support the proposal for the establishment of a standing committee, particularly with the terms of reference set out in the Report of the Torquay Working Party. He agreed with the views expressed against its establishment and particularly with the United Kingdom delegate. Although he agreed also with the Canadian delegate that a standing committee might contribute to the efficient running of the General Agreement and that certain questions might usefully be clarified for consideration by the Contracting Parties at their regular sessions, the objection of his government was based on other grounds. Ceylon was not in favour of the delegation by the Contracting Parties of any powers to a body composed only of certain contracting parties no matter how limited the terms of reference. Furthermore, although the standing committee was only empowered to make recommendations and not decisions, a body which possessed the right to make recommendations inevitably strongly influenced the final decisions. Although working parties had the power to make recommendations there was in his view a considerable difference between a standing committee with fixed membership and ad hoc working parties established for particular questions.

The meeting adjourned at 1 p.m.