At this afternoon's meeting of the Contracting Parties, Mr. Zdenok Augenthaler, Czechoslovakia, replied to the statement which the U.S. delegate had made at the previous meeting, regarding the administration of the U.S. export license system.

Mr. Augenthaler asked the Contracting Parties to clarify and decide whether the U.S. regulations relating to export licenses conformed to the provisions of Article I of the GATT. Is every country entitled to invoke the same security reasons in its international trade relations, he asked.

One of the basic questions, said Mr. Augenthaler, was the interpretation of GATT Article XXI as to security exceptions.

Referring to the U.S. press report - as quoted by the U.S. delegate - regarding the recent discovery of an important uranium deposit in Czechoslovakia, Mr. Augenthaler said that uranium deposits in Czechoslovakia were well known before the war; in fact, Madame Curie discovered radium by studying Czechoslovak ores.

"On the instructions of my government", said Mr. Augenthaler, "I declare here that all orders we have placed in the United States are really for the purposes indicated by us and that if the U.S. authorities had any doubts, they could ask us directly for explanations and not base their decisions on erroneous news articles."

Mr. Augenthaler said that the arrangements for distributing products under the U.S. Foreign Assistance Act could not be considered a multilateral arrangement under the terms of GATT. He asked for a working party to study this point as well as the use by the U.S. of the so-called national security provision of the GATT.

John W. Evans, U.S., said he failed to see that the Czechoslovak delegate had produced any new facts and asked the Contracting Parties to dismiss the Czechoslovak request as not supported by facts.

Referring to the Czechoslovak charge that the United States was interpreting the military exception to include almost anything, Mr. Evans pointed out that Mr. Augenthaler had not said that anything on the U.S. positive list was being denied to Czechoslovakia. In fact, the U.S. had never denied a license for any commodity on this list. Further, said Mr. Evans, the commodities on which the U.S. exercises security control are an extremely small proportion of the total.
After further debate, the Chairman of the Contracting Parties, High Commissioner Dana Wilgress, summed up. He said he found no support for the Czechoslovak proposal that a working party should be set up. Nor could he ask the Contracting Parties to decide whether the U.S. regulations conformed to Article I of the GATT, since the U.S. would undoubtedly plead their defense under the articles dealing with general exceptions - or the special security exceptions.

Mr. Wilgress said that the question would be put in terms of the agenda item, namely whether the government of the United States had failed to carry out its obligations under GATT through its administration of the issue of export licenses.

In a roll call vote, one Contracting Party, namely Czechoslovakia, answered the question in the affirmative, 17 in the negative, with 3 abstentions (India, Lebanon and Syria) and 2 representatives absent.

Mr. Aigenthaler said his government could not consider the decision of the Contracting Parties as a legal reply to the points raised. They reserved the right to take such steps as might be necessary to protect their interests.