Tariff Negotiations
Torquay

Summary Record of the Meeting of Heads of Delegations
and of the
First Meeting of the Tariff Negotiations Committee,
held at the Marine Spa on Friday, 29 September 1950, at 10.30 a.m.

Acting Chairman: Mr. E. WYNHAM WHITE (Executive Secretary)

HEADS OF DELEGATIONS
Subject discussed: Establishment of Tariff Negotiations Committee.

The EXECUTIVE SECRETARY explained that the purpose of
this meeting was to proceed with the administrative organization of the Con­ference. It had been found advantageous at the two preceding tariff
negotiations to establish a Tariff Negotiations Committee, made up of all
participating governments, whether they were contracting parties or acceding
governments; this Committee had been the plenary assembly, and had been
responsible for the overall administration of the negotiations, for drawing
up instruments of accession and for dealing with the multilateral aspects of
the negotiations. The Executive Secretary proposed that a similar Committee
be established at Torquay. This meeting of the Heads of Delegations might
resolve itself immediately into the Tariff Negotiations Committee.

This was agreed.

TARIFF NEGOTIATIONS COMMITTEE
Subjects discussed: 1. Adoption of Rules for Election of Officers.
2. Election of Chairman, and
3. Election of Vice-Chairman.
and instructions for the submission of the First
Report by the Working Party.

1. Adoption of Rules for Election of Officers

The EXECUTIVE SECRETARY proposed that Rule 5 contained in
Document GATT/TH.2/13, as amended in the corrigendum, be adopted. Three Vice-
Chairmen rather than one were suggested, owing to the probable length of the
Conference.

Rule 5, as amended, was adopted.

2. Election of Chairman

Mr. GARCIA OLDINI (Chile) nominated Mr. L.D. Wilgress as
Chairman of the Committee in view of his great authority and extensive knowledge
of the negotiations procedure.

Mr. AZIZ AHMAD (Pakistan), Mr. GONZALEZ (Uruguay) and Mr.
PEDROSA (Philippines) supported the nomination and Mr. Wilgress was declared
unanimously elected.
Mr. L.D. WILGRESS then took the Chair and thanked the Committee. He said that while his experience as Chairman of the Contracting Parties would be helpful in the work of the Committee, the latter was none the less an independent and much larger body.

3. Election of Vice-Chairman

M. Le GHAIIT (Belgium) nominated Mr. GISLE (Sweden) as first Vice-Chairman.

Mr. GISLE was declared unanimously elected, and thanked the Committee.

Mr. FENTENADO (Brazil) nominated Dr. TRONCOSO (Dominican Republic) as the second Vice-Chairman and was seconded by Mr. GARCIA OLDINI (Chile).

Mr. DESAI (India) nominated Mr. PEDROSA (Philippines) as the third Vice-Chairman.

Mr. ARGYROPOULOS (Greece) suggested that the partition of offices in the Committee should be made on a geographical basis and proposed that the chief delegate of France be included in the list of Vice-Chairman.

M. LECUIT (France) declined to stand for election, and supported the nomination of Mr. Pedroso.

The CHAIRMAN declared that since there were no further nominations, Mr. Troncoso and Mr. Pedroso were elected as second and third Vice-Chairmen.

Mr. PEDROSA (Philippines) and Mr. VEGA BATTLE (Dominican Republic) thanked the Committee, the latter on behalf of Mr. Troncoso who had not yet arrived at Torquay.


Chapter I

Mr. BÝSTRICKÝ (Czechoslovakia) stated that Rule 1 involved an issue to which his Government wished to refer. The Czechoslovak delegation had protested against the invitation to Western Germany from the beginning, and although the contracting parties were aware of their objections, he wished to explain these also to the new acceding governments. He referred to the Potsdam Agreement, which provided that Germany should be treated as a single economic unit during the period of occupation. Furthermore, the invitation to Western Germany was a violation of the General Agreement itself since only governments of sovereign countries or governments acting on behalf of separate customs territories possessing full autonomy in the conduct of external commercial relations were eligible to accede. Western Germany, he stated, belonged to neither category. According to the Occupation Statute of April 10, 1949, foreign affairs in general, including control over foreign trade and exchange were specifically reserved to the occupation authorities. This right had been used. He cited as examples the devaluation of Western German currency in September 1949 and the intervention of the occupation authorities in such foreign trade affairs as trade relations with China and also in internal German trade. Finally, the covering note with which the Western German tariff was transmitted laid down that the draft tariff had still to be approved by the Allied High Commission in accordance with their powers in matters affecting foreign trade. Consequently, Western Germany could not be considered to have any legal capacity to become a contracting party.
The same situation applied respecting South Korea. Czechoslovakia did not recognise the Government of South Korea, and considered that its inclusion in those negotiations would only widen the gap between North and South Korea. He requested that the opinion of the Czechoslovak Government be placed on record and proposed that Rule 1 be amended by the insertion of the word "sovereign" before "government".

The CHAIRMAN, in his capacity as Chairman of the Contracting Parties, explained that the question of invitations to these tariff negotiations had been thoroughly considered at the Fifth Session of the Contracting Parties. The choice of countries had been governed by the consideration that the test for accession to the General Agreement was the possession of full autonomy in the conduct of external commercial relations and the carrying out of other provisions of the General Agreement.

Mr. ANGIROPoulos (Greece) stated that the points raised by the delegate of Czechoslovakia introduced political considerations which were out of place in this Committee. If the question were considered on a realistic basis it would be seen that a large portion of Europe had a great interest in the accession of Western Germany to the Agreement. He therefore proposed that Rule 1 of the draft Rules of Procedure, as corrected in GATT/TN.1/13/Corr.1, be adopted.

Mr. BÝSTÝCKÝ (Czechoslovakia) wished to make it clear that it was not the practice of his Government to introduce political considerations into economic and trade matters. His point was that international agreements should be strictly observed and this would be a violation.

Dr. von MÝTÝZO (Germany) recalled that the participation of his Government had been thoroughly discussed at the Fifth Session of the Contracting Parties and as a result of this discussion Germany had been invited to participate. If the situation had changed since then, it had only been to increase the responsibility of the Federal Government of Germany in international affairs.

Mr. YÝN (Korea) said that forces of the United Nations were now in South Korea to protect its sovereignty and independence and a United Nations Commission had supervised the elections in that country.

The CHAIRMAN put the proposal of the delegate of Czechoslovakia to alter Rule to a vote. It was defeated by 32 votes to 1.

Chapter I was approved.

Chapter II was approved with a slight alteration in wording.

Chapter III was approved.

Chapter IV

Mr. BÝSTÝCKÝ (Czechoslovakia) questioned the word "normally" in Rule 16 and suggested that any amendment or alteration, if it was not of a minor or purely drafting character, be put always in writing.

The CHAIRMAN agreed that this was useful and explained that the general rule was to require that important points of substance be considered only after they had been circulated in writing. He suggested that it would be sufficient to record this interpretation in the summary record.

This was agreed, and Chapter IV was approved.
Chapter V

Sir Stephen HOLMES (United Kingdom) raised the question of abstentions and the Chairman explained that the words "present and voting" clearly meant that only actual votes were counted; abstentions therefore could not count as votes. This interpretation would also be recorded in the summary record.

Chapter V was approved.

Chapters VI, VII and VIII were approved.

Chapter IX

Mr. BYSTRICKY (Czechoslovakia) suggested that if a press communiqué referred to any particular country, the Chairman should reach agreement on the text with the representative of that country.

The CHAIRMAN explained that that was the regular practice at sessions of the Contracting Parties, and this would also be mentioned in the summary record.

Chapter IX was approved.

The Rules of Procedure, as amended, were approved as a whole.


The CHAIRMAN referred to the Memorandum on Tariff Negotiations (GATT/TN.2/16, pages 5 and 6). He explained that the Tariff Negotiations Working Party would be a subsidiary body of the Committee and would not deal with questions of substance concerning the negotiations, unless specifically referred to it. Its work would concern the time-table and scheduling of meetings, and it would be responsible for the actual conduct of the negotiations. This was detailed and necessitated a smaller body than the Full Committee. Questions of terms of accession to the Agreement would not be within the scope of the Working Party, and it would probably be found necessary at a later date to set up a Legal Working Party to consider these matters. For any other questions that arose during the course of the negotiations, other working parties might be set up, although an effort would be made to keep these to a minimum. He proposed, therefore, that a Working Party consisting of ten members be established.

The establishment of the Tariff Negotiations Working Party was approved.

The CHAIRMAN proposed as members the following countries: Australia, Benelux, Canada, Denmark, France, Germany, India, United Kingdom, United States of America and Uruguay.

Mr. BYSTRICKY (Czechoslovakia), in accordance with his earlier protest, opposed the inclusion of Germany and proposed that another acceding government should be appointed instead.

The proposal was put to the vote and rejected.

Mr. HERRERA ARANGO (Cuba) approved the names that had been proposed but suggested that the representation of Europe was possibly disproportionate in that there were five European countries represented on the Working Party. He suggested the addition of Brazil.

Mr. VEGA BATTLE (Dominican Republic) supported this proposal.
The CHAIRMAN suggested that Brazil be added, making 11 countries. He explained that the large number of European countries was due in great measure to the large number of negotiations in which they were concerned.

The composition of the Tariff Negotiations Working Party as proposed by the Chairman, with the addition of Brazil, was approved.

The meeting adjourned at 12.35 a.m.