

Paris, 21st September 1950

Economic Directorate

Or. Fr.

DE/NI/50.20

RECORD OF THE MEETING OF WORKING PARTY No. 6
OF THE EXECUTIVE COMMITTEE
HELD ON 20th SEPTEMBER AT 11 A.M.

1. Study of CE/WP6(50)5 and CE/WP6(50)6.

The Chairman asked the members of the Working Party whether they had any remarks to make on the letters submitted to the Chairman of the Pulp and Paper and Textiles Committees. The Working Party expressed its agreement with the contents of the two letters.

Mr. GUERONIK explained that the Pulp and Paper Committee would draw up a report on the conclusion of its work at the end of the week. The Textile Committee's work on wool would no doubt be finished by the beginning of the next week.

It was agreed that the Chairman of the Working Party should get into touch with these two Chairmen to clear up any points that might need clarification. The Chairmen would then be invited to attend an early meeting of Working Party No. 6, whose members might ask them to study certain additional questions.

2. At the suggestion of the Delegate for Italy, the Chairman asked the various delegations if they would be in a position to take part in the discussion of the three plans, after they had been in touch with their governments.

Although most of the delegations had not yet received precise instructions on the subject, they felt that it was possible to pass on from the phase of clarification to that of discussion.

3. The Working Party then considered its future programme of work. The Chairman recalled that they had been instructed to submit a report to the Executive Committee so that it might be in

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a position to make a report to the Council at Ministerial level. This report must therefore be ready by 1st October.

The Netherlands Representative, seconded by the Danish Representative, did not think it would be possible to draw up a final report but urged that they should submit a progress report or an interim report. The Delegate for Germany pointed out that the Working Party had not been asked to draw up a final report, but only one containing suggestions for a further examination.

The Chairman read the mandate given to the Working Party by the Executive Committee, which did in fact ask for a preliminary report.

4. The Working Party considered that the suggestion made by the Delegate for the United States for setting up two sub-working parties was premature. It was decided to await the conclusion of the first phase of the general discussion, before considering whether it was opportune to set up such sub-groups.

5. It was decided that on the following Monday there should be an exchange of views between the Representatives of the I.B.R.D. and the Working Party regarding the respective functions of the I.B.R.D. and any European Investment Bank.

6. The Secretariat having been asked a number of questions, Mr. WALTER indicated that it had given its reply to the first of these, which dealt with the list of sectors, by drawing up CE/WP6(50)7.

It would reply to the second question (investment statistics) by circulating a note containing information which, unfortunately, was somewhat vague.

Finally, he would shortly provide information on the use of the Brussels customs documentation.

7. As had been agreed, a general discussion then began. Before examining each problem individually, it was decided to hear a general outline from each delegation regarding the various problems studied to date.

The Delegate for the United Kingdom said he would like to leave it to the usual United Kingdom representative on the Working Party to make this outline on behalf of his delegation.

The Delegate for Germany considered that, before embarking on a discussion of particular questions, they ought to have a general idea of the present relationship between the three plans and the problem of liberalising trade. While these plans might, up to a point, facilitate the achievement of the 75% stage, he

felt that it would be unwise to make further progress in liberalisation dependent on the success of these plans. The two things should be independent.

The Delegate for Denmark did not agree with the views expressed by the Delegate for Germany. He did not think that the 75% stage could be discussed without taking these new proposals into account. He stressed the point that measures of liberalisation applied by percentages worked to the disadvantage of certain countries, and thought that the problem of liberalisation should be reconsidered in the light of changes which were about to occur in world economy (since the terms of trade would be influenced in different ways by the present price trends). He further stated that the liberalisation of trade was based on the hypothesis of an intra-European equilibrium, which he did not think could be achieved in present circumstances.

He stated that the Danish Delegation was keenly interested in the Pella proposal, although it was not blind to the difficulties of carrying it out. His Delegation also favoured the Stikker proposal, but considered that before any opinion was expressed on this matter, the results of the two illustrative studies should be awaited. The Danish Delegation considered, however, that the concept of an Integration Fund would not be feasible in practice owing to its complexity; the European Investment Bank was a less complex proposal. His Delegation preferred that the Bank should grant loans to Governments, rather than to private firms.

8. The Chairman asked the three Delegations concerned whether they made the adoption of their plan a condition of the 75% liberalisation.

The Delegate for the Netherlands shared the opinion of the Delegate for Denmark. The Stikker Plan had been put forward for reasons similar to those which the Delegate for Denmark had outlined. The Stikker Plan did not exclude fresh liberalisation, but expressed the hope that the Organisation would also tackle the problem of the elimination of other restrictions (customs duties, subsidies, etc.). The Delegate for the Netherlands could not give any exact reply to the question, which, in any case, would shortly be discussed by the Council of Ministers, but he considered that there was a clear connection between a fresh liberalisation of trade and the carrying out of the Stikker Plan.

The Delegate for Norway supported the Delegates for Denmark and the Netherlands. The experience of his country had shown that in spite of a relatively low percentage of liberalisation, serious balance of payments difficulties had arisen. He added that the Norwegian authorities were interested in the problem of integration by sectors.

The United States Representative, seconded by the Delegate for Switzerland, said he would be sorry to see the problem of the 75% stage linked with that of the three plans.

The Delegate for France said that the French Delegation had already replied to the question; it certainly did not make the application of the 75% stage conditional upon the adoption of its proposal.

The Delegate for Italy said that the Polla Plan merely stated in general terms that it would be difficult to achieve this percentage unless something were done, but this did not mean that the achievement of 75% was subordinate to the adoption of that plan.

The Delegate for Austria said that, in considering the three plans, Austria had to bear in mind the close relations it had always had with the Eastern European countries. It was difficult for the Austrian Delegation to agree to plans for interconnection until the relationship between Austria and Eastern Europe could be clarified.

The Delegate for Ireland said that he appreciated the difficulties of such countries as Denmark and that it was necessary, in considering the three plans, to bear in mind the various problems, such as emigration for instance, that integration would raise in the different countries.

The Delegate for the United States said that the United States appreciated the constructive character of the plans submitted and was interested in studying them.

PRESENT :

Mr. FILIPPI (Chairman)	France
Mr. KOLB	Austria
Mr. WALHIN	Belgium
Mlle TENZER	"
Mr. BARTELS	Denmark
Mr. de CLERMONT-TONNERRE	France
Dr. EMMINGER	Germany
Mr. COMINOS	Greece
Mr. KENNEDY	Ireland
Mr. GRAGNANI	Italy
Mr. van TUYLL	Netherlands
Mr. BLAISSE	"
Mr. STYKEL	"
Mr. SEIF	Norway
Mr. MAGEDO	Portugal
Mr. NORDENSON	Sweden
Mr. DUFONT	Switzerland
Mr. EARLBERIN	Trieste
Dr. AKINCI	Turkey
Mr. PRESTON	United Kingdom
Miss DIETRICH	United States
Mr. RIST	I.B.R.D.
Mr. HILL	"
Mr. GUERONIK	} Secretariat
Mr. CEDERWALL	
Mr. WALTER	
Mr. DELVILLE	