The CONTRACTING PARTIES have heard statements on the request for a waiver of certain provisions of the GATT by the 6 member States of the European Coal and Steel Community and set up a working party under the chairmanship of Mr. Melander to consider the request and to report back at this Session. M. Max Suetens, Belgium, speaking in the name of the 6 delegations of the countries which comprise the European Coal and Steel Community presented to the CONTRACTING PARTIES a draft Decision, the terms of which would provide for (a) a waiver, in general terms, of the relevant obligations contained in the GATT and (b) a method of applying this waiver in specific circumstances when the operation of the Community would result in deviation from particular provisions of GATT.

After setting out various points in the draft Decision — these will later be examined in detail in a Working Party — M. Suetens stressed that he was not asking for an unconditional authorization but for limited waivers which would permit the 6 countries to take the steps necessary to create the common market. After explaining the text of the proposed waiver M. Suetens made it clear that there were many matters of detail to be discussed in the Working Party. He said the Community was clearly liberal in its intentions and that it did not intend to withdraw from the world but to co-operate. Subject to approval by the CONTRACTING PARTIES the details of the waiver will be released when they have been finally approved later in the Session.

Mr. Stig Sahlin, Sweden, welcomed the establishment of the Community as a step forward, but it was, he said, impossible to overlook its limiting character, which conflicts with certain provisions of GATT and with the multilateral policy of GATT. The task of the Session was to safeguard these provisions and to do nothing to weaken GATT as an instrument of universal policy. For this reason Sweden reserved its position.

For the United Kingdom, Mr. John Leckie said that His Majesty's Government welcomed the establishment of the Community as a major step towards European unity and the strengthening of Western European economy. While his delegation would have no wish to impede the granting of the necessary waiver, he stressed that the rights which are safeguarded by GATT of countries not members of the Community are of considerable importance. He therefore had some doubts about the "general waiver" requested by the 6 countries. He had no doubt, however, that when the matter had been gone into in greater detail it would be possible to find a form of waiver satisfactory to all concerned.

The delegate of India, Mr. L.R. Singh, felt that the discussion should not be limited to the question of the waiver but that the full economic implications should be thrashed out. Dr. A.Y. Helmi, Indonesia, stressed the importance of a detailed examination in the Working Party.

(more)
Dr. Karl Svec, Czechoslovakia, said that after careful study his delegation considered that the Schuman Plan was contrary to GATT in intention and that the operation of the Plan would violate the most-favoured-nation clause in Article I and Article XIII, non-discrimination, two principles which are the backbone of GATT, he said. Up to now the CONTRACTING PARTIES had been very careful to see that no new preferences had been introduced nor existing preferences increased. In effect the Schuman Plan was establishing a new preferential area. Already, he said, the fact that the six countries had signed the Treaty and that the Schuman Plan organization was in force was a violation of GATT, because under the Protocol of Provisional Application contracting parties had agreed not to introduce new legislation contrary to GATT. The CONTRACTING PARTIES could not examine the incompatibilities because, he said, GATT and the Schuman Plan were not equals. GATT was universal and the Schuman Plan was regional, he said. Finally Dr. Svec said that the Schuman Plan cannot be reconciled with GATT on legal grounds and he indicated (with reference to the intention of the drafters in 1947) that, in his view, GATT Article XXV was not intended to be applied to the waiver which was asked for in this case.

Mr. Willard Thorp, United States, said that the United States Government regarded this as an exceedingly important matter. In this case, he said, they were dealing with something in which their action must have an important influence on the future pattern of Western Europe. The matter must be considered with the greatest sense of responsibility. The six countries, he said, believe they can harmonize the Treaty with the GATT but they cannot fulfill their GATT obligations and at the same time go ahead with the single market. Mr. Thorp disagreed with the suggestion that these countries had gone ahead in disregard of the GATT. Quite the opposite he said: there is clear evidence they have borne in mind the need to resolve their difficulties. In fact, the six countries are at this Session putting the whole story on the table, fully prepared to work out a harmonious arrangement.

Mr. Thorp continued that it was clear that the atmosphere in Western Europe had been influenced by the spirit of cooperation and the sense of common destiny evident in the thinking in the six countries. Here was something new, constructive and creative which should be viewed with great sympathy. This did not imply that the requests of the six countries should be granted automatically but that a constructive approach to the project of a common market should be found, in which greater fluidity in internal and external trade would result in growth and expansion.

Will the Community in its operation be more restrictive to trade than are its individual members and will it maintain or undermine the spirit of GATT, Mr. Thorp asked. It is clear that the drafters of the Treaty had every intention that the Community should act in accordance with GATT. In the view of the United States Government, said Mr. Thorp, the Treaty was written in such a way as to require the Community to observe the obligations which each of the six countries separately were required to observe under GATT. Finally, said Mr. Thorp, the new Community could not be set on its way unless the GATT gave its full support, with the object of furthering the better use of the world’s resources.
Replying to the Czechoslovak delegate, Mr. Suetens said that only those provisions of the Treaty and Convention which were in accord with the GATT provisions had been already put into effect.

Summing up, the Chairman said that the great majority of delegates evidently regarded the application of the six countries with sympathy, taking into account the statement of the Belgian delegation that the purpose of the Plan was identical with that of GATT, namely to foster an expanding world trade.

A working party was established to consider in the light of the discussion, the request of the six countries for a waiver under Article XXV, and to report back at this Session.