

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Fourteenth Session

SUMMARY RECORD OF THE FIRST MEETING

Corrigendum

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The statement by the representative of Canada should read as follows:

"Mr. SCHWARZMANN (Canada) expressed support for the statement made by the delegate for the United States and stressed that the problem of discrimination was of interest to all countries. When the General Agreement came into being many countries, including the important trading countries of Western Europe, were faced with severe exchange difficulties arising out of the war. The international institutions established at that time had to recognize the need for transitional and exceptional arrangements to meet these temporary difficulties. As a result of these arrangements some contracting parties, including Canada, had had to face discriminatory quota restrictions established by other contracting parties. Canada had nevertheless maintained an open market and participated in three major tariff conferences. It was only on the understanding that these exceptional quota arrangements would be abandoned as soon as the financial situation of the countries concerned made it possible, that Canada had acquiesced in arrangements which adversely affected Canadian exports.

"Canada warmly welcomed the convertibility moves in Western Europe. This step brought the world much closer to the restoration of a truly multilateral system of trade and payments and presented a unique opportunity for the complete elimination of discrimination. Moreover, the early removal of quantitative restrictions, whether discriminatory or not, should result from the greatly improved financial position of most of the countries concerned. The recently adopted proposals by the International Monetary Fund for the increase of its resources provided increased confidence for such measures.

"Canada was gratified to note the substantial relaxation of import restrictions which had taken place since the last session, including the Netherlands' decision to remove such restrictions on a wide range of goods, having recognized that its balance-of-payments position no longer required resort to Article XII of GATT. No doubt the Netherlands delegation would wish to report on their Government's intentions for the early removal of these remaining restrictions.

"In conclusion, Mr. Schwarzmann stressed that, as a result of the external convertibility measures, the financial basis for discrimination no longer existed. Discrimination should, therefore, be removed, and rapid progress made towards the elimination of import restrictions generally. The contracting parties should ensure that the full logic of convertibility is speedily translated into meaningful trade results."

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The statement by the representative of Australia should read as follows:-

"Sir John CRAWFORD (Australia) said he granted the United States and Canada the proposition which they had put forward. Australia had, in fact, already taken very substantial steps to remove discrimination. The most recent step, taken on 1 April, raised the share of Australia's current import trade, open to all countries, to some 70 per cent, and there was promise of quite rapid further action as the import licensing system was reviewed every four months. It was agreed that it was in Australia's interests to proceed as rapidly as possible because of the cost advantages which would accrue. Having expressed his appreciation of the understanding of Australia's difficulties which the United States and Canada had shown in the past, Sir John Crawford made three points. Firstly, it was important to maintain the expanding trade conditions which alone could make convertibility a lasting achievement. Secondly, discriminatory import restrictions based on currency grounds were not the only ones. It was necessary to deal equally with the removal of all import restrictions, whether discriminatory or otherwise, which were not justified on balance-of-payments grounds. These included agricultural quotas and even lead and zinc quotas. The third point related to timing. After so many years of necessary discrimination it might well be that a single overnight action was not practicable, either for Australia or for other countries. The important thing was to report substantial progress at each session."