Intersessional Committee

SUMMARY RECORD

of the Meetings held at the Palais des Nations,
on 17, 18, 19 and 20 August 1953

Chairman: Mr. Johan MELANDER (Norway)

Subjects discussed:  
I. The Provisional Agenda for the Eighth Session.
II. Arrangements for the Eighth Session.
III. Next Meeting of the Committee.

I. REVIEW OF ITEMS PROPOSED FOR THE PROVISIONAL AGENDA OF THE EIGHTH SESSION OF THE CONTRACTING PARTIES AND OF DOCUMENTATION REQUIRED (IC/W/14, G/46 and Add.1 to 3)

1. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

The Committee took note of the fact that the terms of office of the Chairman would expire on 2 October 1953 and, therefore, in order to avoid a change in the Chairmanship during the Session, decided to recommend that the Chairman's term of office be extended for the duration of the Eighth Session and that the election of Chairman and Vice-Chairman for the following year be held towards the end of the Session.

2. TARIFF NEGOTIATIONS (L/93)

(a) Article XXVIII

The CHAIRMAN considered that, although it might be difficult for the Committee to make recommendations to the CONTRACTING PARTIES on such a fundamental issue, it would be possible to analyse certain solutions and pave the way for discussions at the Eighth Session.
Mr. LEMDY (United States) said that, of the various alternatives set out by the Chairman in L/93, he would, on balance, prefer, for a first consideration, the proposal of a flat extension of the period of firm validity of tariff rates for twelve to eighteen months. The Executive Secretary might be asked to prepare the draft of an instrument along the lines of the Torquay Declaration on the Continued Application of the Schedules, representing an agreement among the contracting parties not to invoke Article XXVIII pending the formal extension of their validity by a legal document. After 1 January 1954, with the expiry of the present period of firm validity of the schedules, the relative instability of tariffs might give rise to serious risks.

Doubtless most governments were in the position of the United States, which, while having been unable as yet to take any final decision in the matter, were nevertheless fully aware of the grave dangers which lay ahead if Article XXVIII were allowed to come into operation at a time when most contracting parties were engaged in evolving a long-term economic policy. He would welcome hearing the views of other delegates on the subject.

M. LECUYER (France) felt he could say, although he had no instructions on a subject of such wide economic scope, that the French Government would consider as highly desirable any measures which might avoid an influx of applications for withdrawals of a protectionist tendency after 1 January 1954. Some temporary system should be discovered to stabilize tariffs between 31 December 1953 and such time as definite stability could be attained.

M. QUERTON (Belgium) remarked that the Belgian Government would be prepared to consider sympathetically an extension of the period of the validity of the GATT Schedules to preserve the stability which had existed for the past six years.

Mr. SEIDENFADE (Denmark) supported the views of the French delegate. The contracting parties would run into international and internal difficulties if the present stability were suddenly removed. The Danish Government would therefore be in favour of a further period of firm validity without too many escape clauses. That view would obviously be subject to the present Government remaining in power after 22 September.

Mr. SANDERS (United Kingdom) said his Government had taken no final position on the matter, although it had felt tempted to let the time-bar on the operation of Article XXVIII drop. Article XXVIII obviously contained its own safeguards against abuse, and in normal circumstances countries would not have extensive resort to a procedure which might inevitably hamper their own export trade. Moreover, it had seemed to the United Kingdom Government that there might be some disadvantage in keeping what was intended as a perfectly legitimate safety-valve clamped down for too long a period. They would await however with interest the policy review which the United States were undertaking and it would doubtless be helpful to extend the time-bar for a further period. He thought the solution contained in the instrument to be drafted by the secretariat should be examined.
Dr. EICHHORN (Germany), Mr. SINGH (India), Mr. PARBONI (Italy) and Mr. REISMAN (Canada) were in favour of extending the life of the existing schedules as a most useful contribution which GATT could make to world trade today.

The CHAIRMAN proposed that it might serve a useful purpose if the report to the Eighth Session, without making any recommendation to the CONTRACTING PARTIES, would record the views of a number of contracting parties represented on the Intersessional Committee along the lines of extension of the firm validity period.

Mr. DE SOUZA E SILVA (Brazil) said that he was without instructions on such a matter, but Article XXVIII would be considered by his Government on the basis of the new Brazilian Tariff Bill which, after adoption by the Government, would be tabled before the Brazilian Congress.

Mr. RABEUS (Sweden) said that his Government were in favour of rebinding the schedules of concessions for a period of eighteen months. The tariff revision which was being undertaken by his Government would not be completed until after that period had lapsed.

The Committee decided, in order to facilitate discussion of this question by the CONTRACTING PARTIES, to instruct the Executive Secretary to prepare a draft declaration on the lines of that adopted at Torquay, whereby the contracting parties would agree not to invoke the provisions of Article XXVIII for a specified period.1

(b) Report by the Working Party on Reduction of Tariff Levels

M. LECUYER (France) confirmed the information supplied by the secretariat to the effect that since the last meeting of the Working Party there had been informal talks as a result of which the French Government had submitted a revised plan (L/103) with which the Governments of Belgium, Denmark, Germany and the Netherlands agreed in principle. The new formulae resulting from their informal discussions were wider than the former proposals, and the French Delegation felt that further consideration by the Sub-Group would be indispensable before the Eighth Session.

The EXECUTIVE SECRETARY indicated the motives which had actuated the secretariat in proposing that this Sub-Group meet in the week preceding the opening of the Eighth Session and that the Intersessional Committee make recommendations to the CONTRACTING PARTIES as to procedure in dealing with this item. For reasons apparent to all delegates, it would be impossible to reach decisions at the Eighth Session on a certain number of questions relating to progress in the field of tariff reduction. On the other hand, it seemed desirable that the CONTRACTING PARTIES should be prepared to make progress in this field as and when decisions are taken by the governments principally concerned. Therefore some discussion at the Eighth Session on the substance of the French proposal might appropriately take place and might include not only the underlying principles but also their relevance to possible future action in the field of tariff

1 Issued on 21 August in L/108.
negotiation. The Intersessional Committee might recommend that, on the basis of the technical work of the Sub-Group, the CONTRACTING PARTIES give consideration to the principles of the French plan, along the lines proposed by the Chairman in L/93, with a view to setting up machinery to pursue the study, after the close of the Eighth Session, having regard to the basic principles of the French plan against the broad background of further achievements in the field of tariff reduction.

In reply to a question by Dr. Botha (Union of South Africa), the EXECUTIVE SECRETARY said that the existing Working Party had instructions to examine the technical aspects of the French plan, but not questions of principle underlying it. As it was not likely that governments would be ready to take decisions at the Eighth Session, an intersessional body might be appointed to carry the discussion of the plan forward when conditions were ripe, without waiting for the Ninth Session. No meeting of the Working Party would be held before the Eighth Session.

The Committee considered that it would be useful if the CONTRACTING PARTIES at the Eighth Session would examine the questions of principle raised by the French plan against the background of the broader question of the adequacy of the present negotiating procedures. It was clear to the Committee that any such discussion at the Eighth Session could not in present circumstances be carried very far, and therefore the Committee considered that the CONTRACTING PARTIES might appoint an intersessional body. In order that this examination should be possible, the Committee considered that it would be necessary to make arrangements for the completion of the study of the technical aspects of the French plan and requested the Executive Secretary to convene the Sub-Group of the Working Party some days prior to the Session. The Committee recommended that the Working Party should meet to receive the Sub-Group's report early in the Session and prior to the discussion of this item by the CONTRACTING PARTIES.

(c) The Creation of a "Low Tariff Club" (G/46/Add.1)

M. LECUYER (France), recalling that at the Seventh Session he had supported the suggestion that the Council of Europe proposal be examined by a group of experts, considered that now it would be opportune that the substance of this proposal and of the French plan be examined by the same body.

Mr. LEDDY (United States), said he would like it to be understood that the terms of reference of the proposed intersessional body would be broad enough to enable it to examine any tariff proposals put forward.

The Committee agreed to recommend to the CONTRACTING PARTIES that the intersessional body proposed under the foregoing paragraph should be asked to examine, against the same background, the proposal for a "Low Tariff Club", which had been submitted to the CONTRACTING PARTIES by the Council of Europe, and also any other proposals which might be submitted by contracting parties.
(d) Accession of Japan

The EXECUTIVE SECRETARY reported that he had received a request from the Government of Japan to be allowed to send observers to the discussions relating to the question of their accession; the Japanese Government had been invited to be represented at the Seventh Session without any restriction as to the meetings they could attend and the CONTRACTING PARTIES had instructed the Inter-sessional Committee to consult, with the Government of Japan on this question of accession.

It was agreed to invite Japanese representatives to be present at the discussions on the accession of Japan and on related problems under Article XXVIII.

H.E. Mr. HAGIWARA (Observer for Japan), introducing his Government's proposal, recalled that since the Sixth Session he had pleaded the case for Japan before the CONTRACTING PARTIES and had counselled his Government to wait patiently until the time seemed opportune for the accession of Japan. Since no special session would be held before the Eighth Session, he had now received instructions to press for a speedy solution of the question.

Japan was in a very critical position and although her post-war policy had consistently been directed towards close co-operation with the western democracies, there was a certain amount of opposition of a demagogic character both among the public and in Parliament. The argument was often adduced that although Japan was admitted to many international organizations, the door of trade which was of genuine economic interest remained closed to her. It should be noted that Japan applied faithfully strict controls on her exports towards communist countries but, despite her keen desire to become a member of the GATT, was debarred from membership thereof and her trade was even subjected to discrimination by certain GATT members. This appeared to be a dangerous weapon in the hands of those who opposed the Government's policy. The technical reasons given for failing to admit Japan, i.e. the occasion of a new round of tariff negotiations, were not easily understood by the public. The situation of the Japanese economy was aggravated by a general drop in world prices which, owing to a rigid cost structure, had rendered competition by Japanese products difficult. The Japanese adverse balance of trade with the sterling area for the first half of 1953 had reached disturbing proportions, and moreover the non-trade dollar income from special procurements of the United Nations army in Korea, which had filled the trade gap, would now certainly show a substantial decrease. Japan would have to follow the example of the United Kingdom and live by "more trade than aid".

It did not seem legitimate that a country which was willing to become a member of the GATT should be debarred from membership because no round of negotiations was scheduled for some time to come. That would be tantamount to a certain

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1 Re-issued on 24 August in L/109.
discrimination against countries which were non-members for reasons beyond their control. Japan had therefore submitted a proposal for provisional membership in document IC/W/13, paragraph 5 of which he wished to stress; this reads in part: "It is understood that any such interim arrangement would in no way prejudice the freedom of an individual contracting party to define its attitude towards the accession of Japan in the light of the results of the tariff negotiations to be held in that connection. The Japanese Government recognizes that it would be appropriate that Japan should make some compensation for the benefits of existing GATT tariff schedules during this provisional period." A concrete proposal for such compensation would be communicated to the CONTRACTING PARTIES, and this would be proportionate to the benefits enjoyed by Japan, i.e. it would be in proportion to the number of countries accepting the provisional arrangement and to the volume of their trade with Japan. He hoped the proposal would be accepted by the CONTRACTING PARTIES; if not it would be withdrawn and Japan would again ask to become a member of the GATT under the regular procedure.

Mr. LEDDY (United States) said his Government was aware of the difficulties confronting the Japanese Government, that it appreciated the patience shown by Japan in the face of repeated delay, and that the United States was accordingly giving urgent and sympathetic consideration to the Japanese proposal. It was his hope that the Japanese proposal, after refinement, would be accepted by the CONTRACTING PARTIES. In order to facilitate examination of the proposal, he suggested that the secretariat prepare the draft of a legal instrument to give effect thereto. Moreover, to enable the contracting parties to form a precise opinion, it was important that the Japanese Government should present before the Eighth Session a concrete statement with respect to the tariff obligations it proposed to assume.

The EXECUTIVE SECRETARY agreed to prepare a draft of an instrument which, while not having the status of a proposal, would illustrate one possible formula for giving effect to paragraph 5 of the proposal of the Government of Japan, and would show the technical problems involved and the means by which they could be overcome.

Mr. HAGIMARA, referring to the remarks by Mr. Leddy, said his Government would endeavour to submit schedules of goods to be bound in compensation for Japan's temporary accession to the GATT before the Eighth Session. It would be the intention of his Government to bind a fairly large number of tariff items without negotiations. He thought it was clear that they could not bind all the items in their tariff as this had not been done by other contracting parties. They would, for instance, wish to exclude a certain number of industrial products of importance to Japan as well as items of which the principal supplier was not a contracting party. If some contracting parties did not accept the formula the Japanese offers would have to be proportionately reduced. Although this was a delicate problem, the Japanese Government would endeavour to submit as complete and equitable a proposal as possible, in the hope that it would be acceptable to all.
In order to clarify the issues involved in the proposal submitted by the Japanese Government, the Committee instructed the Executive Secretary to prepare a document which would set out in technical terms an instrument which might be used to give effect to the Japanese proposal in the event that it should commend itself to the CONTRACTING PARTIES. ¹

The Committee also considered what action should be taken on the Report, L/76, which had been drawn up at its meeting in February 1953. After some discussion in which Mr. Seidenfaden (Denmark), Mr. Sanders (United Kingdom), the Chairman and the Executive Secretary participated, the Committee considered that it would not be necessary to discuss the report unless the CONTRACTING PARTIES should decide to proceed with Japan's application to accede under Article XXXIII or unless a contracting party should wish to raise any matter covered by the report in the discussion of the proposal submitted by the Japanese Government.

3. BALANCE-OF-PAYMENT IMPORT RESTRICTIONS

(a) Consultations under Article XIV: 1(g)

The EXECUTIVE SECRETARY drew attention, in particular, to the second of the two suggestions contained under this heading in document IC/w/14. He thought the CONTRACTING PARTIES might usefully consider whether it was desirable to hold over a consultation from year to year when the failure to complete it was not due to the consulting contracting party but to the inability of the CONTRACTING PARTIES to do so. If a consultation initiated in any year were not completed, the consulting contracting party might be deemed to have fulfilled its obligation to consult in that year. According to this suggestion, the 1953 consultations would be closed at the Eighth Session whether completed or not.

Mr. ANDERSON (International Monetary Fund) noted that the Fund had endeavoured to meet the needs of the CONTRACTING PARTIES in scheduling its own consultation programme. This had naturally involved certain difficulties in some cases, particularly as it meant trying to arrange that the relevant Fund consultations would take place at an early stage in the Fund's programme. The Fund had, however, concluded its 1953 consultations with the United Kingdom (including Southern Rhodesia) and with Australia and it was expected that the results and background material with respect to these countries would be supplied to CONTRACTING PARTIES in the following week. The consultation with Ceylon was about to begin and it was expected that material would be available for the Eighth Session. The Fund hoped to conclude its consultation with Italy during the period of the Eighth Session. New Zealand constituted a different problem but unofficial contact had been established with the New Zealand authorities, who had supplied very useful comments on the Fund's draft papers. The papers were being revised in the light

¹ This was issued on 20 August in L/107 & Corr.1.
of these comments and it was expected that they would soon be forwarded to the CONTRACTING PARTIES. The Fund's 1952 consultation with the Union of South Africa had not been completed and it was not expected that the 1953 consultation would be concluded before the end of the Eighth Session. Referring to the last paragraph of the secretariat's note under this sub-item, he recalled that the Fund had also concluded its 1952 consultation with the United Kingdom in respect of Southern Rhodesia and had supplied the CONTRACTING PARTIES with the related material.

Mr. PANSEGROUW (Union of South Africa) said that his Government did not wish to have consultations standing over from one year to another; the proposal raised an important point of principle, but if a recommendation were made by the Committee to the CONTRACTING PARTIES along these lines his Government would view it sympathetically.

On the proposal of Mr. Leddy (United States) the Committee agreed not to make any recommendation on this subject but to submit the proposal for consideration by the CONTRACTING PARTIES without commitment by the members of the Intersessional Committee. Mr. LEDDY also referred to the proposal in IC/W/14 to the effect that if it should not prove possible to proceed with the financial side of any consultation for lack of material from the Fund, the consultation should be limited to the trade aspects and that the contracting party should then be considered to have fulfilled its obligation to consult; he thought that a consultation on trade aspects only would be difficult to carry out in practice.

Mr. REISMAN (Canada) thought there was much merit in the proposal put forward by the Executive Secretary, though as for the conduct of consultations only on the trade aspects of restrictions, he foresaw difficulties in dealing with certain facts without the requisite financial data. But he agreed that if the financial information was not available a government's obligation to consult should be considered as fulfilled.

The Committee agreed to propose, for consideration by the CONTRACTING PARTIES, that if it should prove impossible to carry out at the Eighth Session any of the seven consultations initiated in March 1953 under the provisions of Article XIV: 1(g), the CONTRACTING PARTIES should record that the contracting party concerned had fulfilled its 1953 obligation to consult.

Further, with reference to the three consultations under Article XIV: 1(g) which were initiated in 1952 but were not completed at the Seventh Session, the Committee agreed to propose, for consideration by the CONTRACTING PARTIES, that if it should not be possible to complete any of these consultations, for the same reason that led to its postponement last year, the CONTRACTING PARTIES should record that the contracting party concerned had fulfilled its 1952 obligation to consult.
(b) **Fourth Annual Report on Discrimination**

Mr. DE SOUZA E SILVA (Brazil) said his Government was preparing its reply to the secretariat questionnaire (L/69) and would submit it before the Eighth Session.

The Committee agreed to recommend that the preparation of the annual reports on discrimination, required under the provisions of Article XIV: 1(g), should be entrusted, as last year, to the working party which conducts the consultations and that, in future, these reports should be published, along with other working party reports, in supplements to "Basic Instruments and Selected Documents".

(c) **Procedures for Report and Consultations under Article XIV: 1(g) in 1954**

The Committee agreed to recommend that this item be referred to the working party which conducts the consultations and prepares the report on discrimination.

(d) **Consultations under Article XII: 4(b)**

Mr. ANDERSON (International Monetary Fund) reported that the Fund had already sent to the CONTRACTING PARTIES the results and background material arising from its 1952 consultations with Finland and Sweden and with the United Kingdom in respect of Southern Rhodesia. In addition, material from the 1953 consultation in respect of Southern Rhodesia would, as noted earlier, be forthcoming and, if it would be of assistance to the CONTRACTING PARTIES, the Fund hoped to be able to provide supplementary factual material bringing up to date what had been submitted with respect to Finland and Sweden. Regarding Chile, the Fund consultation was in progress and it was expected that it would be concluded during the current month.

It was anticipated that the 1953 consultation with Brazil would take place in September, and that the results and background material would be provided to the CONTRACTING PARTIES during the Eighth Session. The situation with respect to New Zealand and the Union of South Africa was the same as that given in connection with the Article XIV: 1(g) consultations.

Mr. LEDDY (United States) said the Government of Pakistan had recently taken measures resulting in an intensification of their import restrictions. His Government would have proposed the inclusion of Pakistan in the provisional agenda for the initiation of a consultation at the Eighth Session, had it not been for the fact that it was doubtful whether the Fund could provide the necessary material.

Mr. ANDERSON (International Monetary Fund) could not say when the consultation with Pakistan under Article XIV of the Articles of Agreement of the Fund would take place. Pakistan was not among the countries for which the Fund had sought
to arrange its work for the Eighth Session. Speaking generally, if there were to be a consultation with the Fund under Article XV: 2, it would be advantageous if the Fund could be given as much notice as possible.

Mr. AZIZ AHMAD (Pakistan) said his Government would be prepared to consult if the CONTRACTING PARTIES so desired and if the IMF were able to supply the necessary background material. He would prefer that the consultation take place in Geneva during the Eighth Session.

Mr. LEDDY (United States) said that since the representative of Pakistan agreed to the consultation the item could be placed on the agenda, and if the IMF were unable to supply the necessary data it would then have to be considered by the CONTRACTING PARTIES within the general frame of discussions about the desirability or otherwise of holding over consultations.

Mr. AZIZ AHMAD (Pakistan) had no objection to that procedure.

Mr. LEDDY (United States) proposed that the Netherlands Government be invited to consult at the Eighth Session under the first part of the first sentence of Article XII: 4(b). The IMF, in concluding its 1952 consultation with the Netherlands under Article XIV of the Fund Agreement, had observed that part of a further increase in the Netherlands' gold and dollar reserves could be devoted to some relaxation of the dollar payments restrictions. Although the Netherlands' monetary reserves had risen substantially since that time, apparently no significant relaxation of dollar restrictions had been introduced. For this reason the United States Government proposed that the Netherlands Government be invited to consult on its import restrictions under Article XII: 4(b).

The Committee agreed that consultations with the Governments of the Netherlands and Pakistan should be initiated under Article XII: 4(b) to be carried out at the Eighth Session, provided that the IMF were able to furnish the necessary financial data. The Executive Secretary was instructed to invite the IMF to consult with the CONTRACTING PARTIES concerning these consultations pursuant to the provisions of Article XV.

Further, with reference to the seven consultations under the provisions of Article XII: 4(b), which were initiated in 1952 but were not completed at the Seventh Session, the Committee agreed to propose for consideration by the CONTRACTING PARTIES that if it should not be possible to complete any of these consultations, for the same reason which led to its postponement last year, the CONTRACTING PARTIES should record that the contracting party concerned had fulfilled its obligations.

4. SPECIAL EXCHANGE AGREEMENTS

No comment.
5. **METHODS OF VALUATION FOR CUSTOMS PURPOSES**

M. LECUYER (France) pointed out that this question was being studied by the Customs Co-operation Council in Brussels jointly with the International Chamber of Commerce. He thought it would be useful if the secretariat were to keep in touch with the Council in order that the contracting parties might be kept informed of the results of these studies.

6. **NATIONALITY OF GOODS**

No comment.

7. **CONSULAR FORMALITIES**

The Committee agreed to recommend that this and the two preceding items be referred to a working party with a composition similar to that of the working party appointed to deal with these items at the Seventh Session, and that the working party be instructed to consult with representatives of the International Chamber of Commerce insofar as this would facilitate their discussions.

8. **EUROPEAN COAL AND STEEL COMMUNITY**

Mr. SEIDENFADEN (Denmark) stressed the importance of this item in which his Government was very much interested. He thought that the matter should be submitted to a very thorough study and suggested that a recommendation in this sense be made to the CONTRACTING PARTIES. The secretariat might, by obtaining further information, prepare the ground for such an examination.

M. LECUYER (France) remarked that the secretariat proposal was concerned only with the examination of the report of the member States, which were also contracting parties to the GATT, on the measures taken by them in application of the Treaty. The representative for Denmark seemed to envisage a wider study of the work of the Community itself, which would not be covered by the present item and would require the inclusion of a new item on the agenda. In his view the CONTRACTING PARTIES should not embark on such an investigation and should limit their examination to the report which the six governments are required to submit under the terms of the waiver granted to them by the CONTRACTING PARTIES.

Mr. LEDDY (United States) agreed with the representative of Denmark that the report, being the first that the CONTRACTING PARTIES would receive from the Community, would prove of considerable interest since it was concerned with a waiver of obligations under the Agreement. It was on this waiver that the successful operation of the Community itself was based. He thought that the CONTRACTING PARTIES should examine both a comprehensive report by the six governments and any additional information which the secretariat could collect. He expressed his concern at the fact that the report had not yet been submitted, and suggested that the Executive Secretary establish contact with the governments in order to obtain the report as soon as possible.
M. LECUYER (France) had no objection to a study of the operations of the ECSC on the basis of the text which the Community would supply to the CONTRACTING PARTIES in accordance with their undertaking. But he personally doubted whether the Community would supply a report on its activities as a whole. There were many other aspects of the Community's activity which the Intersessional Committee were not entitled to place upon an agenda for the CONTRACTING PARTIES.

The EXECUTIVE SECRETARY agreed with the representative of France that there was no question of the CONTRACTING PARTIES considering the activities of the ECSC as a whole. There was, however, no reason why the CONTRACTING PARTIES should not instruct their secretariat to collect material which might aid them in their task. He agreed to ask the governments to submit their report in time for the Eighth Session, but thought the member States represented on the Committee might appropriately press for as early a dispatch of the report as possible.

M. LECUYER (France), M. QUERTON (Belgium), Dr. EICHHORN (Germany) and Mr. PARBONI (Italy) all intimated that the reports to the ECSC from their respective countries were either completed or in process of completion.

The EXECUTIVE SECRETARY remarked that he feared a delay might nevertheless occur, because the national reports had first to be considered by the Council of Ministers of the Community before a collective report was passed upon and forwarded to the CONTRACTING PARTIES; even the beginning of the Session would be a late date for submission as this would allow little time for study of the report by governments.

The Committee instructed the Executive Secretary to inform the six governments that it would be helpful if they could submit their first annual report well in advance of the Session so as to allow time for it to be studied by contracting parties in preparation for discussion at the Session, and to collect such additional material as he considered would be useful to the CONTRACTING PARTIES in examining this report.

As special representation would presumably be necessary for some of the contracting parties, the Committee agreed to recommend that the discussion of this item should begin on a predetermined date and, since the report was not yet available, proposed Monday, 5 October.

9. ITALY - SPECIAL CUSTOMS TREATMENT FOR LIBYAN PRODUCTS

The Committee considered that this item should be taken on a predetermined date, in order to facilitate the representation of the Government of Libya, and instructed the Executive Secretary to consult with the Government of Libya and to propose an appropriate date for consideration at the next meeting of the Committee.
10. **SOUTH AFRICA - SOUTHERN RHODESIA CUSTOMS UNION**

No comment.

11. **NICARAGUA - EL SALVADOR FREE-TRADE AREA**

No comment.

12. **UNITED STATES RESTRICTIONS ON DAIRY PRODUCTS**

The representative of the United States informed the Committee that he would have the report despatched as promptly as possible.

13. **BRAZILIAN INTERNAL TAXES**

The representative of Brazil agreed to press for a prompt submission of the report by his Government.

M. LECHUER (France) stressed the importance of this report so that the matter might be settled once and for all. They had heard many promises on this matter and hoped that they would at last learn from the report where the matter stood.

14. **BELGIAN FAMILY ALLOWANCES**

Mr. PARBONI (Italy) said he had been directed to request that his Government be added to those which had presented complaints in this matter. At the time of the Seventh Session, the Italian Delegation had no reason for intervening in this matter, since the Belgian representative at the Sixth Session had had confirmed the exemption for Italian products from the levy in question. However, Italian supplies purchased by Belgian Public Authorities had subsequently been discriminated against. Representations through diplomatic channels having proved unsuccessful, the Italian Government requested that their complaint be placed on the agenda of the Eighth Session.

In reply to an enquiry from Mr. Seidenfaden (Denmark) the CHAIRMAN stated that, if the CONTRACTING PARTIES considered that Belgium had not taken appropriate steps to remedy the situation referred to, Denmark could take up the matter under Article XXIII of the General Agreement.

M. QUERTON (Belgium) hoped that as a result of a decision by the authorities in Belgium, a report on the measures taken would be ready for consideration at the opening of the Eighth Session. Referring to the remarks by the representative of Italy, M. Querton stated that, under Belgian law, exemptions from the special charge on certain foreign goods were granted by government order. There seemed to have been some confusion at the Seventh Session in this connection, and the statement in the report (Q'32) that Italian goods were exempted from the levy was erroneous.
Mr. PARBONI (Italy) said that it was because of this confusion that the matter had not been raised earlier.

Dr. EICHHORN (Germany) proposed that Germany also be added to the list of governments complaining against the Belgian practice and undertook to submit a memorandum in good time.

The Committee agreed to include the Italian and German complaints in the provisional agenda.

15. GERMANY - TREATMENT OF IMPORTS OF SARDINES

Dr. EICHHORN (Germany) stated that in May 1953 German and Norwegian Delegations had met to discuss this question but had postponed further consideration of the matter until September. A report on the result of those discussions would be submitted at the beginning of the Session.

16. GREEK IMPORT TAXES (I/88)

M. LECUYER (France) observed that the termination of the special taxes by the Greek Government appeared to dispose of the complaint examined at the Seventh Session. But there were new developments and the French Government would ask for clarification of certain new measures which appeared to be contrary to the undertakings given by the Greek Government.

17. GREEK IMPORT DUTY COEFFICIENTS (G/51)

No comment.

18. UNITED STATES DUTY ON DRIED FIGS

No comment.

19. UNITED STATES EXPORT SUBSIDY ON SULTANAS

No comment.

20. CONVENTION ON IMPORTATION OF SAMPLES AND ADVERTISING MATERIAL

The Committee agreed to recommend that contracting parties be invited to indicate their intentions concerning the acceptance of or accession to this Convention and, further, that the CONTRACTING PARTIES request the Secretary-General of the United Nations to send a copy of the Convention to the Government of Spain.
21. RESTRICTIVE BUSINESS PRACTICES

As a result of explanations by the EXECUTIVE SECRETARY, who reported that the Secretary-General of the United Nations would doubtless not ask the CONTRACTING PARTIES for advice on the administration of the proposed convention on restrictive business practices before the Ninth Session, the Committee agreed that this item need not be included in the provisional agenda.

22. DISCRIMINATION IN TRANSPORT INSURANCE

The Committee agreed to recommend that this item be included in the agenda, but that the CONTRACTING PARTIES should limit their action at this stage to an instruction to the Executive Secretary to prepare, in consultation with governmental and non-governmental organizations, and circulate a report on the issues involved.

23. NOMINATION OF CHAIRMAN OF ICCICA

No comment.

24. STATUS OF PROTOCOLS (G/Al/Rev.2)

No comment.

25. RECTIFICATION OF SCHEDULES (L/85, L/98, L/100)

No comment.

26. RENEWAL OF INTERSESSIONAL ARRANGEMENTS FOR THE ADMINISTRATION OF THE AGREEMENT

No comment.

27. FINANCIAL STATEMENT FOR 1953 AND BUDGET ESTIMATES FOR 1954

No comment.

28. DATE AND PLACE OF THE NINTH SESSION

The Committee agreed to recommend that in considering the date and place of the Ninth Session, the CONTRACTING PARTIES should take into account the pattern of conferences established by the Secretary-General of the United Nations and the desirability of avoiding a clash with the date foreseen for the Annual Meeting of Governors of the IMF.
29. DIFFICULTIES ARISING OUT OF THE APPLICATION OF ARTICLE I (Proposed by the United Kingdom - G/46/Add.2)

M. LECUYER (France) asked that the United Kingdom memorandum be submitted in good time to allow for thorough consideration before the Session since the position of France in this matter was analogous to that of the United Kingdom.

Mr. SANDERS (United Kingdom) agreed to submit a memorandum soon and that the discussion of the item be held in the early stages of the Eighth Session.

30. UNITED STATES IMPORT RESTRICTIONS ON FILBERTS (Proposed by Turkey - G/46/Add.3)

No comment.

31. UNITED STATES SUBSIDIES ON ORANGES AND ALMONDS (Proposed by Italy)

Mr. PARBONI (Italy) referred to the policy followed by the United States since the year 1948-49 of subsidizing exports of oranges to certain countries, notably in Europe. These subsidies amounted to between 40 and 50 per cent of the domestic or f.o.b. price, a fact which had led Italian exporters on many occasions to voice their concern at the ensuing alteration of normal-competitive conditions. The Italian Government had taken up the question several times through diplomatic channels and also at the time of the Seventh Session, when the matter of subsidized exports of sultanas by the United States had been examined, and at the close of which it had been announced that United States subsidies on oranges had been abolished. However, the subsidy appeared merely to have been suspended and had since been re-established for a period up to 30 September 1953. Moreover, the attention of the Italian Government had recently been drawn to the repercussions on Italian exports to various European markets, in particular the Swiss market for the year 1951-52, of a special United States subsidy on exports of almonds. A memorandum would be submitted by the Italian Government on this subject.

32. BELGIAN RESTRICTIONS ON DOLLAR IMPORTS (Proposed by Canada and the United States)

No comment.

33. BRAZILIAN COMPENSATORY CONCESSIONS (Proposed by the United Kingdom and the United States)

Mr. DE SOUZA E SILVA (Brazil) reserved the position of his Government until the provisional agenda is discussed at the Eighth Session.
34. **FRENCH TAX ON IMPORTS AND EXPORTS** (Proposed by the United States)

M. LECUYER (France), pointing out that the tax had been imposed by parliamentary initiative and not by his Government, agreed that the matter could be discussed.

35. **EXTENSION OF THE TIME LIMIT UNDER ARTICLE XX, Part II** (Proposed by Norway)

No comment.

II. **ARRANGEMENTS FOR THE EIGHTH SESSION**

1. **THE OPENING PLENARY MEETINGS**

In view of the intention of a number of contracting parties that their delegations should be led, for the early part of the Session, by ministers, it appeared to the Committee desirable that during this first part of the Session there should be an opportunity for these ministerial representatives to make statements on general policy issues and also that there should be a discussion of the major issues on the agenda. Accordingly, the Committee agreed to recommend that the following questions be taken up in plenary meetings in the first days of the Session:

(a) any general policy statements which might be made following the Chairman's opening remarks;

(b) the item relating to Article XXVIII;

(c) the item proposed by the United Kingdom Government affecting the application of Article I; and

(d) the question of Japanese accession.

2. **BALANCE-OF-PAYMENT IMPORT RESTRICTIONS**

Since the opening of the Session would follow closely the meeting of the Board of Governors of the IMF, the Committee considered that it would be of mutual advantage to the IMF and the CONTRACTING PARTIES if the balance-of-payment items were not taken up before October.

3. **DELEGATION OFFICES**

The EXECUTIVE SECRETARY called the attention of the contracting parties to the possibility of a conference on Korea being held in Geneva towards the middle of October. He had had assurances from the Secretary-General of the
United Nations that the accommodation of such a conference in the Palais des Nations would not restrict the facilities granted to the CONTRACTING PARTIES, but delegations might be requested to surrender some of their office space. In view of the exceptional circumstances the Executive Secretary felt that contracting parties would be prepared to accept some inconvenience. He also advised delegations to reserve hotel accommodation well in advance.

III. NEXT MEETING OF THE INTERSESSIONAL COMMITTEE

The Committee agreed to reconvene on 16 September 1953 at 3 p.m.