SUMMARY RECORD OF THE FIRST MEETING

Held at the Palais des Nations, Geneva on Thursday, 2 October 1952 at 3 p.m.

Chairman: Mr. Johan MEANDER (Norway)

Subjects discussed:
1. Election of Chairman and Vice-Chairman
2. Statement by Director of European Office of United Nations
3. Statement by Chairman
4. Adoption of Agenda and Order of Business
5. Admission of Observers
6. Reduction of Tariff Levels
7. International Chamber of Commerce Resolutions

1. Election of Chairman and Vice-Chairman

Mr. RAHIMTOOLA (Pakistan) proposed that the present chairman, Mr. Melander (Norway) be re-elected. The proposal was seconded by Mr. MATHUR (India), Mr. Di NOLI (Italy), and Dr. HELMI (Indonesia). There being no other proposals Mr. Melander was declared unanimously re-elected Chairman.

Mr. THORP (United States) proposed that Mr. TONKIN (Australia) be re-elected as Vice-Chairman and there being no other proposals Mr. Tonkin was declared unanimously re-elected Vice-Chairman.

2. Statement by Director of European Office of United Nations

Mr. PELT (Director of the European Office of the United Nations) congratulated the Chairman and Vice-Chairman on their re-election and welcomed the CONTRACTING PARTIES on behalf of the Secretary General of the United Nations. Mr. Pelt said that the facilities of the Genova office were completely at the disposal of the CONTRACTING PARTIES and wished them success in the Session.

3. Statement by Chairman

The CHAIRMAN addressed the representatives of the contracting parties on the work before them and formally opened the Seventh Session. (The statement is reproduced in Press Release 73).
4. Adoption of Agenda and Order of Business (G/14/Rev.3)

The CHAIRMAN explained that document G/14/Rev.3 listed the agenda items in the form and order approved by the Intersessional Committee.

Mr. PAPATSONIS (Greece), referring to the items proposed by his Government - the increase in the United States duty on dried figs and the United States subsidy on exports of sultanas - stated that papers would be submitted shortly.

Mr. THORP (United States) feared that the United States delegation might wish to raise under the item "Other Business" the question of a small tax recently imposed by France on all exports and imports in order to finance a welfare fund for farmers. His delegation was not yet completely informed on this matter and intended to discuss it with the French delegation. In the event that no satisfactory understanding were reached, the United States delegation might wish to raise the matter before the CONTRACTING PARTIES.

Mr. LEGUYER (France) said the law had been passed very recently under special circumstances and was complex. He was prepared to transmit to his Government the wish of the United States to start bilateral discussions and agreed to the eventual inclusion of the item in the agenda should this be desired.

Mr. AZIZ AHMAD (Pakistan) referred to the difficulty for distant countries of the addition of last-minute items to the agenda. The Intersessional Committee had been established to prevent this. Although he did not wish to oppose the discussion of any item of limited interest, he hoped that the CONTRACTING PARTIES would consider this before approving new items.

Mr. MATHUR (India) said that his delegation might also have an item to propose under "Other Business".

In reply to a question from Mr. Ahmad, the EXECUTIVE SECRETARY explained that the Rules of Procedure did not refer specifically to the addition of items under an item "Other Business" but such provision was made on the agenda of most organizations. Rule 2 which provided that items must be notified for inclusion up to one month before the date of the meeting meant, as he understood it, that contracting parties proposing items within that time limit were entitled, as a right, to their inclusion in the agenda unless there was some defect in the item or in its presentation. There might be matters arising after the expiry of this time limit, however, which a contracting party would wish the CONTRACTING PARTIES to discuss. It was for the CONTRACTING PARTIES to determine whether such an item should be included and their decision would depend on the scope and complexity of the item proposed.

Mr. AHMAD (Pakistan) said that Pakistan Delegation wished to assist in all discussions but must reserve their position on items on which no information was yet available.
The CHAIRMAN explained that the Intersessional Committee had proposed the omission of the last item on the agenda - Liberian Negotiations with Benelux, France and the United States, since no communication had been received from the Liberian Government. There was no Liberian representative present and it appeared that the item should be omitted.

The agenda was approved with the omission of the item on Liberian negotiations.

The order of business was agreed subject to a brief postponement of the items on European Coal and Steel Community and Balance-of-Payment Restrictions.

5. Admission of Observers (I/27)

Japan

The CHAIRMAN said that Japan had been admitted as an observer at the last Session and could presumably be admitted again.

Mr. SVEC (Czechoslovakia) emphasised the importance of adhering to the principles of the Agreement and the Rules of Procedure as they had been drafted. The substance of the question of observers had no great importance for his delegation but he was concerned that these rules should be followed. Under Rules 8 and 9, the Japanese Government could not be admitted as an observer as it was neither a signatory of the Havana Charter nor had it been invited to the Havana Conference.

The CHAIRMAN recalled that this matter had been discussed at the last Session in detail and after considering that same point the CONTRACTING PARTIES had agreed to accept Japan as an observer.

It was agreed to admit an observer from Japan.

Libya

Mr. DI NOIA (Italy) supported the proposal that an observer from Libya should attend meetings where the item "Special Treatment for Libyan products" was discussed.

Dr. HELMI (Indonesia) supported the proposal since it was desirable that as many new countries as possible should take an interest in the Agreement.

Mr. SVEC (Czechoslovakia) supported the proposal since the status of the Libyan observer would be different from that of others and corresponded to the difference of the Libyan situation; Libya was not an independent State at the time of Havana Conference, and had it been would no doubt have been invited.

The attendance of an observer from Libya was agreed.
The Council of Europe and The High Authority of the European Coal and Steel Community

Mr. SVEC (Czechoslovakia) was opposed to the attendance of an observer from both the Council of Europe and the High Authority of the European Coal and Steel Community. Article IV of the Schuman Plan provided that duties between the members should be abolished. The Executive Secretary had noted in document W.7/2 that "As member States do not intend to accord to the other contracting parties to GATT the exemptions from duties and charges which they agreed to grant to each other, the provisions of the Treaty and of the Convention are in conflict with the terms of Article I of the General Agreement". Article LXXII of the Schuman Plan specifically provided that members should not abolish duties applied to non-members. These provisions were directly contrary to the most-favoured-nation provisions of the Agreement. Both under the Final Act of the Havana Conference and the Protocol of Provisional Application, the CONTRACTING PARTIES had undertaken not to enter into any new commitments contrary to the Agreement. Some contracting parties, however, had created a trust of their coal and steel industries, the result of which was to undermine the principles of Articles I and XIII and such an organization could not be admitted as an observer. The Council of Europe in his view was not an organisation consistent with Article 52 of the United Nations Charter, and the CONTRACTING PARTIES could not approve the admission of an organisation whose aim was contrary to the Charter and the Agreement. Mr. Svec thought there was danger connected with the increasing practice of inviting various organisations to meetings of the CONTRACTING PARTIES and noted that similar doubts had been expressed by the United Kingdom with regard to the attendance of an observer from the International Chamber of Commerce. The Agreement was not an organization and its Sessions were merely gatherings of representatives of sovereign governments which had undertaken to apply the principles that they had agreed upon. Both the Council of Europe and the High Authority of the European Coal and Steel Community were organizations which had no connection with the Agreement and were in contradiction of its principles.

The CHAIRMAN pointed out that the CONTRACTING PARTIES had already adopted the agenda which included items relating to both organizations. The question was not that these two organizations should send permanent observers to Sessions of the CONTRACTING PARTIES but merely that they should be represented by observers when the items in question were under discussion.

It was agreed to admit the Council of Europe and High Authority of the European Coal and Steel Community as observers when these items were under discussion, subject to the reservation by the delegation of Czechoslovakia.

International Chamber of Commerce

The CHAIRMAN explained that the proposal of the Intersessional Committee on representation by the Chamber differed slightly from the proposals with regard to the other bodies since the Chamber was not a governmental organisation.
It was agreed that the Working Party dealing with the Chamber's Recommendations should hear an explanation from the Chamber's representatives and should consult with them insofar as this would facilitate their discussion of these matters.

6. Reduction of Tariff Levels (I/37)

The CHAIRMAN explained that the Sub-Group established by the Working Party on the Reduction of Tariff Levels had produced a report which had not yet been considered by the Working Party. He suggested that the Working Party should be invited to meet to consider the report and other items within its terms of reference. In accordance with the recommendation of the Inter-sessional Committee the Working Party should consider the technical questions which would arise from the possible application of the French plan to countries other than those participating in the Sub-Group, and should not re-discuss technical points which had already been considered by the Sub-Group.

Dr. BOTHA (South Africa) said that the question of reducing duties and narrowing tariff disparities was of great importance to the contracting parties and the Working Party should meet soon to prepare its report. He wished particularly to thank the members of the Sub-Group for their work.

The CHAIRMAN joined with Dr. Botha in thanking the Sub-Group and said that the Working Party would be convened at the earliest possible moment.

7. International Chamber of Commerce Resolutions

The CHAIRMAN recalled that a working party at the last Session had prepared a draft Convention on the importation of samples and advertising material and Recommendations on Documentary Requirements and Consular Formalities on which comments had been requested before the present Session. It seemed appropriate now to establish a Working Party to deal further with these technical questions.

Mr. LECKIE (United Kingdom) referred to the Recommendations and recalled that the United Kingdom had already expressed its view that the recommendations, particularly those relating to consular formalities, were disappointing. His Government hoped that they would be considerably strengthened at this Session. The United Kingdom also hoped that the Contracting Parties at this Session would draft and authenticate for signature a Convention on Samples and Advertising Materials, and, furthermore, that recommendations as to documentary requirements and consular formalities would be adopted by the Contracting Parties at the present Session rather than deferred for further consideration.

The CHAIRMAN proposed that a working party be established to consider the Chamber's Resolutions, composed of Brazil, France, Greece, India, Italy, Netherlands, New Zealand, Pakistan, Sweden, United Kingdom and United States, under the Chairmanship of Mr. ASHFORD (United Kingdom), and with the following
Terms of Reference:

"(a) To examine the Draft Convention for the Purpose of facilitating the Importation of Commercial Samples and Advertising Materials, in the light of the comments received since the Sixth Session, and to recommend the text of a convention which could be opened for signature by governments;

"(b) To examine the Draft Recommendations on Documentary Requirements for the Importation of Goods and on Consular Formalities, in the light of comments received since the Sixth Session, and to recommend what action might be taken by the Contracting Parties;

"(c) To consider the Resolutions submitted by the Chamber on Valuation and on Nationality of Manufactured Goods in the light of the discussion at meetings of the Contracting Parties; to invite the representatives of the Chamber to give an explanation in support of these Resolutions and to recommend to the Contracting Parties what action should be taken; and

"(d) To consider the Resolutions, submitted by the Chamber, on Formalities connected with Quantitative Restrictions and on the Sanctity of Contracts and to recommend to the Contracting Parties what action should be taken."

M. IECUYER (France) supported by Dr. van BLANKENSTEIN (Netherlands) asked that Germany be added to the membership of the Committee.

The Working Party, as proposed and with the addition of Germany, was agreed.

The meeting adjourned at 6 p.m.