

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED  
LIMITED B  
GATT/CP.6/SR. 5  
20 September 1951  
ORIGINAL: ENGLISH

CONTRACTING PARTIES  
Sixth Session

SUMMARY RECORD OF THE FIFTH MEETING  
Held at the Palais des Nations, Geneva,  
on Wednesday 19 September 1951 at 3 p.m.

Chairman: Mr. Johan MELANDER (Norway)

- Subjects Discussed: 1. Continuing Administration of the Agreement  
(continued).
2. Appointment of Working Party for International  
Chamber of Commerce Resolutions.

X 1. Continuing Administration of the Agreement (continued)  
(GATT/CP.5/49 & SR. 25, GATT/CP.6/9, 13 & 17.)

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Mr. STIG SAHLIN (Sweden) agreed that a standing committee could serve a useful purpose by contributing to the efficient administration of the Agreement. However, while not agreeing with the arguments of the representative of the United Kingdom, he thought a thorough study of the question was desirable to ensure that effective arrangements were made to cope with questions arising between sessions and to provide the secretariat with a body which it could consult. His delegation was prepared to discuss any other solutions directed to the same end. The system of ad hoc committees had its difficulties and he did not think they constituted the proper machinery for attending to the preparatory work of the sessions. X

Mr. PRESS (New Zealand) did not wish to repeat the arguments of the representatives of the United Kingdom and Ceylon to which his delegation attached the greatest importance. He saw no reason why the efficient working of the Contracting Parties was impaired by the absence of a standing committee. The success of the Contracting Parties - one of the most informal of international bodies - was largely due to their ad hoc character. The Agreement provided a set of rules for governments and a forum for the discussion of problems and the ironing out of differences, and he did not see how a standing committee fitted into this framework. So long as the Agreement retained its provisional character there was no need for such a body. Moreover, great difficulties would arise for small countries which might be represented for short periods but otherwise would have to be content to have their views stated by others or wait for meetings of the Contracting Parties. The argument that countries would be free to send representatives at any time was equivalent to saying that for each subject there would be an ad hoc working party besides the standing committee. He also suggested that the standing committee was liable to come under the influence of other permanent organizations so that the Contracting Parties risked losing their present independence.

Mr. DI NOLA (Italy) found there was little to say after so many arguments had been put forward. He would, however, call attention to the significant change in the atmosphere from that which had prevailed at Torquay. Proposals sometimes

have an appeal at first sight which they lose after a thorough examination. Moreover, at Harquay most delegates, including his own, thought that between the two sessions the Agreement would reach a greater measure of stability. Consequently what had then seemed appropriate was now looked upon with less enthusiasm. If a standing committee were a purely technical body with no powers of decision - merely appointed to pave the way for the decisions of the Contracting Parties - it would not have the efficiency, competence and authority of an ad hoc committee, and when problems of interest to all contracting parties arose a larger number of countries should be represented. Situations might arise in which the proposed committee would merely duplicate the work of the Contracting Parties.

Their choice was between giving to a standing committee powers of decision and setting up a body which would be less efficient than ad hoc working parties. He referred also to the difficulties of the composition of such a body, a matter which caused great concern to the less-important trading countries who would suffer from a measure of discrimination which did not exist at present. It was true that these countries would be able to express their views fully at meetings of the Contracting Parties, but experience had shown how difficult it was to influence decisions at that stage. Particularly so, in this case as reports would already have the support of the members of the standing committee. He did not think that the possibility of sending observers provided sufficient guarantees. As for the suggestion that a standing committee could engage in studies, examination of disputes, and other activities leading to decisions of the Contracting Parties, he thought such studies could be entrusted to the secretariat. The Contracting Parties were in need rather of a secretariat enjoying the necessary stability for the performance of its work at its best.

Reverting to the question of the disadvantageous position of countries not enjoying a permanent seat on a standing committee, he suggested that if a committee were to be set up, the practice of the International Monetary Fund should be studied despite its obvious disadvantages. In conclusion he said that the difficulties of the secretariat between sessions could not be denied and his delegation would be prepared to examine any proposals which aimed at facilitating the secretariat's task.

Mr. AZIZ AHMED (Pakistan) thought that a discussion of this nature was not appropriate at the present time. He wished however to emphasise that if a standing committee were set up great attention would have to be given to its composition so as to ensure that all types of economies were equally represented. Nevertheless, in present circumstances, he thought the best course was to defer the problem, as had been suggested by the Norwegian representative.

Mr. PHILLIPS (Australia) wished to support the argument of the representatives of the United Kingdom and Italy. He thought it would be more profitable to broaden the functions of the Secretariat, to institute ad hoc committees and to revise the rules of procedure. The time was not ripe and the creation of a standing committee would give the Agreement a greater permanence than it actually had. The element of uncertainty in the present situation and the need for a review of the contents of the Agreement suggested that the matter should be deferred.

Mr. LECUYER (France) recalled that his delegation had shown great interest in the proposal when it was first discussed at Torquay and had thought that the Report which was the outcome of their discussions would serve as a basis for setting up a standing committee. He did not deny the importance of the arguments of the United Kingdom representative, but after hearing all the opinions which had been expressed his delegation concluded that the advantages outweighed the disadvantages. Account would have to be taken of the criticisms of the representatives of Greece, Italy and Pakistan, but he saw no reason for rejecting the proposal because of any uncertainty about the future of the Agreement. He thought they could most appropriately show their confidence in the Agreement by setting up the machinery which would ensure the continuity of its work.

Mr. VAN BLANKENSTEIN (Netherlands) said he was concerned to find a solution to what might become one of the main problems of the Agreement: twice every year for six weeks governments had to forego at home the services of important officials who were sent to represent them in the Contracting Parties. The length of the sessions was entirely attributable to the absence of adequate machinery. They had a secretariat which was too small and existed on an uncertain basis and it was unreasonable to expect from this small group a more thorough preparation of meetings. For most governments the men who framed commercial policy could not be spared for the meetings and a time might come when even the present representatives would not be able to attend the sessions. They must aim at a solution which would lead to shorter sessions and any proposal in this direction would have his support. He disagreed with the representative of the United Kingdom that they would be setting up a new international body. Their experience with intersessional working parties was not a happy one. Such bodies had a tendency to leave matters pending for the Contracting Parties to solve. It was his opinion that a standing committee might provide the solution they were looking for in that all the work it would do towards the preparation of sessions would shorten the meetings. He also thought there was no reason why the standing committee should not set up working parties if such were necessary. Their main problem was to shorten the sessions and to achieve this purpose three conditions had to be fulfilled: viz. the Secretariat should be strengthened so that it could undertake broader tasks; some means should be found to give the Secretariat more guidance; and the Contracting Parties should be able to make further changes if it were found that the purpose of shortening the sessions were not achieved.

In conclusion Mr. Van Blankenstein asserted that his support for the proposal to establish a standing committee arose out of the desire of his Government to strengthen the General Agreement.

Mr. PEREZ CISNEROS (Cuba), in the belief that the existence of a standing committee would ensure a more efficient administration of the Agreement, expressed his Government's support in principle for the Report of the Working Party. Certain aspects of the proposal required further detailed discussion and for this reason he would only give his general approval. Whilst agreeing with the importance of the remarks made by the representative of the United Kingdom he did not think that ad hoc committees would meet their requirements especially when urgent matters arose between sessions. His delegation assumed that the standing committee would limit its activities to the task of preparing sessions and would not be entitled

to take decisions. He suggested a membership of 12 or 15, and as to the composition, the geographical location and the economic development of countries should be the criteria.

Mr. DHARMA VIRI (India) said that previous speakers had failed to convince him of the need for a standing committee. He was in full agreement with the representatives of the United Kingdom, Italy, New Zealand, Ceylon and Pakistan that the time was not yet ripe for the creation of a standing committee: the time for discussion of the proposal to set up a standing committee would come when the Contracting Parties decided to revise the Agreement. He appreciated the desirability of devising means of meeting present requirements and for that reason he favoured the suggestion of the representative of the Netherlands for the strengthening of the secretariat.

In case a working party were set up for further examination of the proposal, he would suggest that the terms of reference as set out in the report of Working Party "L" were too broad. Points (i) and (iii) of the proposed terms of reference would in fact enable the standing committee to engage in consultations either on its own initiative or on the proposal of a contracting party. This would give it the powers of an executive board, whereas its field should be restricted to matters specifically referred to it by the Contracting Parties. With regard to the composition of a standing committee, the ~~unacceptable~~ principles laid down by the Havana Charter, based on economic importance with particular regard to each country's share in international trade, types of economies and degrees of economic development, should be followed. X

Mr. BOTHA (South Africa) recalled that at the Fifth Session his delegation had firmly opposed the proposal and, after giving further thought to the matter, his Government did not now see any reason for changing that view. He did not share the optimism of the representative of the Netherlands who expected a saving of man-power to result from the work of a standing committee; the contrary was nearer the truth, in particular for the more remote countries which would have to send delegates if they wanted their interests to be fully protected.

Mr. HAGEMANN (Germany), speaking as the representative of a country which was about to become a contracting party, expressed his agreement with the views of the representatives of the United States, France and the Netherlands, that a standing committee, by its preparatory work, would help to shorten the duration of the sessions. They would welcome any suggestion with this aim.

Mr. TAUBER (Czechoslovakia) said that his delegation at Torquay opposed the creation of a standing committee for formal and practical reasons. From the formal point of view, he shared the opinion of some speakers that the Contracting Parties could not be treated as an organization. He regretted that this fact had not been made clear enough in the Report, because if an analysis of the principles of the Agreement had been made it would have been obvious that the Contracting Parties had no basis for the creation of a standing committee. X From the practical

point of view, he pointed out that points (i) to (xi) of the proposed terms of reference were concerned only with technical matters which were really the task of a secretariat. X

The CHAIRMAN, summing up the discussion, found that there was an almost equal division of opinion for and against the proposal. He also had the impression that many representatives had not yet completely made up their minds, but it was clear that the consensus favoured some machinery which would provide for the more efficient administration of the Agreement. The great interest shown by all delegations and the obvious need for a further probing of the question suggested, in his opinion, its examination by a working party.

M. SUTENS (Belgium) agreed that a working party should be set up but thought it would be difficult to separate the present question from those discussed on the previous day. They were concerned with the problem of strengthening the authority of the Agreement which, he noted with great pleasure, had so greatly increased in importance particularly since it had become known that the creation of the International Trade Organization was very doubtful. He proposed therefore that if a working party were set up it should examine the question as a whole in the light of the discussion in the present and the previous meetings.

Mr. CALDER (United Kingdom) hoped that they would not reverse the decision taken on the previous day that delegates should reflect further on the proposals for the provision of secretariat and conference services and resume the discussion of this subject. Whilst his delegation would collaborate, without prejudice to their position on this question, in the activities of a working party, he felt that in view of the great division of opinion and the number of points that had been raised, it would be better to defer the matter to the next session.

Mr. COUILLARD (Canada) considered that the interest aroused by this item certainly warranted the examination by a working party, but agreed with the previous speaker that the discussion on the financial questions should be continued.

Mr. AZIZ AHMED (Pakistan) informed the Chairman that he had no instructions from his government and that if the question were referred to a working party to report to the present Session, his delegation would not be able to take part. He supported the proposal to defer the question of a standing committee to the next session.

Mr. THORP (United States) suggested the creation of a working party with broad terms of reference so that the numerous suggestions, including that of increasing the responsibilities of the secretariat, could be thoroughly examined. There was nothing to prevent the working party, if it found that no progress could be made, to recommend deferment to the next session.

The EXECUTIVE SECRETARY said that in view of Mr. Thorp's remarks it was probably unnecessary for him to say what he had intended. He did,

however, wish to place on record, as one who was at least partially responsible for the administration of the Agreement, that even if it were decided not to pursue the discussion on a standing committee there remained nevertheless important points to settle concerning the continuing administration of the General Agreement. If the question of a standing committee had not been on the Agenda, he would have found it necessary to make a report on some of the problems which he expected would come up in the near future. He thought it would be possible to discuss these questions in a working party with broad terms of reference. He suggested therefore that the question be either submitted to the consideration of a working party or that a report be submitted by him on administrative questions which were likely to arise in the future administration of the Agreement as a special item on the Agenda.

Mr. DHARMA VIRA (India) agreed to the setting up of a working party. This solution would not prevent the Contracting Parties, if they thought fit, from deferring the question to a later session. The other questions discussed at previous meetings should be thought over as decided, and then discussed again in the Contracting Parties. It was for a later discussion to determine whether that matter should also be submitted for consideration by the working party.

The Contracting Parties agreed to maintain their decision of the previous day and to set up a working party which would, for the time being, be only concerned with the question of a standing committee. They would decide in the subsequent discussion what they would do with regard to the financial question.

2. Appointment of a Working Party for International Chamber of Commerce Resolutions

Following upon the decision of the previous day, the Contracting Parties agreed to set up a working party with the following terms of reference and the following composition:

Terms of reference

To examine the resolutions and proposals referred to the Contracting Parties by the International Chamber of Commerce on the simplification of documentary requirements, consular invoices and visas and the customs treatment of samples and advertising material, and to submit recommendations thereon.

Membership

Chairman: Mr. R. Ashford (United Kingdom)

Brazil  
France  
Greece  
India

Italy  
Netherlands  
New Zealand  
Pakistan

Sweden  
United Kingdom  
United States

The CHAIRMAN said that the Working Party would have the benefit of technical advice from an expert of the European Customs Union Study Group who could attend meetings in the capacity of consultant, and he suggested that the International Chamber of Commerce might be invited to send an expert to serve in the same capacity. Although there was no provision in the Rules of Procedure for the representation of non-governmental organizations he thought it would be useful for the Contracting Parties to have the technical assistance of the International Chamber of Commerce.

Mr. PRESS (New Zealand) thought it would not be proper for the International Chamber of Commerce to participate, that Contracting Parties would discuss matters of a confidential nature and non-governmental bodies should not be present.

The EXECUTIVE SECRETARY thought that the representative of New Zealand had raised a real point of difficulty and hoped that it would at some time be possible to examine the whole question of relations with non-governmental organizations. There was nevertheless merit in not affronting an organization which had been studying these questions for twenty-five years, and whose technical experience might be of value. He suggested that the working party be authorised to consult an expert from the International Chamber of Commerce when if they thought it proper, without the Chamber participating directly in the meetings. He thought this solution would be acceptable to the Chamber.

Mr. AZIZ AHMED (Pakistan) supported the suggestion of the Executive Secretary. While agreeing with the representative of New Zealand, he thought that if the Executive Secretary's suggestion were accepted, the International Chamber of Commerce could be invited to send an expert at the proper moment, for instance when the report had reached the draft stage.

Mr. PHILLIPS (Australia) sympathized with the difficulties of the Executive Secretary and said he did not wish to be discourteous to the International Chamber of Commerce. But he agreed with the representative of New Zealand that the presence of their experts might be embarrassing and he was not sure that the embarrassment might not become greater if the matter were left to the decision of the Chairman of the Working Party. This was particularly the case if the proposal of Mr. Aziz Ahmed were adopted that the experts be invited when the report was already drafted. He suggested that this was a matter which it was not fair to leave to the Working Party to settle.

The EXECUTIVE SECRETARY said he could see the limitations exposed by Mr. Phillips but he did not think they were evading the problem by refusing to allow the International Chamber of Commerce to participate. Common sense and reasonableness on both sides should be able to devise an acceptable solution which would ensure that the discretion of the Working Party was reasonably used.

Mr. BOTHA (Union of South Africa) also felt that, as a non-governmental organization and as an interested party, the International Chamber of Commerce should not participate in their discussion, but he thought there

would be no difficulty in asking them to state their case to the Working Party.

Mr. THORP (United States) considered it would be unfortunate if the Contracting Parties took action to debar the International Chamber of Commerce from attendance. If no action were taken in the absence of rules pertaining thereto, the Working Party could ask the International Chamber of Commerce to give evidence if they should consider this desirable. He proposed that nothing be said in the terms of reference.

The proposal of the representative of the United States was accepted.

The meeting adjourned at 7 p.m.

