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SUMMARY RECORD OF THE ELEVENTH MEETING

Held at the Palais des Nations, Geneva,
on Friday, 8 December 1961, at 2.30 p.m.

Chairman: Mr. J. LACARTE (Uruguay)

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It was agreed that Mr. Lacarte (Uruguay) should act as Chairman of the meeting in the absence of the Chairman and the Vice-Chairmen of the CONTRACTING PARTIES.

1. Belgian import restrictions - report of Working Party (L/1668)

The CHAIRMAN said that the Working Party on Agricultural Waivers had examined the report submitted by the Government of Belgium under the Decision of 3 December 1955 and that the Working Party's report had been submitted in document L/1668.

Mr. SOMMERFELT (Norway), Chairman of the Working Party, in presenting the report of the Working Party, said that in accordance with its terms of reference, the Working Party had examined the sixth annual report in document L/1604, submitted by the Government of Belgium pursuant to the terms of the Waiver Decision of 5 March 1955. Mr. Sommerfelt said that in the report L/1668 which was submitted to the CONTRACTING PARTIES for their approval, the Working Party

welcomed the progress made by Belgium in moving further towards the elimination of quantitative import restrictions, and the assurance given by the Government of Belgium that it would make every endeavour to remove remaining quantitative restrictions by the end of 1962 when the waiver was due to expire. It was felt by some members of the Working Party, however, that the progress by Belgium had not been as rapid and as comprehensive as had been hoped for when the waiver had been granted. Members of the Working Party stressed that for the objectives of the waiver to be attained it was of the utmost importance that the removal of quantitative restrictions on products covered by the waiver would indeed lead to increased access to the Belgian market of those products. Further, members of the Working Party expressed the hope that quantitative restrictions would not be replaced by a system of variable import levies. The Working Party also noted that for certain items no liberalization date had so far been set. The hope was expressed with respect to these items also, that the remaining import restrictions would be eliminated at the earliest possible date and in accordance with the terms of the waiver.

Mr. Sommerfelt said that it could be noted from the report that some members of the Working Party felt that in order to help contracting parties follow the progress made by Belgium in removing the remaining quantitative restrictions in 1962, it would be helpful if the Government of Belgium would consult with the CONTRACTING PARTIES in the spring of 1962.

Mr. EVANS (United States) said that his delegation supported the adoption of the Working Party's report and considered that the information supplied by Belgium during the consultations was extremely useful and informative. His delegation was glad to note the renewed assurances by the Government of Belgium that it would make every effort to remove the remaining quantitative import restrictions by the time of the expiration of the waiver.

Mr. Evans said that he noted that certain members of the Working Party had suggested that the Belgian Government should again consult with the CONTRACTING PARTIES in the spring of 1962 in order that there might be a further useful exchange of views before the expiration of the waiver. If the suggestion was accepted by the CONTRACTING PARTIES, the United States delegation wished to suggest that the Council itself should serve as the mechanism through which the consultation would be conducted.

Mr. GRUNWALDT (Uruguay) said that his delegation supported the adoption of the report and noted with pleasure the conclusions that were reached especially with regard to the assurances given by the Belgian delegation concerning their compliance with the terms of the waiver and the intention that it should end when the time-limit was reached. However, as suggested by the Working Party, his delegation hoped that the existing restrictions would be removed as early as possible. His delegation agreed that Belgium should be invited to participate in further consultations in the spring of 1962 so that contracting parties would be able to follow developments.

Mr. DATSON (New Zealand) said that at an earlier meeting his delegation had referred to one of the basic objectives of the waiver, which was to enable domestic industries in Belgium which had received incidental protection

from import restrictions, to adjust to the situation created by the removal of such restrictions. While his delegation welcomed the considerable progress made by the Belgian Government in removing quantitative restrictions, his delegation had some reservations about the import regimes which were replacing some of those restrictions, and which affected products of interest to New Zealand. It was difficult for New Zealand to agree in this respect that the basic objective of the waiver had been completely achieved. Because of the expiration of the waiver at the end of 1962, and because of the feeling of several members of the Working Party that progress had not been quite as rapid and comprehensive as had been hoped, his delegation agreed with the suggestion that it would be helpful if there would be an opportunity for interested contracting parties to consult with Belgium again in 1962. He agreed that the Council should serve as a mechanism for the conduct of the consultation.

Mr. LATIMER (Canada) supported the suggestion that there should be further consultation during the spring of 1962.

Mr. VIDAL (Brazil) said that his delegation also hoped that Belgium would be able to make more progress before the end of the present waiver; during the consultation in the spring of 1962, as envisaged by the Working Party, the CONTRACTING PARTIES should have news that there had been rapid progress made by Belgium.

Mr. DE SMET (Belgium) thanked the Chairman and the members of the Working Party for the way in which they had examined the Belgian report. The Working Party had concluded that progress had not been as rapid as expected. He said the reason, perhaps, was that Belgium had been somewhat over-optimistic when the waiver was granted. He said that Belgium would make every effort to broaden the markets for fisheries and agricultural products, and that he would not fail to inform his Government not only of the remarks and suggestions that had been made, but also that countries who were particularly interested in this matter had expressed the view that it would be very useful if Belgium would carry out consultations with the Council in 1962. In conclusion, he expressed the hope that at the end of 1962 the CONTRACTING PARTIES would be able to recognize that Belgium had made the greatest effort possible to end the waiver by eliminating all quantitative restrictions in the agricultural field.

The CHAIRMAN said that the comments by the representative for Belgium would be noted.

The report was adopted.

2. Provisional accession of Switzerland - report on consultation (L/1670)

The CHAIRMAN recalled that at the seventeenth session, the CONTRACTING PARTIES had initiated the consultation with the Government of Switzerland which was provided for in paragraph 1(c) of the Declaration on Provisional Accession dated 22 November 1958. A Special Group had been appointed by the Council to continue this consultation and the Group had now submitted a report in document L/1670 and Corr.1.

Mr. LATIMER (Canada) in presenting the report of the Special Group on the Accession of Switzerland, said that he wished to assure the CONTRACTING PARTIES that there had been a sincere effort on the part of all the countries concerned to find a mutually acceptable solution to this problem. It was with real regret that the members of the group were not able to reach agreement at this time on solutions which would provide for the full accession of Switzerland to the General Agreement. Members of the Group were most appreciative of the efforts made by the Swiss Government to move in the direction of accepting full GATT obligations. It was also appreciated that it was the declared intent of the Swiss Government to apply a liberal import policy so that other countries would share in the growth of the Swiss market.

Mr. Latimer said that the Declaration of 22 November was due to expire at the end of 1961 and for this reason the Special Group, with the concurrence of the Swiss delegation, had suggested to the signatories to the Declaration that they agreed to an extension of its validity for a further period of three years. A draft procès-verbal had been drawn up for this purpose. The Special Group also recommended that if the extension of the Declaration was acceptable to its signatories, the CONTRACTING PARTIES should simultaneously re-validate the resolution providing for the participation of Switzerland in the work of the CONTRACTING PARTIES, as proposed in the draft decision annexed to the report.

Mr. WEITNAUER (Switzerland) thanked Mr. Latimer and the members of the Group for the co-operation they had shown during the discussions. He said his delegation was profoundly disappointed that the Special Group had reported failure in an endeavour that was destined to serve a worth while cause - the coming together of Switzerland, a world trading power per excellence, and the world trade organization, the GATT.

The Swiss delegate said that the policy pursued by the Swiss Government could not be anything but a truthful reflection of what was typical of their country. Macchiavelli had said of the Swiss at the beginning of the sixteenth century that they were "liberissimi ed armatissimi", most free and most armed. With regard to freedom, Mr. Weitnauer said that Switzerland had given expression to this basic element of their political life through a system of direct democracy with a very active participation of the individual citizen in the conduct of the country's public affairs. This meant that Swiss policy must always be, so to say, like an open book displayed in the market square for every citizen to look at and satisfy himself that what the Government did was well in keeping with the majority will of the people. This high degree of political maturity had called for perfect compatibility between Swiss domestic laws and their international commitments. Mr. Weitnauer said that Macchiavelli had called the Swiss not only "liberissimi" but also "armatissimi". It was true now, as it had been in the past, that the Swiss army was one of the largest and best equipped in Europe. However, his country attached even greater importance to being armed in quite a different way: Switzerland, although a small country, took a certain pride in being accepted as a rather special one as well. A country

with a 450 year old policy of permanent and armed neutrality setting the pace could rightly be considered as an example of absolute reliability in all its dealings with the outside world. Consequently the Swiss Government was extremely cautious and reluctant to undertake any international commitment which it was not quite sure it would be able to keep fully and completely.

He said that the bearing the points he had just made had on Switzerland's relationship to the GATT was quite apparent because, in the background of this relationship could be found the spontaneous and natural sympathy Switzerland had always felt for the objectives of the General Agreement. The GATT proclaimed the principle of most-favoured-nation treatment as the basis of trading relations between countries of the world: Switzerland had always respected this principle. The GATT placed particular stress on the rule of non-discrimination: Switzerland had never discriminated against anyone. GATT declared as one of its main objectives the dismantling of tariff barriers: Switzerland had one of the world's lowest tariffs. GATT had all through its history endeavoured to open up markets for those countries which vitally depended on the exportation of agricultural products: Switzerland was second only to Great Britain as the world's largest per capita importer of agricultural products.

Mr. Weitauer went on to say that it seemed that all the general prerequisites for full Swiss membership were present, though he realized that some aspects of Switzerland's agricultural import policy might not be fully compatible with the letter of the General Agreement although their policy as a whole was certainly very much in keeping with the spirit of it. In the circumstances Switzerland had chosen the way that was most natural to it: to lay the problem squarely before the CONTRACTING PARTIES, confident that an equitable solution would be found. His delegation had started by stating quite candidly what they could not do: Switzerland could not do without a certain amount of quantitative restrictions. They were necessary to implement their basic agricultural laws which were accepted by the people and destined to safeguard the very existence of the Swiss agricultural industry which were needed for imperative political, social and economic reasons. Further, quite a number of contracting parties in a situation comparable to Switzerland also maintained such restrictions, even to a larger extent, and still enjoyed full GATT rights.

The Swiss delegate said that after they had stated what it was impossible for them to do, his delegation had then explained what they could do. They had referred to the fact, as already mentioned, that Switzerland was one of the largest importers of agricultural commodities, with roughly 50 per cent of the country's total consumption of foodstuffs coming from abroad. His delegation went further and had declared themselves prepared to maintain the overall high level of Swiss agricultural imports as well as their very liberal import policies which would hold good prospects of even increasing imports into an expanding Swiss market. Would there be many full members of the GATT ready to equal this Swiss offer? However, much to the regret of his delegation, it was recognized that neither the complete sincerity of their

statement, nor the attractiveness of their offer, were strong enough to overcome the objections raised by some of the main agricultural exporting countries. His delegation had tried to understand these difficulties and did actually understand them to a certain point, but continued to feel that the contracting parties concerned would be well advised not to discourage one of their best customers and friends.

He said that the fact that Switzerland, one of the oldest, most active and certainly most liberal countries of the world trading community, should continue to be only a provisional member of GATT, a kind of "parent pauvre", a poor relation, of the CONTRACTING PARTIES, was a striking anomaly. His delegation had done all they could to remedy this very unsatisfactory state of affairs, most regrettably without success. The initiative now clearly rested with the CONTRACTING PARTIES to use their resourcefulness in order to find ways and means that would lead to the full membership of Switzerland in their distinguished club.

In conclusion, Mr. Weitnauer said that his delegation would be prepared nevertheless, to reluctantly, yet still gratefully, accept the extension of the existing provisional arrangements, provided that the CONTRACTING PARTIES accepted the proposals made by the Working Group. His delegation wished that all would sign the Declaration on Provisional Accession of Switzerland to the General Agreement: if provisional membership there must be, let it be at least accepted by all Switzerland's trading partners.

Mr. EVANS (United States) said that his delegation had participated very actively in the work of the Special Group on the Accession of Switzerland, and it had been their sincere hope during the discussions, that it might have been possible to reach an accommodation that would permit Switzerland to become a fully-fledged member of the General Agreement. The United States was acutely aware of the value of the participation of Switzerland in the work of the CONTRACTING PARTIES and therefore, while his delegation was disappointed at the outcome of the work of the Group, concurred in the recommendation that the provisional accession of Switzerland be extended for another three years. His delegation was glad that the Swiss delegation had accepted this suggestion and he hoped that well before the three years were completed, some means would be found to make possible the complete accession of Switzerland. His delegation therefore recommended the acceptance of the decision contained in Annex II of the Working Party's report; the United States expected to sign the *précès-verbal* which would be open for signature on acceptance of that decision.

Mr. SOMMERFELT (Norway) said that his delegation could not conceal the dismay with which it had read the report of the Special Group. He said that small countries, particularly those lying in exposed geographical positions, had to face the hard facts of life. He said that there was no contracting party that was blameless with regard to its failure to fully implement its obligations under the GATT; the several reports that were recently discussed on import restrictions maintained on agricultural imports were evidence of this.

He said that for his part he would have some difficulty in explaining to his authorities that the treatment now afforded to Switzerland was in line with treatment given to other countries facing similar problems. In the circumstances, however, his delegation certainly joined with others who expressed the hope that Switzerland would accede long before the three-year period expired.

Mr. FLEMING (Australia) said that his delegation had also hoped that it would be possible for Switzerland to accede as a full member of the GATT, and he therefore wished to express regret that the Special Group, after long and detailed exploration, was unable to recommend full accession. His delegation also joined with others in expressing their appreciation for the attitude adopted by the Swiss delegation during the consultations.

Mr. EMMEL (Federal Republic of Germany) speaking on behalf of the EEC, expressed his regret that it had not been found possible to make some progress with respect to the accession of Switzerland to the General Agreement. He recommended the adoption of the draft decision. He hoped sincerely that Switzerland, a country with which the Community maintained close relationships in all fields, would be able to accede to the General Agreement prior to the date of expiration of the Declaration on Provisional Accession.

Mr. SKAK-NIELSEN (Denmark) said his delegation had hoped that the discussion in the Special Group would have led to a solution whereby Switzerland would have been able to become a full member of the GATT. While his delegation appreciated the difficulties some contracting parties had in accepting the Swiss proposals, on the other hand, his delegation fully shared the disappointment expressed by the Swiss representative regarding the outcome of the discussions. He sincerely hoped that this would be the last time that a Protocol extending the Declaration of 22 November 1958 on the Provisional Accession of Switzerland would be laid before the CONTRACTING PARTIES.

Mr. TREU (Austria) said that his delegation proposed to sign the procès-verbal as soon as it was ready for signature. He wished, however, to make it clear that his delegation did not consider the decision proposed by the Special Group as the one which should have been taken. Unfortunately, Austria had joined the Special Group at a stage in the discussions when it was too late to influence the course that had been followed. Mr. Treu said that he would not expand on all the reasons which, in the view of his delegation, militated strongly for efforts which could have once more shown the necessary flexibility and resourcefulness of the CONTRACTING PARTIES, and which could have led to conditions for the full membership of Switzerland.

Mr. RYDFORS (Sweden) said that from a broad judgement of the case it seemed that contracting parties would be well advised to accept Switzerland as a full member. In his view this was a very special case and a matter of principle should not have prevented Switzerland from becoming a full member.

He said this step would be illogical and would not favour the best interests of individual contracting parties and of the General Agreement generally. In the absence of a better solution, however, his delegation was prepared to support the proposals of the Special Group for the extension of the Declaration for the Provisional Accession of Switzerland.

Mr. VIDAL (Brazil) said that while he was impressed with the arguments put forward by the Swiss representative, as a matter of principle, it was difficult and complicated for many delegations such as his to change their position and to make exceptions to the normal application of the General Agreement. For these reasons he supported the proposals of the Special Group and hoped that in the near future Switzerland would be in a position to become a full member.

Mr. MATHUR (India) said that his delegation regretted that the Special Group had not found it possible to recommend Switzerland's full accession to the General Agreement. His delegation was fully aware of the very liberal trading tradition of Switzerland and of the fact that both in the industrial and agricultural sectors Switzerland had followed policies which were less restrictive than those of many contracting parties to the General Agreement. While his delegation appreciated the difficult point of principle involved for some supplying countries, he hoped that the CONTRACTING PARTIES would continue to explore every possible means of ensuring the full accession of Switzerland to the General Agreement. In the meantime, he fully supported the proposals for the further extension of Switzerland's provisional accession.

Mr. GRUNWALDT (Uruguay) said he regretted that it had not been possible, on a matter of principle, to vote for the accession of Switzerland despite the sympathy his delegation had felt for the Swiss case; his delegation was aware of the possibility that the present decision might involve some injustice.

Mr. GARCIA OLDINI (Chile) said that his delegation regretted that it had not been possible to find an arrangement which would allow Switzerland to become a fully-fledged member of the GATT. However, he thought it would be preferable to look ahead and to trust that the CONTRACTING PARTIES would find some way of conciliating the various interests and points of view with respect to this problem. He hoped that within the time-limit set by the draft decision, it would be possible to find some solution which would satisfy the principles involved.

Sir Edgar COHEN (United Kingdom) noted that the membership of the Special Group consisted principally of countries which were primarily interested in the export of agricultural products. He said that even with such a Group it was observed that the report was not a unanimous one.

Sir Edgar Cohen said he was puzzled as to why it was assumed that the decision arrived at by the Special Group should be automatically accepted by the CONTRACTING PARTIES. He said he wished to know before the matter was carried any further whether it had been intended that the recommendation of this small group would necessarily be binding on the CONTRACTING PARTIES.

He said that it was unfair to continue to refuse full membership to a country with such high standards in international trade, especially as contracting parties generally did not have an entirely admirable record in the field of agricultural trade. He drew attention to the fact that Switzerland was the second largest importer of agricultural products in the world.

Sir Edgar Cohen said that it was generally agreed that GATT had become a dead letter in the field of trade in agricultural products. However, on every occasion on which the problem of Swiss accession was discussed, GATT was no longer considered a dead letter in the field of agriculture. In his view it was illogical for a country with a very large trade in agriculture to be excluded because this country was unable to undertake in advance to honour rules which it was said had become a dead letter for other contracting parties. Sir Edgar Cohen said he wished to be advised whether the Working Party had been appointed with the intention that they should commit the CONTRACTING PARTIES unavoidably and, as some have expressed it, regrettably, to accept a recommendation which appeared to have been endorsed only by the majority of a small group of countries which were most likely to place difficulties in the way of Swiss accession.

The CHAIRMAN said that he wished to state that a report of a committee or working group had no special status until it had been approved by the CONTRACTING PARTIES.

Mr. DATSON (New Zealand) said that like all contracting parties, the New Zealand delegation was most disappointed that it had not been possible for Switzerland to accede fully at this time. He said that the members of the Working Party had approached their task with open minds. He agreed with the view that no contracting party was blameless but felt that if good rules had been established, the fact that some could not live up to such rules was no reason why such rules should be changed for one party, when others were at least committed to apply the rules to that one party. Mr. Datson pointed out that certain Swiss regulations relating to products of interest to his country and others were restrictive and his delegation would not wish legally to condone such restrictions and to write into the General Agreement their approval that such restrictions need not be applied by one country. His delegation appreciated the international honour, sincerity and intentions of the Swiss Government and regretted very deeply that it had not been possible to support Switzerland's full accession. His delegation, however, looked forward to the time when Switzerland would be able to become a full member of the General Agreement.

Sir Edgar COHEN (United Kingdom) expressed the view that the Special Group should have contained a larger number and a more representative gathering of contracting parties which might have reached a broader conclusion. It was no doubt intended to give those countries who were most affected an opportunity to consult with Switzerland, but such a small body should not be in a position to recommend to the CONTRACTING PARTIES what it could or could not do on this matter. He said that he fully realized that the New Zealand delegate, in good faith, had not found it possible to accept the full accession of Switzerland, but he was concerned about the fact that the CONTRACTING PARTIES found themselves being asked to refuse the full accession of Switzerland on the basis of a recommendation by a small group of contracting parties.

The CHAIRMAN read the following paragraph from the minutes of the Council in February/March 1961 (C/M/4, page 3):

"The Council agreed that the consultation with Switzerland in accordance with the terms of the Declaration on the Provisional Accession of Switzerland should be continued. For this purpose, a small group of contracting parties, drawn mainly from important agricultural exporters to the Swiss market was appointed, with the following membership: Australia, Canada, Denmark, France, Netherlands, New Zealand, United States and Uruguay. Other contracting parties which considered that they had an important interest in the products covered by Switzerland's reservations in the Declaration would be free to participate in the work of the group."

Mr. EVANS (United States) pointed out that the United States was not principally interested in the export of agricultural products and had not entered upon the work undertaken in this Group with a narrow point of view. Full participation by Switzerland would, he acknowledged, be an asset to the General Agreement, but the CONTRACTING PARTIES had had regard to another aspect from the beginning. This was the body of obligations which countries, Members of the General Agreement, accepted. If they could not fulfil the requirements of the rules

countries requested waivers, which, if granted, usually contained very rigid limitations. While he agreed that not all the rules of the General Agreement were lived up to he did not think that the representative for the United Kingdom would want a country to accept obligations knowing that it could not live up to them. The representative of Switzerland had made it clear that his Government could not live up to some of the most important obligations in the Agreement. The United States' delegation regretted this, but this fact should not be overlooked. This was no reflection on the liberalism of the Swiss import policy. The representative for the United Kingdom should, he felt, satisfy himself on the basis for the recommendation of the Working Party's report. He believed that the group had been open to any contracting party, at least for observation, if not for participation. He questioned whether the representative for the United Kingdom knew whether the Swiss Government had been prepared to accept the kind of limitations on its freedom of action in its agricultural policy which countries which had been granted agricultural waivers had had to accept.

The CHAIRMAN enquired whether the proposed procès-verbal annexed to the report to extend the Declaration on provisional accession, was approved by the parties to the Declaration. If it were, the procès-verbal would be opened for signature.

It was so agreed.

The CHAIRMAN then enquired whether the proposed decision extending the invitation to Switzerland to participate in the work of the CONTRACTING PARTIES, also annexed to the report, was approved by the CONTRACTING PARTIES.

This was approved, and the report as a whole was adopted.

Mr. WEITNAUER (Switzerland) expressed the hope that when Switzerland came into the GATT it would be by a unanimous decision.

3. German import restrictions - report of the Working Party (L/1665)

The CHAIRMAN recalled that the Working Party, which had been appointed earlier in the session, had carried out a consultation with the Federal Republic of Germany under paragraph 3 of the Decision of 30 May 1959. The Working Party's report had been distributed in document L/1665.

Mr. WEITNAUER (Switzerland) who had been Chairman of the Working Party, in presenting the Working Party's report, said that the progress made by the Federal Republic of Germany in removing or relaxing restrictions on the products covered by Annexes A to E of the Decision had been examined in detail. With respect to the products included in Annex A, sections A to C, the Working Party had noted that with only two exceptions, quantitative import restrictions had been removed from all products in accordance with the terms of the waiver, in some instances, ahead of schedule. Progress had also been noted in the elimination of restrictions on products covered by section D of Annex A and with respect to a few products included in Annex V. It had been noted, however, that with respect to products covered by these two headings in the Annexes to the waiver, progress had, on the whole, been limited and it had been widely felt that the progress which had been made fell far short of what had been expected when the waiver

had been granted. Concern had been expressed regarding the continuing element of discrimination in import treatment for a few products included in Annex B. Members of the Working Party had urged the authorities of the Federal Republic to remove the remaining restrictions and discrimination at the earliest possible date in accordance with the obligations under the waiver.

It had been pointed out that some of the products affected by the restrictions, notably those covered by Section D of Annex A and Annex C, were of considerable export interest to some less-developed countries. Members of the Working Party had noted that the import liberalization programme with respect to these products, extended in many instances beyond the period of validity of the waiver. In view of the contribution which import liberalization could make to the export earning capacity of affected less-developed countries, and in view of Germany's obligations under the waiver, members of the Working Party had urged the Federal Republic to accelerate import liberalization for these products so as to eliminate remaining import restrictions by the time the waiver expired.

With respect to items falling under Annex E, i.e. Marketing Law products subject to import restriction, members of the Working Party had expressed concern at the complete lack of progress in achieving at least de facto liberalization of these products. They had noted that with respect to certain items, global quotas had been established and that some quota facilities had been expanded. In many instances, the quota arrangements had been considered unsatisfactory, however, and complex. Also the establishment of quota facilities had not been considered a substitute for import liberalization.

Members of the Working Party, while recognizing that certain progress had been made and that a considerable number of items had been liberalized, felt that a great deal remained to be done. As set out in document Spec(61)378, which had been drawn up by the Working Party to replace paragraph 43 of the report (document L/1665), some members of the Working Party had thought that, in order to give them an opportunity to assess the situation and to present their views, when the expiration of the waiver was approaching, the Council might be asked to place on its agenda for the May session, the question arising from the expiration of the waiver Decision with a view to having a preliminary discussion on such plans, together with relevant trade figures, which the Federal Republic might be in a position to submit in this regard at that time. As would be noted, the representative of the Federal Republic had advised the Working Party that he was not in a position to prejudge the decision of his Government in this respect.

Mr. LATIMER (Canada) welcomed the significant progress noted in the report but expressed the hope that the Government of the Federal Republic of Germany would see its way clear to submitting an interim report and agreeing to consultations at the time of the Council meeting next spring in order to facilitate its efforts in the further relaxing of the restrictions.

Mr. JOSHI (India) associated his delegation with the statement of the representative of Canada.

Mr. EVANS (United States) also associated his delegation with the remarks of the representative of Canada.

Mr. VIDAL (Brazil) welcomed the progress that the Federal Republic had achieved in the abolition of restrictions during the period of this waiver, but drew attention to paragraph 22 of the report, which said that there had been some feeling in the Group that the policy of the Federal Republic was directed towards self-sufficiency. Some members of the Group, he said, had felt that the waiver was used as protection for the purpose of achieving self-sufficiency for some products. He did not agree with this. His delegation thought that there were cases where Germany was already self-sufficient and yet still applied protection. He did not want to discuss the market for sugar in detail, but pointed out that sugar was not mentioned in this report, perhaps because his delegation was not represented in the Working Party. The representative of the Federal Republic had stated that his Government's agricultural policy was not directed towards self-sufficiency. The Brazilian delegation was sure that, after the expiration of the waiver, there would continue to be restrictions. The Federal Republic was now almost self-sufficient with regard to sugar and there were still some restrictions. His delegation did not see any possibility that the restrictions would be abolished after the end of this waiver although the reasons in favour of their removal were very compelling.

Mr. GRUNWALDT (Uruguay) in approving the report of the Working Party welcomed the efforts which had been made by the Government of the Federal Republic of Germany. He expressed the hope that the suggestion for a consultation in the spring of 1962 would be accepted as his delegation was concerned that restrictions remained despite the short period of time before the end of the waiver. During a spring consultation contracting parties could, he said, discuss the plans of the Government of the Federal Republic and shed light on some of the proposals made in paragraph 45 of the report according to which, some restrictions could be discussed on a multilateral basis. His Government was directly interested in the possibility of better access for its products to the market of the Federal Republic.

Mr. LERENA (Argentina) said that the Working Party had pointed out that there had been true progress in some fields. There had, however, been little progress on the products which were important in the export trade of some countries, including his own. His country had not been a member of the Working Party and so could not express its opinion on the marketing of meat. There had been little progress during the past year, and he expressed concern because the consequences of protective measures would lead to growing domestic production. He took note of the statement of the representative of the Federal Republic of Germany who had said that self-sufficiency was not the aim of his Government and expressed the hope that these principles could be put into practice. He also hoped that the Federal Republic of Germany would find it possible to import frozen and chilled meat and that the quotas for meat would not be eliminated. He pointed out that some restrictions still remained which,

in the opinion of his delegation, were not consistent with the Decision of 30 May 1959; he expressed concern about the situation at the end of the waiver. He therefore supported the proposals which had been made by the Working Party and said that the Council should study this problem in May. An analysis of the plans submitted by the Government of the Federal Republic would be useful for governments.

Mr. SKAK-NILSEN (Denmark) said that it would be recalled that there had been a divergence of opinion in the Working Party regarding the question of how to provide an opportunity for the contracting parties concerned to discuss with the Federal Government of Germany its intentions when the waiver Decision was due to terminate. His delegation took the view that it was outside the terms of reference of the Working Party to discuss procedures in this respect as the Working Party was only called upon to carry out the consultation with the Federal Government regarding its application of the waiver Decision in the year past. While recognizing the desirability of reasonable time for the contracting parties concerned to consider possible proposals from the Federal Government for a modification of the waiver Decision, his delegation felt obliged to point out that the Federal Government could not be called upon to submit such proposals at any definite time. The waiver Decision provided only for yearly reports from the Federal Government, while it was for the Federal Government to decide when it saw fit to inform the CONTRACTING PARTIES of its intentions.

While not associated with those contracting parties who, according to paragraph 43, recommended that the Council should put the matter on the agenda for the May meeting, his delegation was agreeable to extending an invitation to the Federal Republic to avail itself of the opportunity which the May meeting of the Council might provide for a preliminary discussion of the plans which the Federal Government at that time might be in a position to submit with respect to its future import régime for the items under the waiver Decision.

Mr. DATSON (New Zealand) said that his delegation had been a member of the Working Party and had expected to see greater progress at this late stage of the waiver especially on products listed in Annex E. He drew attention to the comments which had been made on the possibilities for a relaxation on import restrictions on meat, and said that such relaxations could be carried out and need not harm the internal market of the Federal Republic. He supported the suggestion that the Council should examine this problem at its May meeting. He noted the statement of the representative of Denmark and the view of the representative of the Federal Republic that he was not in a position to prejudge his Government's decision on this matter, but he expressed the hope that this decision would be an affirmative one.

Mr. EIMEL (Federal Republic of Germany) said that he had taken note of the appreciation and the disappointment which had been expressed and would present the views and statements which had been made for the serious consideration of his Government.

Mr. SOMMERFELT (Norway), referred to paragraph 21 of document L/1665 regarding the Marketing Laws; taking into consideration the Decision which had been taken regarding the accession of Switzerland, he asked for clarification of the position of the Government of the Federal Republic on the Marketing Laws.

Mr. EMMEL (Federal Republic of Germany) said that this was a legal issue which had been discussed during the consultation in the previous year and before. The attitude of his Government had not changed and was set out in the second considerandum of the Decision of 30 May 1959.

The CHAIRMAN proposed that the report, as amended in document Spec(61)378, be adopted.

The report was adopted.

4. European Economic Community - association with Greece (L/1601 and Add.1 and W.19/22)

The CHAIRMAN said that the Council of the European Economic Community and the Government of Greece had advised that the Agreement creating an association between Greece and the Community had been signed on 9 July 1961. The text of the Agreement had been submitted to the CONTRACTING PARTIES for examination pursuant to paragraph 7 of Article XXIV.

He drew attention to the fact that an English translation of the Agreement of Association had not been made available to contracting parties until the previous day. Therefore, he said, it was likely that a large number of delegations would not be ready to discuss this matter in any great detail at the present time. In any event it had appeared from consultations with a number of delegations that they would wish to follow the procedures which had been adopted in the past for the examination of similar agreements. Accordingly he had put forward suggestions for the treatment of this matter in document W.19/22. If these suggestions were acceptable it might be that at this stage in the session delegations would not wish to embark upon a discussion of the question since all contracting parties would have an opportunity to submit questions in writing to which answers would be furnished by the parties to the Agreement and the examination of the Agreement could be carried out by a working party early next year.

Mr. VLACHOS (Greece) expressed the hope that the CONTRACTING PARTIES would welcome the fact that his country was associating itself with the EEC by the Athens Treaty, signed in July 1961. The Athens Treaty established a customs union between Greece and the EEC and the association was inspired by the principles of Article XXIV paragraph 4 of the General Agreement, which recognized the desirability of increasing freedom of trade through voluntary agreements. It was also inspired by the aims set out in Article 2, paragraph I of the Athens Treaty. The Greek delegation emphasized the second part of this paragraph in which the aim of the Association Agreement was stated as a continuous and well-balanced strengthening of commercial and economic relations between the parties, with full regard to the need to ensure the speedier development of the Greek economy and the raising of the level of employment and living conditions of the Greek nation. He said that this paragraph was basic to an understanding of the whole spirit which had guided those who have drafted the Athens Treaty when trying to balance, on the one hand, the requirement of the fast development of the Greek economy parallel to that of the members of the Community and, on the other hand, the need to avoid a situation which would place the Greek economy in a very difficult position. The Greek economy was now but commencing its development.

His delegation would like to draw the attention of the CONTRACTING PARTIES to the fact that by the adoption of the common tariff of the EEC Greece would be substantially reducing the general level of its tariff. He concluded by saying that his delegation was ready to accept the procedure which had been proposed in view of the application of Article XXIV:7(a) as mentioned in document W.19/22.

Mr. EMMEL (Federal Republic of Germany) said that the representative for Greece had presented the principles on which the Agreement was based. Speaking also on behalf of the other EEC member countries he wished to stress that this Agreement would benefit trade and would remain faithful to the spirit and to the letter of the GATT. He believed that the examination, which was to be carried out, and for which his delegation was prepared to give any necessary complementary information, could only confirm these facts.

Mr. EVANS (United States) recalled that his Government had supported in principle the association of Greece with the EEC and welcomed the submission of the Agreement to the CONTRACTING PARTIES. He thought that some points should be studied by a working party. He expressed concern chiefly on the Protocols regarding trade in various agricultural products, especially tobacco, raisins, turpentine and resin and the restrictions laid down on tariff negotiations by the EEC on these products. He concluded by welcoming the Chairman's proposal for a thorough review of this question.

The CHAIRMAN proposed that a working party be established and hold its first meeting on 29 March 1962 with the following composition and terms of reference:

Terms of reference:

To examine in the light of the relevant provisions of the General Agreement, the provisions of the Agreement creating an Association between Greece and the European Economic Community, and to report to the CONTRACTING PARTIES.

Chairman: Mr. R. CAMPBELL-SMITH (Canada)

Members:

Australia	Israel	Sweden
Austria	Japan	Switzerland
Brazil	New Zealand	Tunisia
Canada	Nigeria	Turkey
Greece	Pakistan	United Kingdom
India	Spain	United States
		Uruguay

(and three members of the EEC)

The European Economic Commission will participate in the Working Party.

This was agreed.

The CHAIRMAN said, in response to a question, that any interested contracting party could be represented at the meetings of the Working Party by an observer who would participate in the discussion.

5. Reports under waivers: Indonesia - renegotiation of Schedule (L/1555/Add.1)

The CHAIRMAN said that the waiver granted to Indonesia by the Decision of 10 April 1961, as amended on 25 July, regarding the renegotiation of certain concessions specified in the Indonesian Schedule, called upon the Government of Indonesia to report at the current session on the results of the negotiations: a report by Indonesia had been distributed in document L/1555 and Add.1.

Dr. LOEKMAN HAKIM (Indonesia) informed the CONTRACTING PARTIES that several contracting parties had signed the documents related to the modification of the Indonesian Schedule; hence certain modifications would be required in the text of document L/1555. Negotiations had been concluded with twelve countries to date, viz. Australia, Austria, Canada, Czechoslovakia, the Federal Republic of Germany, France, Japan, New Zealand, Norway, Sweden, South Africa and the United Kingdom. In addition, the representative of Denmark and Italy had informed his delegation that they had received the approval of their Governments to sign the relevant documents. Moreover, representatives of Finland, the United States and Switzerland had informed his delegation that a decision by their Governments on this matter was expected in the near future. He said that in the course of the negotiations, contracting parties had adopted a sympathetic attitude towards the economic problems of his country and had expressed their full understanding of the monetary measures which his Government had implemented last year. These countries were all in stages of advanced economic development; thus their approach to this matter stood as an example of ways and means by which such countries could help the less-developed countries. His delegation was convinced of the goodwill and understanding with which the economically advanced countries approached the problems of less-favoured nations in the GATT.

Mr. KAILA (Finland) stated that subsequent to the discussions held, his delegation had received the necessary authority to sign the relevant documents. The report contained in L/1555 and Add.1 should be amended accordingly.

Mr. SKAK-NIELSEN (Denmark) announced that his delegation had signed the relevant documents; thus appropriate modifications should be made in the report under reference.

The CHAIRMAN suggested that since some of the negotiations had not yet been concluded, a complete report might be submitted by the Indonesian authorities at a later date. If any difficulties should be encountered in the negotiations, these could if necessary be referred to the Council at the next session.

This was agreed.

6. Chilean import charges (draft decision) W.19/17

The CHAIRMAN recalled that it had been agreed at a previous meeting to extend the Decision of 27 May 1959. The Executive Secretary had been requested to submit a draft decision for consideration; this had been distributed as document W.19/17.

The Decision was adopted by thirty-four votes in favour and none against.

7. Television programmes (appointment of a working party) W.19/21

The CHAIRMAN recalled that it had been proposed at an earlier meeting to appoint a Working Party to look into this matter. Draft terms of reference and membership of the Working Party were now proposed in document W.19/21.

Mr. JARDINE (United Kingdom) suggested certain modifications in the draft terms of reference of the Working Party.

The CHAIRMAN proposed that a working party with the following terms of reference and membership:

Terms of reference:

1. To examine the relation between the existing provisions of the GATT and measures affecting international trade in material for showing on television programmes.
2. In the light of this examination, to consider whether these provisions adequately dealt with the problems of access to markets and if not, what action should be taken in the matter.
3. To report their findings and recommendations to the CONTRACTING PARTIES.

Chairman: Mr. E. EMMEL (Federal Republic of Germany)

Members:

Austria	Germany
Australia	Japan
Brazil	Sweden
Canada	United Kingdom
France	United States

This was approved.

8. Residual import restrictions

(a) Appointment of panel

The CHAIRMAN recalled that it had been agreed at an earlier meeting that a panel should be appointed to examine the notifications submitted by contracting parties on the restrictions which they still maintained for reasons other than balance-of-payments difficulties. He proposed the following membership and terms of reference for the panel:

Terms of reference:

1. To examine the adequacy of the notifications on residual restrictions received from contracting parties and to clarify any points arising from these notifications with the contracting parties concerned.
2. To report thereon to the Council at its meeting in February or in May 1962.

Chairman: Mr. M.G. MATHUR (India)

Members:

Mr. C. Conron	(Australia)
Mr. P. Vidal	(Brazil)
Mr. Martin-Witkowski	(France)
Mr. H. Miyazaki	(Japan)
Mr. G.G. Onyia	(Nigeria)
Mr. O. Lindquist	(Sweden)
Mr. E.J. Lindley	(United Kingdom)
Mr. Dickson	(United States)

This was approved.

(b) Extension of the "hard-core" waiver (W.19/16)

The CHAIRMAN recalled that it had been agreed at a previous meeting that the closing date for the submission of requests under the Decision of 5 March 1955 should be extended for another year. The text of a draft decision had been distributed in document W.19/16.

The Decision was adopted by thirty-three votes in favour and one against.

9. Schedules - Japan: renegotiations under Article XXVIII:4 (SECRET/144)

The CHAIRMAN noted that the document SECRET/144 contained the request of the Government of Japan for authority under paragraph 4 of Article XXVIII to enter into negotiations for the modification or withdrawal of certain concessions in the Japanese Schedule.

Mr. MIYAZAKI (Japan) in presenting his Government's request, explained that the Japanese tariff system had not been changed substantially since 1951, but that during the past ten years the Japanese economy had made remarkable progress which had been accompanied by substantial changes in the structure of the economy. In order to meet this situation as well as the development and changes in the pattern of world trade, his Government had undertaken a comprehensive review which had resulted in the adoption of the Brussels tariff nomenclature and a revision in the general rates of duty. The new Japanese customs tariff had come into force on 1 June 1960. Certain GATT bound rates had been modified and these had been the subject of lengthy negotiations under paragraph 1 of Article XXVIII. The scope of the revisions had made it necessary to leave to a later date the revision of a number of bound rates; a subsequent examination of some 2,000 items had led to the modification of certain additional GATT bound rates of duty. Sincere efforts had been made to keep changes on such items to a minimum and not to raise the incidence of the rates as a whole. Upon obtaining the authorization of the CONTRACTING PARTIES, his Government wished to enter into negotiations with contracting parties concerned, and to reach satisfactory arrangements as soon as possible. Whilst his Government would prefer that such negotiations were conducted in Geneva, if necessary his delegation was prepared to seek a convenient arrangement with the countries concerned regarding the most suitable place for the negotiations.

The CONTRACTING PARTIES agreed that these were "special circumstances" in the sense of paragraph 4 of Article XXVIII and that the requested authority should be granted.

The CHAIRMAN stated that any contracting party which considered that it had a "principal supplying interest" or a "substantial interest" as provided in paragraph 1 of Article XXVIII should communicate such claim in writing and without delay to the Japanese Government, and at the same time inform the Executive Secretary. Any such claim recognized by the Japanese Government would be deemed to be a determination by the CONTRACTING PARTIES within the terms of paragraph 1 of Article XXVIII.

This procedure was agreed.

10. Recourse to Article XXIII by Uruguay (L/1647 and L/1662)

The CHAIRMAN recalled that the representative of Uruguay had introduced this item at an earlier meeting and that his statement had been distributed in document L/1647. More recently, the delegation of Uruguay had distributed in document L/1662 a table showing certain restrictions applied to imports from Uruguay by a number of contracting parties. Discussion of the question had been deferred in order to enable contracting parties to consider the issues raised.

Mr. GRUNWALDT (Uruguay) said that the recommendations of the Ministers called for increased access to markets for agricultural products; his delegation was particularly concerned with meat which he felt should be included in the considerations of the Council when it meets in February. The full text of Mr. Grunwaldt's statement has been reproduced in document L/1679.

Mr. LATIMER (Canada) stated that many of the problems raised by the Uruguayan delegation were of serious concern to all contracting parties and that it was incumbent on the CONTRACTING PARTIES to find methods for dealing with them. It was clear that the General Agreement, which was a negotiated instrument designed to provide a fair balance of rights and obligations, had been significantly disturbed by various measures pursued in contravention of its provisions. This appeared to be particularly true with respect to restrictive measures in the agricultural sector. The delegation of Uruguay had drawn this matter to the attention of the CONTRACTING PARTIES in accordance with procedures under the General Agreement. While it might well become necessary for countries to have effective recourse to the full provisions of Article XXIII in order to correct the balance of rights and obligations, his delegation shared the hope of the Uruguayan delegation that this could be avoided as a result of success of the programme of work that had been undertaken by the CONTRACTING PARTIES; many of the difficulties and the possible solutions to them were encompassed in the directives which had been provided by the ministerial meeting. The case presented by Uruguay provided all the more reason why effective action should be taken in dealing with the problem of quantitative restrictions maintained in conflict with the provisions of the General Agreement; for this purpose, it was important that effective procedures be developed for dealing with the problem of residual import restrictions.

Mr. RYDFORS (Sweden) stated that his delegation had participated in consultations with Uruguay and had provided details on certain aspects of Sweden's agricultural policy. He stated that the Uruguayan document before the meeting had not as yet been checked by his authorities in Sweden. He hoped that he would be able to confirm at a later stage that the information contained in this paper with regard to Sweden was correct.

The CHAIRMAN noted that the Uruguayan delegation had proposed that appropriate authority be delegated by the CONTRACTING PARTIES to the Council to act on their behalf in accordance with paragraph 2 of Article XXIII on any complaints of nullification or impairment which Uruguay might refer to the Council.

This proposal was approved.

The meeting adjourned at 5 p.m.