

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Intersessional Committee

SUMMARY RECORD

of the Meeting held at the Palais des Nations, Geneva
on 8 July 1955

Chairman: Mr. F. GARCIA OLDINI (Chile)

- Subjects discussed:
1. Requests by Belgium and Luxemburg for the maintenance of quantitative import restrictions - Report of Working Party
 2. Signature of the Declaration on the Continued Application of the Schedules
 3. Report on the financial situation

1. REQUESTS BY BELGIUM AND LUXEMBURG FOR WAIVERS FOR THE MAINTENANCE OF QUANTITATIVE IMPORT RESTRICTIONS - REPORT OF WORKING PARTY (L/372)

The CHAIRMAN recalled the establishment of the Working Party to consider the Belgian and Luxemburg requests for waivers from the obligations under Article XI with respect to certain agricultural products (IC/SR.19 page 9). The Working Party, having been unable to report to the CONTRACTING PARTIES any recommendations for dealing with the Belgian request, was reporting back to the Intersessional Committee.

Mr. DE BESCHE (Sweden), Chairman of the Working Party, referring to the Belgian request, recalled that the majority of the Intersessional Committee had been against considering the application under Article XXV and wished it to be considered under the Decision of 5 March. The Working Party had examined the request in detail on a product-by-product basis. The Belgian Delegation had provided extensive information regarding the administration of the existing restrictions, but the situation had been less clear when the discussion in the Working Party had turned upon certain aspects of the Decision. Moreover, no solution had been found to the difficulty that the request was for seven years, while the Decision provided only for five. The majority of the Working Party had felt that, on the basis of the information available, they could not yet determine whether concurrence under the Decision should be granted. In view of the importance of this occasion as a precedent for the consideration of applications under the Decision or for which the provisions of the Decision might be relevant, the Working Party had devoted some attention to the general principles which they considered should guide the CONTRACTING PARTIES in such examinations and had drawn up a questionnaire (Annex A of the Report) to be completed in respect of each item

included in an application. The Working Party recommended (paragraphs 14, 15 and 16) that Belgium be invited to submit information in the manner proposed as well as additional information specifically relating to its request (Annex B) not later than 1 September. The Working Party had sympathized with the question of timing raised by the representatives of Belgium and Luxemburg and the fact that it was not possible for them to submit the Review Protocols and the Organizational Agreement to their Parliaments until a decision had been reached on their requests for waivers. The Working Party considered that the request should be considered early in the Tenth Session and if it were not possible for the CONTRACTING PARTIES to reach an agreement in time for those countries to sign before the expiry of the time limit, an extension should be granted. The Working Party also recorded its view that, while Belgium's application was under consideration by the CONTRACTING PARTIES, no complaint under Article XXIII concerning any restrictions contained in the request should be considered.

The CHAIRMAN observed that, although it had not been possible for the Working Party to dispose of the problem presented by the Belgian request, the meeting had nevertheless been useful in developing the points pertinent to a waiver under the Decision, and in providing the Belgian Government with guidance as to the kind of additional information that would be required before final action was taken. This demonstrated the usefulness of the inter-sessional procedures since, had the initial consideration been deferred to the Tenth Session, the same difficulties would undoubtedly have arisen and delayed final consideration of the request to a later session or so as to prolong that session.

Mr. SUTENS (Belgium) said that the number of questions asked in the Working Party indicated that the Belgian régime was little known and must therefore not be injurious to many interests. He emphasized that the CONTRACTING PARTIES would be hearing again of agricultural restrictions, prohibitions, systems of minimum prices etc. Such practices were current in many countries, but other countries which made use of them were still able to invoke Article XII. Belgium, no longer able to invoke that Article, was the first contracting party to bring such matters before the CONTRACTING PARTIES, but there was no difference in fact and all such cases were systems of agricultural protection. The inequality, which was almost inescapable given the rigidity of the General Agreement, put Belgium in a difficult situation; Belgium alone would be required to dismantle its restrictive system. His Government accepted this situation but expected that account would be taken of this fact in considering the case and drawing up the conditions of the waiver. It would certainly be easier to do away with certain measures if they were being done away with in neighbouring countries. Reciprocity of effort was one of the characteristics of the OEEC to which it owed much of its success. He requested that these factors be kept in mind particularly when considering the duration of the waiver. Under the Decision, requests for waivers could be made until 31 December 1957 and the implication was that the CONTRACTING PARTIES had accepted a transition period until 1962, five years after that date, for the full application of Article XI. Belgium's request remained within the terms of that transition period.

His delegation accepted the report and attached importance in particular to the recommendation that the request be considered early in the Tenth Session, with the possibility of extending the date of signature of the Review instruments, and that no complaints under Article XXIII should be considered while the application was under consideration. His Government would attempt to give full replies to the questionnaire by 1 September.

Dr. NAUDE (Union of South Africa) agreed with the Working Party that it was not possible to come to any decision at this stage. He noted the comments in the Report concerning bilateral agreements and his delegation would express their final view at a later stage. They would also wish substantiation of the statement (contained in L/357/Add.2, page 25) regarding dumping on the Belgian market, a matter which the Working Party had not yet gone into.

Mr. MARTINEZ (Cuba) said that his Government reserved its position on the Report, including the suggestions and recommendations of the Working Party.

Mr. KLEIN (Federal Republic of Germany) said that although his delegation had felt the information supplied to be adequate to come to a conclusion in the case, they agreed with the majority to postpone consideration of the matter. His delegation was, however, concerned at the evolution of opinion on waivers under the "hard-core" Decision. The Review Working Party Report specifically stated that Article XXIV was available notwithstanding the Decision, and his delegation did not consider that every application must come under the Decision. The procedures laid down therein were so severe because the Decision provided for acceptance by simple majority. If applications were considered under Article XXV, where a two-thirds majority was required, it might not be necessary to retain the full severity of these procedures. The common interests of the community of the contracting parties should always be kept in mind and the same sympathetic consideration should be given to efforts for economic integration in Europe as had been the case when the United States waiver was granted, without time limit and without safeguards.

Mr. NOTARANGELI (Italy) reiterated the views of his delegation as to the gravity for the CONTRACTING PARTIES of the extension of time and of the broad scope of the Belgian request. He hoped that at the Tenth Session a solution to meet the real needs of Belgium would be found while at the same time he hoped that country would present a more limited request with respect to the number of products for which the waiver was asked, and a request more obviously transitional and diminishing in character.

Mr. DE BESCHE (Sweden), Chairman of the Working Party, referred to the section of the Report dealing with the Luxemburg case. The Working Party had been sympathetic to this request but felt that the two cases were closely related and should be taken up at the same time. This section could therefore be regarded as a progress report.

The COMMITTEE approved the Report. The Committee instructed the Executive Secretary to send copies of the Report to the contracting parties, to ask the

Belgian and Luxemburg Governments to submit additional data not later than 1 September, and to place the requests by Belgium and Luxemburg on the provisional agenda of the Tenth Session.

The CHAIRMAN, as representative of Chile, said that his Government might wish at a later stage to make observations on the Report.

2. DECLARATION ON THE CONTINUED APPLICATION OF THE SCHEDULES (IC/W/40)

The DEPUTY EXECUTIVE SECRETARY referred to the list of signatures set out in document IC/W/40. Seven Governments had neither signed the Declaration by the time limit of 30 June nor given any indication of their intentions with regard to the Declaration. He asked the Committee to consider whether the procedure of "negative unanimity" might be used in case any of these contracting parties requested an extension of the time limit.

It was agreed that if a request for such an extension was received, Governments would be asked to express their views within a certain time limit and those which had expressed no objection would be treated as though they had given their assent.

3. REPORT ON THE FINANCIAL SITUATION (L/369)

The DEPUTY EXECUTIVE SECRETARY wished to take advantage of the presence in Geneva of a certain number of contracting parties to request them to ask their Governments to accelerate the payment of contributions. As compared with 1954, the situation on 30 June 1955 showed an increase in expenditure and a decrease in contributions.

The CHAIRMAN thought that all representatives of Governments which had not yet paid their contributions would comply with the request of the secretariat.

The meeting adjourned at 12.20 p.m.