

GENERAL AGREEMENT ON TARIFFS AND TRADE

LIMITED B
GATT/CPS/SR.1
29 March 1951
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Special Session, 1951

SUMMARY RECORD OF THE FIRST MEETING

Held at the Marine Spa, Torquay,
on Thursday, 29 March, at 3 p.m.

Chairman: Mr. J. MELANDER (Norway)

- Subjects discussed:
1. Election of Chairman.
 2. Election of Vice-Chairman.
 3. Adoption of the Agenda.
 4. Item 5. Statement by the Belgian and Netherlands representatives on the possible effects of the Schumann Plan on certain iron and steel items in Schedule II (Benelux).

1. Election of Chairman

The EXECUTIVE SECRETARY said that the first item on the Agenda was the election of a Chairman and Vice-Chairman. In accordance with Rule 10 of the Rules of Procedure, the terms of the present Chairman and Vice-Chairman, who were elected at the Fourth Session, had expired. He suggested that the Chairman and Vice-Chairman should be elected for the period specified in Rule 10.

The EXECUTIVE SECRETARY explained that he had discussed the question of officers with some of the delegations and had circulated a note to heads of delegations asking for nominations. Several delegations, including Australia, Benelux, Canada, France, the United Kingdom and the United States had proposed Mr. Melander (Norway). He therefore considered it proper to lay this nomination before the Contracting Parties and to invite any other nominations.

In the absence of any other nominations the EXECUTIVE SECRETARY declared Mr. Melander unanimously elected, and Mr. Melander then took the Chair.

The CHAIRMAN thanked the Contracting Parties for his election and said that he would do his best to serve them in his new office, although it would not be possible to live up to the reputation of his predecessor. Mr. Wilgress, who had contributed so much to the success of the Contracting Parties during the period of his Chairmanship since 1947, had found it necessary to withdraw from this task. He thought the Contracting Parties would wish to ask the Executive Secretary to convey to Mr. Wilgress their sincere thanks for his work in the past and their hope to see him in the future as head of the Canadian Delegation.

2. Election of Vice-Chairman

Mr. DESAI (India) proposed Mr. TONKIN, of Australia.

In the absence of any other nomination, the CHAIRMAN declared that Mr. TONKIN was elected unanimously.

Mr. TONKIN thanked the Indian representative and the Contracting

3. Adoption of the Agenda

The CHAIRMAN referred to the provisional Agenda, circulated as document GATT/CP/102. In addition, the Czechoslovak Delegation had circulated a proposed addition to the Agenda under the symbol GATT/CPS/1.

- a) The inclusion of items 1, 2 and 3 was approved.
- b) Item 4 - Questions concerning the Torquay Protocol.

M. LECUYER (France) said that some rectifications to the text had been agreed upon by the Tariff Negotiations Committee and would need the approval of the Contracting Parties. But there was also the much more complicated question of the negotiations under Article XXVIII which would not be finished by the close of the Torquay Conference. He proposed that this very difficult legal problem be regulated now, as it would not be possible to do so after signature.

The EXECUTIVE SECRETARY said that he had intended to bring this matter before the Contracting Parties. The Secretariat had been in consultation with some delegations whose negotiations under Article XXVIII appeared unlikely to finish before the close of the Conference, and certain suggestions had been prepared for consideration by the Legal Working Party. The Contracting Parties could then take up any proposals evolved by the Legal Working Party before the close of this session.

The CHAIRMAN said that this point would be included under Item 4.

- c) Proposal by the Czechoslovak Delegation for the inclusion of a new item in the Agenda (GATT/CPS/1).

Mr. ROHLIC (Czechoslovakia) thought the reasons for the proposal were clear from the document which had been circulated. He wished only to emphasize that his delegation was requesting an exchange of views and not a decision or judgment.

Mr. VAN ELANCKENSTEIN (Netherlands) considered that any discussion of a measure which was before the legislature of a contracting party was out of place in sessions of the Contracting Parties. The only instance of this in the Contracting Parties - the discussion of a bill before the Brazilian Congress - had been at the request of the Brazilian Delegation itself. This was not the case here.

Mr. ROHLIC said that while it was up to the Contracting Parties to decide whether this matter should be discussed or not, he could not agree that the proposal was out of place. The bill in question had important implications for the interpretation of the General Agreement, and it would be useful for the United States to be made aware of the opinions of the contracting parties before the bill became law.

Mr. REISMAN (Canada) agreed with the Netherlands representative. It might even be harmful for the Contracting Parties to discuss the proposed legislation of any particular contracting party, thereby giving the impression of interference in domestic concerns. Furthermore, even were the proposed legislation made law, it would still be inappropriate for the Contracting Parties to consider it except in the context of a breach of the General Agreement.

Mr. ROHLIC pointed out that certain parts of the Agreement stipulated that internal legislation should conform to the Agreement. In particular, it was clearly implicit in the Agreement that legislation in tariffs should be in conformity with it. He could not, therefore, agree that it was improper to discuss any internal legislation.

The CHAIRMAN said that the proposal was to include an item involving an exchange of views in general terms and not relating to any specific matter arising from the Agreement. This was a departure from the usual procedure of dealing with actual alleged breaches of the Agreement, and he asked whether there was any support for the Czechoslovak proposal. After a vote of eleven against and none in favour, he ruled against its inclusion on the Agenda.

3) Item 6 - Other business.

M. CASSIERS (Belgium) requested the opportunity to make a statement on certain obligations which might arise for the Benelux countries under the Schumann Plan. Article 15 of the Schumann Plan provided that the Benelux countries might be obliged to raise the duties on some iron and steel products, some of which were included in the schedules annexed to the General Agreement, by two points (2 per cent.). The Schumann Plan itself would come before the Contracting Parties in order that the necessary waivers of relevant GATT obligations might be obtained. It was therefore not intended to go into the substance of the Schumann Plan at this session, but merely to give notice of the possible repercussions on the Benelux tariff.

Mr. VAN BLANKENSTEIN (Netherlands) supported this request.

The CHAIRMAN said that this would be added to the Agenda.

Mr. ROHAC (Czechoslovakia) wished to reserve the possibility of asking for a discussion on the relationship between Articles I and XXVIII with reference to margins of preference. After a request for clarification he explained that during certain negotiations an uncertainty had arisen on the interpretation of Article I. In the course of certain negotiations in Torquay the possibility had arisen that a modification negotiated under Article XXVIII might have the effect of increasing a margin of preference in excess of the level permitted under Article I. The view of the Czechoslovak Delegation was that such a result would not be permissible in view of the clear provisions of Article I. On the other side it was maintained that Article XXVIII was overriding. There was, however, the possibility that the negotiations would be concluded without the need for recourse to the Contracting Parties for an interpretation.

The CHAIRMAN suggested that if a discussion of this became necessary, the Czechoslovak Delegation should prepare a paper and the Contracting Parties could then decide.

The Agenda was adopted.

4. Item 5 - Statement by the Belgian and Netherlands representatives on the possible effects of the Schumann Plan on certain iron and steel items in Schedule II (Benelux).

The CHAIRMAN proposed that the Benelux statement be considered.

M. CASSIERS (Belgium) explained that the Schumann Plan provided for an equalising of the tariffs for iron and steel products by the member countries. Most countries had a higher tariff than Benelux, which they would be obliged to lower. On the other hand, Benelux might be obliged to raise their tariff on these items slightly. Only a few iron and steel products were included in the Geneva and Annecy schedules as most of these items were not negotiated. If the Benelux countries signed the Declaration and the Torquay Protocol without drawing attention to this situation, it might be argued that having rebound their Schedules they were debarred for three years from taking the necessary action to implement their particular obligations under the Schumann Plan.

Mr. VAN BLANKENSTEIN (Netherlands) agreed with the statement of the Belgian representative and wished to add certain details. Under paragraph XX of the Schumann Plan Convention, which had just been initialled, the Schumann Plan would have to be submitted to the Contracting Parties for their approval. The Convention also contained Article XV which committed Benelux, during the interim period, to take measures to prevent the entry of steel through the low-tariff area of Benelux into the higher-tariff countries before those countries had had time to lower their own tariffs. This would be done mainly by the application of tariff quotas. The Benelux countries had also undertaken to increase their duties if necessary by 2 per cent., although this might not occur for several years. Benelux was not therefore making a specific reservation but only the request that when the Schumann Plan was finally approved by the Contracting Parties, this approval would also imply approval of any action necessary under Article XV of the Schumann Plan which affected Benelux tariff commitments under the General Agreement.

The CHAIRMAN said that the Contracting Parties would take note of these statements, which would be circulated in writing, and await the Schumann Plan proposal in order to consider the effects on the General Agreement.

This item was therefore disposed of.

The meeting adjourned at 4.40 p.m.

