

RESTRICTED
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GATT/CP.2/SR.25

ORIGINAL: ENGLISH

GENERAL AGREEMENT ON TARIFFS AND TRADE

Contracting Parties

Second Session

SUMMARY RECORD OF THE TWENTY-FIFTH MEETING

Held at the Palais des Nations, Geneva, on
Tuesday, 14 September 1948, at 3 p.m.

CHAIRMAN: Hon. L.D. WILGROSS (Canada)

The CHAIRMAN paid tribute to the late Mr. Mohammed Ali Jinnah, Governor-General of Pakistan. The representatives rose and observed one minute of silence in honour of the late Governor-General.

Mr. HASNIE (Pakistan) thanked the CHAIRMAN and the representatives for their sympathy and assured them that Pakistan, following its late leader's teachings of non-violence and the respect of law, would always abide by the common will of the Contracting Parties and do its best to foster international co-operation.

REPORT OF WORKING PARTY 5 ON ARTICLE XXVIII, (GATT/CP.2/38)
(Continued discussion)

Mr. FRESQUET (Cuba) presented the views of the Cuban Delegation as were given in paragraph (29) of the report regarding the desirability of making provisions for a detailed procedure to be adopted by the Contracting Parties in relation to existing measures under Article XII and XVI of the General Agreement, similar to those recommended by the Working Party in dealing with measures under the new paragraph 11 of Article XVIII.

Paragraph (29) of the Report was approved.

A correction was made in Annex A in the date of provisional application by the Netherlands in respect of all overseas territories mentioned in the footnote; the date should have been March 1, 1948.

When Annex B was considered Mr. OFTEDAL (Norway) reverted to paragraph 6 of the Report and pointed out that the words "falling within" might be incorrect in case any of these measures should in future be deemed by the Contracting Parties as falling within the provisions of any of the several other paragraphs of the Article. At the suggestion of the CHAIRMAN, it was agreed to substitute the words "notified under paragraph 6 [11] of Article XVIII" for "as falling within the provisions of paragraph 6 [11]".

When dealing with Annex C, Decision I, the CHAIRMAN drew attention to the amendment recommended by the Legal Working Party in document GATT/CP.2/42. The recommended amendment under paragraph (1) was adopted.

Decision I was adopted by 14 votes to none.

The amendment to Decision II recommended by the Legal Working Party in the same paragraph of the same document was likewise approved.

Decision II was adopted by 15 votes to none.

The amendments recommended by the Legal Working Party to the first, second and third paragraphs of the preamble to Decision III, as given in paragraphs 2, 3 and 4 of the said document, were approved.

As regards the amendment recommended in paragraph (5) of the Report, that the word "shall" in the operative part of Decision III should be replaced by "may", the Contracting

Parties decided to reject it because this would have the effect of widening the scope of the waiver. In the words of Mr. HEWITT (Australia) the idea put forward in the original waiver was to postpone the decisions in respect of the measures to the Third Session of the Contracting Parties, whereas the recommendation of the Legal Working Party, if adopted, would make it possible to postpone the decisions indefinitely. This view was supported by Mr. OFTEDAL and Mr. de VRIES (Netherlands).

Decision III was approved by 15 votes to none.

The insertion of a statement in the Report in regard to Decision III, recommended by the Legal Working Party, to the effect that the governments of Cuba and the Netherlands were to maintain the measures to which that Decision referred until a decision regarding them was taken by the CONTRACTING PARTIES, was agreed to.

The following two corrections were made in Annex D:

1. The following words were deleted from paragraph (2): "If the applicant Contracting Party applies paragraph (8)".
2. Paragraph (3) was altered to read: "If an applicant Contracting Party elects to apply under paragraph (7) (i) or (ii) of Article XVIII, the following additional data would be helpful".

After some discussion on ANNEX E Mr. HEWITT (Australia) proposed changing "a specified period" into "the period specified" at the end of paragraph (8) of the ANNEX.

Mr. ADARKAR (India) suggested that paragraphs 10, 11, and the latter part of paragraph 9, being superfluous, should be dispensed with and paragraph (9) should be altered in such a way as either to reproduce accurately the language of the Charter or to refer to the relevant paragraphs of the Charter

without listing extra limitations; it would be, in his opinion, to the advantage of brevity merely to say, ".....will examine the measures in accordance with paragraphs 8 (b) (ii) and 14 of Article XVIII.

Mr. de VRIES (Netherlands) suggested that "reconstruction" should be mentioned alongside with "economic development" in paragraph (9) (a). He was inclined to regard the lines beginning with "in the light of the reasons", which Mr. Adarkar had proposed to delete, as essential.

Mr. SHACKLE (United Kingdom), whilst agreeing with Mr. de VRIES, suggested adding the words, "immediately and in the long run", at the end of paragraph (9) (b), and the words "subject to such limitations as they may impose" at the end of paragraph (10).

The following changes in the Report were approved:

1. Paragraph (8): ".....for a specified period the period specified in the application."
2. In paragraph (9): "..... likely to have immediately and in the long run, on international trade"
3. In paragraph (10): ".....they will permit its maintenance for a specified period subject to such limitations as they may impose."
4. In paragraph (1), line 14: "....the CONTRACTING PARTIES may at the Third Session make a decision under paragraph 8 (b) other relevant provisions of Article XVIII....".

In regard to the dates of October 31, 1948, December 15, 1948, and February 28, 1949, mentioned in paragraphs (1), (2) and (3) respectively, Mr. HEWITT (Australia) gave his reasons for such an arrangement; the intervals of time between the dates were considered to be of appropriate

lengths for the respective purposes. Referring to an earlier proposal made by the representative of Lebanon to alter the date for submission of statements, he pointed out that this would necessitate a reconsideration of the other dates.

Mr. MOBARAK (Lebanon) justified his earlier proposal on the ground that such information was generally difficult to get and, in view of the fact that the responsible officials were still at Geneva, it would be desirable that more time should be allowed for this purpose.

Mr. SHACKLE (United Kingdom) supported the suggestion of the representative of Lebanon and suggested that in case the deadline should be set for October 31, 1948, the other dates, namely, one for the forwarding of requests for further information and one for the receipt by the Chairman of any objections to any of the measures, could be consequently changed without causing much inconvenience.

Mr. HEWITT (Australia) said that the earlier proposal of the representative of Lebanon, in which the date of November 15, 1948, was suggested, might be convenient.

Mr. MOBARAK (Lebanon) said that the substitution of November 15 for October 31 and of December 31 for October 15, would be agreeable to his delegation. It was agreed that changes in the Report should be made accordingly.

The Report of Working Party 7 was approved.

The CHAIRMAN proposed that the Secretariat should be authorized to issue the Decisions taken by the CONTRACTING PARTIES as unrestricted documents.

The proposal was approved.

SUPPLEMENTARY REPORT OF WORKING PARTY 5 (GATT/CP.2/38/Add.1)

Mr. HEWITT (Australia) introduced the report and outlined its contents. Reference was made to the necessary experimental nature of the procedures recommended, the lack of a permanent body to take decisions in the interim, the need for providing for special sessions, the advisability of laying down definite procedures for notification in order to avoid delay, and other essential points in the Report.

The CHAIRMAN thought that the experimental procedure would, in the absence of a permanent executive body, render considerable assistance to the Chairman and the Executive Secretary.

The Supplementary Report was unanimously approved.

REPORT OF WORKING PARTY 7 ON CUBAN SCHEDULE (GATT/CP.2/43)

The CHAIRMAN introduced the Report and drew attention to its salient points of agreement.

Mr. LEDDY (United States) stated that the solution to these problems recommended by the Working Party was acceptable to his government; however, two points on which the delegations of the United States and Cuba had reached agreement should be registered in the summary record. First, the "adequate compensation" referred to in paragraph 3 would take the form of concessions within either one or other or both schedules. Secondly, in connection with the last paragraph of the understanding expressed by the Working Party at the end of the Report, it should be understood that the re-negotiation provided for in paragraph 3 was a separate question and the negotiations themselves would have to be conducted on their own merits.

Mr. GUTIERREZ (Cuba) acknowledged that this had been

agreed to. On his part, he wished to state that the last paragraph of the Report should be clarified as follows. That the Cuban Government undertook to engage in initial discussions immediately on the items in question, but inasmuch as a mutually satisfactory solution might not be reached for a certain time, say, April next, it might happen that in the meantime the situation should deteriorate or become such, in the opinion of the Cuban Government, as to warrant further steps to cope with it. The acceptance of this Report should not be construed as meaning that no recourse could be made to Article XVIII or XIX. While hoping that it would not be necessary to invoke these provisions, the Cuban Delegation would request that this be properly recorded to forestall such a possibility. He requested that a paragraph be added at the end of the Report to the effect that the United States and Cuban Governments agreed to the solution of the problem.

Mr. LEDDY agreed to the insertion of such an acknowledgment in the Summary Record.

The CHAIRMAN suggested that the statements made by the representatives of the United States and Cuba that their respective governments had accepted the solution should be noted in the Summary Record.

Mr. GUTIERREZ replied that this would be satisfactory to his delegation.

The Report of Working Party 7 was approved.

Mr. CASSIER (Belgium) wished to be assured that the results of the negotiations in connection with the question of Resolution 530 should apply in the same manner between Cuba and the other contracting parties.

Mr. SHACKLE (United Kingdom) expressed the same desire.

Mr. GUTIERREZ (Cuba) replied that in applying these measures and in effecting the results, the Cuban Government would abide by the terms of the General Agreement.

SIGNATURE OF THE PROTOCOLS

The duly authorized representatives of the contracting parties proceeded to the Executive Secretary's office at 5:30 p.m. to sign the following Protocols:

1. Protocol Modifying Part I and Article XXIX of the General Agreement on Tariffs and Trade.
2. Protocol Modifying Part II and Article XXVI of the General Agreement on Tariffs and Trade.
3. Protocol for the Accession of Signatories of The Final Act of October 30, 1947.
4. Second Protocol of Rectification to the General Agreement on Tariffs and Trade.

The Agreement on Western Germany was presented for signature at the same time. A list of all Governments which signed it at Geneva would be circulated for information on 20 September 1948.

In reply to Mr. de Vries, the CHAIRMAN gave his opinion that there should be no need for special provisions in the Rules of Procedure to meet the requirements of emergency sessions before which adequate notice might not be given regarding agenda items; the notice requirement in the Rules of Procedure, if need be, could always be waived by unanimous consent.

The CHAIRMAN delivered his closing speech in which he outlined the achievements of the Session and expressed appreciation on behalf of all the Contracting Parties of the

work of those who helped in making the session a success. The speech was circulated, at the request of Mr. RODRIGUES (Brazil) as document GATT/CP.2/45.

Mr. SHACKLE (United Kingdom) and Mr. ADARKAR (India) thanked the Chairman, in the name of the representatives, for his authority, patience and devotion, as president which were so largely responsible for the success of the session.

The meeting adjourned at 6.40 p.m.