GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONTRACTING PARTIES
Fifth Session.

SUMMARY RECORD OF THE TENTH MEETING

Held at the Marine Spa, Torquay
on Wednesday, 8 November 1950 at 3 p.m.

Chairman: Hon. L. D. Wilgess (Canada)

Subjects discussed:
1. The Continuation of the Trade News Bulletin (GATT/CP.5/14)

1. The Continuation of the Trade News Bulletin (GATT/CP.5/14)

At the CHAIRMAN’S invitation, Mr. Wynham White (Executive Secretary) made certain comments and replied to specific questions. He first expressed gratitude for the generous remarks and helpful comments made by representatives. The experiment had been started by the Secretariat in the belief that a bulletin of this nature might be useful, particularly to the smaller countries, although it proved to have been welcome also to countries which had ample information facilities. The chief purpose of the Bulletin was to bring together and draw attention to items of news which would be of interest when viewed in the context of the General Agreement. For instance, the activities of the Organization for European Economic Co-operation in connection with the liberalization of European trade were interesting to the contracting parties in as much as they related to the same subject as that treated in Article XIV of the Agreement. It was also contemplated that the Bulletin might eventually develop into an international gazette in which contracting parties could publish news or measures relating to their foreign trade; once the continuation of the Bulletin was approved, an increasing amount of such official material would naturally be included. If first-hand information were to be inserted, there should be established a liaison between the Secretariat and officials of governments to ensure constant consultation on the make-up and development of the Bulletin, and a date would probably have to be fixed in each month for information to reach the Secretariat. The Bulletin, being in an experimental stage, had appeared only in English, but a French version would be issued if its continued publication on a definitive basis were approved. References to documents and discussions of the Contracting Parties could not very well be made in the Bulletin as most of the documents and records were of a restricted or secret nature, and the Trade News Bulletin was intended for wide circulation. The Bulletin had been devised primarily for the use of government officials, and was not intended to be a means of public information. For that purpose a number of pamphlets had been issued under the authorization of the Contracting Parties which were written in a clear, untechnical way; these had been translated into a number of languages and had had considerable impact on the public. With the approval of the Contracting Parties, the Secretariat would publish further pamphlets giving up-to-date information on the work of the Contracting Parties. In addition, the Information Officer was in constant contact with the press to provide accessible information.
The CHAIRMAN felt that the conclusion could be drawn from the discussions that the Contracting Parties were in favour of the continuation of the Bulletin on a definitive basis. A small addition in expenditure would, however, be involved as the Bulletin would hereafter appear in the two official languages, and the Secretariat should be authorized to publish further pamphlets for the public, when the occasion arose. A procedure for the collection of information would be circulated by the Executive Secretary.

Dr. VAN BLANKENSTEIN (Netherlands) said that in view of the discussion he would no longer oppose the continuation of the Bulletin. On the contrary, his delegation would ensure that the Secretariat would receive all the necessary documentation so that in future unofficial sources of information need be relied upon to the least possible extent. However, as many countries adhering to the General Agreement were not English or French speaking, the Secretariat might have difficulty in utilizing original information usually written in languages other than these. He would, however, put forward the general principle that as far as possible news should be taken from official sources.

The Contracting Parties approved the continuation of the Trade News Bulletin on the basis of the remarks made by the Executive Secretary and the Chairman.


Mr. MELANDER (Norway) introduced the proposal of his delegation and drew attention to the fact that the General Agreement, when introduced in the Autumn of 1947, was, in the expectation of all concerned, a transitional instrument to be in force only for a short time, pending the coming into force of the International Trade Organization Charter. It was on this assumption that countries had agreed to operate an agreement which did not contain all articles of the Geneva draft Charter. In fact, the majority of the countries were understood to have favoured the inclusion in the Agreement of articles other than those relating directly to commercial policy, and only a few countries had opposed it. The belief held by most countries that the International Trade Organization would be set up in a short time was evident in the provisions of paragraph 4 of the unamended version of Article XXIX. Now that three years had elapsed since the General Agreement was drawn up, without any prospect of the Havana Charter securing sufficient ratifications in the foreseeable future for it to enter into force, the General Agreement had gradually come into a new stage of its existence, acquiring a semi-permanent character. In considering what provisions should be included in the Agreement in addition to the existing ones, it had been pointed out that provisions of the Havana Charter per se should not necessarily be introduced, but each article should be considered on its merits. On the other hand, no consideration should be given to any provision whose inclusion might prejudice the ratification of the Charter, although this had not been suggested by any contracting party.

The Norwegian delegation proposed the introduction of Articles 4 and 6 of the Charter into the General Agreement, because it believed that the principles of commercial policy should not indefinitely be practised without regard to binding obligations relating to employment and economic activity. The furtherance of international trade is not an end in itself,
but a means of achieving increased production, higher standards of living, full and productive employment and thereby economic and social progress for all the people in the world. These aims, which were not only laid down in the Havana Charter but also in the Charter of the United Nations, could not be achieved if the provisions relating to commercial policy were applied without regard to the principles of employment and economic activity. Furthermore, since the inception of the General Agreement, certain countries had adhered to the Convention for European Economic Co-operation, which pledged its members not only to promote production and to develop interchange of goods and services, but also to provide full employment and maintain a high and stable level of economic activity whilst avoiding or countering inflation. The Preamble to the Convention, and Articles IV, VII and VIII thereof, were modelled on the provisions of the Havana Charter. The General Agreement, which was of a world wide nature, should also include such provisions so that there would be equilibrium between the obligations assumed by contracting parties which were members of the Organization for European Economic Co-operation and the obligations of those which were not, and one should like to assume that no contracting party would object to the principles embodied in Articles 3, 4 and 6 of the Havana Charter. The Norwegian delegation, while agreeing to the principle that piecemeal supersession of the provisions of the Charter would be undesirable, was of the opinion that the inclusion of certain articles in the Agreement had become necessary because the Agreement had by now acquired a semi-permanent character.

Mr. de CASTRO MENEZES (Brazil) gave his full support to the Norwegian proposal and complimented the Norwegian delegation on the clarity and right emphasis of the supporting statement. The Brazilian government had always considered the General Agreement as an instrument supplementary to the Havana Charter, and he agreed to the assertion that the aims and objectives of the Charter could not be achieved if the principles relating to commercial policy were applied without regard to principles of employment and economic activity. The introduction of these articles was, if anything, not early enough, but this was a case to which could suitably be applied the axiom 'better late than never'.

Sir Stephen HOLMES (United Kingdom) said that the statement made by the Norwegian representative left little to be added. However, special attention should be drawn to the recent Resolution of the Economic and Social Council relating to employment and economic activity, which should be carefully studied in the context of the present proposal. Whilst it was right that the inclusion of a particular passage in a certain document did not per se necessarily warrant its inclusion in another, there was no reason why a good passage in its own right should not be considered for inclusion in the Agreement. In supporting the proposal his delegation had no intention of prejudging the future of the General Agreement or of the Havana Charter. The preamble of the General Agreement contained references which were derived originally from the Proposals of the United States Government on Trade and Employment. The passages in question contained little particular injunction for possible action, and would contrast strikingly with the heavy negations in the General Agreement relating to commercial policy. Full employment was one of the chief concerns of the United Kingdom Government, and among international meetings in which his Government had participated were such renowned ones as the Bretton Woods, Philadelphia, San Francisco, Lake Success, Geneva and Havana Conferences, as well as the Organization for European Economic Co-operation. One might say that as the
principles had been accepted explicitly in so many international conventions, there was no need to burden the General Agreement with yet another statement. But the General Agreement was an instrument actually and effectively in force, and the principles should be acknowledged in its context. In the opinion of the United Kingdom Delegation, the Norwegian Delegation had done a good service to the Contracting Parties by drawing attention to this necessity.

M. LARRE (French) said that the articles in question were among those held in high esteem by the French Government in view of their social significance; the principles embodied therein should no doubt be borne in mind by all governments when formulating or administering their commercial policy. However, the French delegation was not in favour of lifting individual articles from the Charter to be included in the Agreement. Attention should be drawn to the provisions of paragraph 1 of Article XXIX, and if these were not sufficient to ensure the fullest observance of the principles of the Havana Charter, steps should be taken to define more precisely the obligations under that paragraph. The experience of the French representative at various international meetings however, had shown that countries were aware of the obligations imposed on them by that paragraph. The French delegation therefore believed that a resolution to re-enforce the obligation under Article XXIX: 1 might meet the purposes of the Norwegian proposal, and this would not constitute a substantial departure from that proposal.

Mr. BROWN (United States) pointed out that the proposal, if adopted, would involve substantial amendments to the Agreement, and on that account the Contracting Parties should give careful consideration to the question of timing. The "Proposals" first put forward by the United States Government, with the support of the United Kingdom, had contained provisions embodying the substance of the present Article 3 of the Havana Charter, and this should prove to the Contracting Parties that the United States Government was sympathetic to the principle of full employment and understood its importance. The present proposal was to introduce into the Agreement provisions dealing with a related, but nevertheless different, subject. His delegation would suggest (a) that the general presumption at present was against piecemeal amendment, and (b) that there existed already in the Agreement a provision which should meet the desire of the Norwegian representative. Any piecemeal amendment of the Agreement would be undesirable in principle and in fact would create great difficulties for certain governments in relation to their legislatures. Besides, Chapters VI and VII were of even greater interest to certain contracting parties and their inclusion in the Agreement would be regarded as desirable by ever more countries. But in fact, there were more international activities dealing with the purposes and objectives of Chapter II than with the provisions of these other two Chapters. Bearing in mind these activities, including the very recent resolution of the Economic and Social Council, the contracting parties should agree that there was no urgency for the consideration of such amendments. One might argue that such amendments could be regarded as independent changes in the Agreement made without reference to the Havana Charter, but however they might be technically regarded at this meeting, people outside the Conference would inevitably consider them to be what was clearly indicated by the present title of the Agenda item. In view of all these considerations it would be doing a great disservice to the General Agreement if such action were taken at this time.
Mr. DI NOLA (Italy) said that his government favoured whole-heartedly the principles embodied in the articles under consideration, which principles had indeed become an integral part of modern civilization. The population and labour conditions in Italy would seem to make these principles more important for her than for any other country. However, the Italian delegation would submit that this was not the time for such action. If the incorporation of these articles had the slightest effect of hampering the future of the Havana Charter, it should be regarded as premature and must by all means be avoided. Such action should be deferred until such time as there would be a clearer view of the prospects of the Havana Charter.

Mr. TONKIN (Australia) said that the views of the Australian delegation on the questions relating to employment and economic activity were so well-known that they required no repetition. However, apart from its general opposition to piecemeal supersession, his delegation felt that the present was not the correct time for the proposed action. At the Fourth Session there had been opposition by certain governments to the proposal that Chapter VI be put into provisional application, because it was thought that such action would prejudice the ratification of the Havana Charter, and because the urgency of that question was disputable. At the same Session the Contracting Parties had decided that the action required under Article XXIX: 3 be taken at some future time. It was clearly, therefore, the general view that amendments to the Agreement should be dealt with as a whole rather than piecemeal. At this juncture, the Australian delegation would therefore oppose the Norwegian proposal.

Dr. LOPEZ-PRESQUET (Cuba) felt that he could not see the consistency between the principles advocated by the Norwegian delegation and the concrete proposal it had put forward. To adopt three Articles from Chapter II and leave the rest alone would take out from the group of provisions in Chapter II the balance which had been thought to have been achieved in that Chapter after prolonged discussions at Geneva and Havana, and he could see no reasons why Articles 2, 5 and 7 should not also be included. The Cuban government, being the original proponent of Article 7, would be inconsistent with itself if it were now to agree to the Norwegian proposal. It was also felt that more time ought to be allowed for governments to consider ratification of the Havana Charter. Moreover, the inclusion or exclusion of these articles in the General Agreement would affect little the real obligations of the Contracting Parties as long as the Agreement was only provisionally applied.

Mr. DESAI (India) felt that Article XXIX: 3 actually laid down the principle that the Agreement, if need be, must be amended as a whole and should not be tampered with piecemeal or lightheartedly. By the terms of Article XXIX: 1, all contracting parties were generally committed to the principles of Chapters I - VI and IX of the Havana Charter and not merely to those of one or two Articles.

Dr. BOTHA (Union of South Africa) pointed to the heavy and complicated obligations which the Agreement had already imposed on the Contracting Parties, which as yet had not been fully studied or clearly disentangled. The Contracting Parties had had enough difficulty in limiting the scope and duration of their Sessions. Additional obligations would certainly extend even further the length of these Sessions, and for countries
outside Europe, and especially for those from afar, great hardship would be caused by such extensions. The question of employment and economic activity had been attended to by a number of international organizations and Specialised Agencies; there would seem to be no need for the Contracting Parties to extend their field of interest so as to necessitate the inclusion of still more special experts in their delegations. The Contracting Parties, above all, should prevent irrelevant elements from creeping into the Agreement if it were their wish to keep the Agreement a workable instrument.

Mr. REISMAN (Canada) said that the Canadian delegation was always prepared to examine a proposal on its merits. It had, however, not been convinced by the arguments advanced by the Norwegian representative. There was clearly no urgency in taking the proposed action because all contracting parties had undertaken to abide by the principles of certain chapters of the Havana Charter by virtue of Article XXIX: 1 of the Agreement. The arguments advanced by the South African representative regarding the work confronting the Contracting Parties incidentally lent weight to the Canadian proposal on the need for arrangements for the continuing administration of the General Agreement which had been placed on the agenda.

Mr. KARTADJOEMENA (Indonesia) thought that further incorporation of Charter provisions into the Agreement would lessen the chance of the Havana Charter itself being ratified, and it would be advisable to wait for the opportune time for an overall change.

Mr. SCHMITT (New Zealand) said that the New Zealand delegation had the same opinion as that of other delegations on the question of timing. The Norwegian delegation rendered a useful service to the Contracting Parties by drawing their attention to the important objectives of full employment and economic activity. The provisions of Articles 4 and 6 were particularly relevant to the balance-of-payment provisions of the Agreement. However, as clear and definite obligations had been assumed by contracting parties under Articles XXIX: 1, these principles were already substantially in force; there was no need to take action with respect to specific provisions. The New Zealand delegation would therefore give its support to the purposes behind the proposal, but would submit that there was no need to incorporate these specific provisions.

Mr. AHMAD (Pakistan) felt that the adoption of particular articles was likely to cause unnecessary complications without serving any very useful purpose. For example, Article 6, with its reference to "the Organization", if included in the Agreement might involve special legislation to be passed for certain contracting parties.

Mr. MELANDER (Norway), concluding the debate, said he had observed an agreement on the importance of observing principles of employment and economic activity embodied in the articles in question. It was generally agreed that the provisions of the General Agreement should be interpreted in the light of these principles by virtue of the provisions of Article XXIX: 1. Taking up the point made by certain representatives that yet more time should be allowed for ratification of the Charter, Mr. Melander thought that if the was only a slight chance of the Charter coming into force in the foreseeable future, contracting parties could not reasonably be expected to wait for an indefinite period during which the General Agreement would be applied in fact on an almost permanent basis. Abiding by the views of the majority, and
agreeing with the representative of India that the action referred to in Article XXIX: 3 for global amendment of the Agreement had not been put off indefinitely, Mr. MELANDER said he would not press for a vote on the proposal.

The CHAIRMAN, summing up the discussions, pointed to the consensus of opinion that this was not the right time to consider the inclusion of these Articles in the Agreement. The discussion, however, had served a very useful purpose in drawing attention to the significance of the provisions of Article XXIX. It had brought out clearly that paragraph 1 of Article XXIX did impose a definite obligation on the part of the Contracting Parties to observe to the fullest extent of their executive authority the general principles of chapters I to VI and IX of the Havana Charter, and that paragraph 3 of Article XXIX still remained a definite obligation on the part of the Contracting Parties which required them to meet to agree whether the Agreement should be amended, supplemented or maintained, even though it had not been possible for the meeting to take place by the prescribed date.

The meeting rose at 6.30 p.m.