GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONTRACTING PARTIES
Fifth Session

Summary Record of the Special Meeting
of the Contracting Parties to consider
the Report of Working Party "K" on
Consultations under Article XII.4(b)

held at Marine Spa, Torquay, on Friday,
8 December 1950 at 3 p.m.

Chairman: M. André PHILIP (France)

Subject discussed: Report of Working Party "K" on Consultations
under Article XII.4(b). (SECRET/CP/13)

In the absence of the permanent officers of the Contracting Parties,
M. André PHILIP was unanimously elected Chairman for this meeting.

Mr. DEUTSCH (Canada), Chairman of Working Party "K", presented the report
on behalf of the Working Party. He outlined the proceedings of the Working
Party and drew attention to the salient points in the report, stating that a
full and frank exchange of views had taken place at the Working Party, which
were summarised in Section II of the report. Section III of the report
embraced recommendations by the Working Party to the Contracting Parties.
He further pointed out that there were two Annexes to be appended to the
report, which were still being reproduced. A drafting change in Paragraph 1
of the report was also proposed.

Sir Stephen HOLMES (United Kingdom) called attention to a question which
he said had been discussed by the Working Party but had not been dealt with
in the report. He referred to the leakages to the press of a substantial
part of the information contained in the reports submitted by the International
Monetary Fund before these reports were made available to the Contracting
Parties. This regrettable incident had tended to confuse the issues at the
time of its occurrence and to prejudice the consultations. He proposed to add
a further paragraph in the report on this question.

Mr. DEUTSCH (Canada) and Mr. BROWN (United States of America) agreed that
it was the unanimous opinion of the Working Party that it was a regrettable
incident and that everything possible should be done to preserve the secrecy
of such information. They had no objection to recording the views of members
of the Working Party on this question in the report by the addition of a further
paragraph.

The CHAIRMAN drew attention to the fact that the leakages had happened
before these reports reached the Secretariat of the Contracting Parties.

Sir Stephen HOLMES (United Kingdom) proposed the following text for the
additional paragraph to be added at the end of Section II of the report:

SECRET

Amending

No. 31
SECRET/CP/14
11 December 1950
ORIGINA]: ENGLISH
The members of the Working Party expressed concern and regret at the fact that the reports of the International Monetary Fund to the Contracting Parties had been the subject of unauthorized press leakages from some sources unknown. The Working Party noted that these leakages had occurred before the reports had been transmitted to the Secretariat for circulation to the contracting parties and that no blame could be attached to the secretarial arrangements of the Contracting Parties. In view, however, of the vital importance of maintaining complete secrecy in connection with consultations under Article XII, the Working Party emphasized that in any future consultations special precautions should be taken by all concerned to ensure such secrecy.

The amendment was approved.

The Contracting Parties then approved the report as a whole and the recommendations in Section III of the report.

M. CASSIERS (Belgium) raised a question which, he said, had been the subject of a discussion at Working Party "K" but which, by general agreement among its members, was not dealt with in the report which was now adopted by the Contracting Parties. The question related to the nature and incidence of restrictive measures forming the subject of a consultation under Article XII:4(b) between a contracting party and the Contracting Parties. M. CASSIERS expressed the view that in a consultation under Article XII:4(b) it should be possible to discuss any aspect of the restrictions which were the subject of that consultation, including the manner of their administration and the question of whether they caused any unnecessary damage to the commercial or economic interests of any other contracting party. He added that this view had been shared by the Chairman of Working Party "K" and also, among others, by the United Kingdom and United States representatives.

Having made the statement, M. CASSIERS noted that all the representatives at the meeting appeared to share his opinion on this point.

Mr. BROWN (United States) expressed appreciation to the Fund for the extensive preparatory work it had done in providing material for the consultations and for its participation in the consultations.

The special meeting was then transferred into an ordinary session, the proceedings of which are recorded in GATT/CP.5/SR.19.