

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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COUNCIL

MINUTES OF MEETING

Held at the Palais des Nations, Geneva,
on 16 January 1963

Chairman: Mr. E. WYNDHAM WHITE (Executive Secretary)

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1. Election of Chairman

The Chairmanship of the Council having been made vacant by the expiry of the term of office of Mr. Lacarte (Uruguay) at the end of the twentieth session, it was agreed that the Executive Secretary should act as Chairman of the meeting and that the question of the election of a new chairman would be taken up at the next meeting of the Council.

2. Membership of the Council

Argentina and the United Arab Republic were welcomed as members of the Council.

3. Australian Schedule

Contracting parties were informed in GATT/AIR/312 of a request submitted by the Australian Government for authority under paragraph 4 of Article XXVIII to enter into renegotiations for the withdrawal of the concession on coffee, raw and kiln dried, specified in Schedule I. They were also notified, in GATT/AIR/313, of the Australian Government's intention to have recourse to the waiver of 24 October 1953, as amended by the Decision of 13 November 1956, should the requested authority be granted.

In his statement, copies of which were circulated to members of the Council, the representative of Australia referred to his Government's obligations to the Trusteeship Council of the United Nations in respect of the territory of Papua/New Guinea. He said that efforts were being made to diversify the economy of the

territory and that coffee as a cash crop had been found to be ideally suited to the economic advancement of the indigenous people. Following a very comprehensive investigation, the Australian Tariff Board had decided that the most effective way of assisting the Papua/New Guinea coffee industry was the scheme set out in GATT/AIR/312. Recalling that in a previous case Australia had renegotiated a bound concession in its Schedule relating to a product exported from Papua/New Guinea, and then invoked the waiver of 24 October 1953, he hoped that should the Council grant the authority his Government had now requested, interested contracting parties would be prepared to proceed concurrently with the renegotiations and with the consultations under the waiver mentioned.

The representative of Brazil recalled that the terms of the waiver of 24 October 1953 provided that action taken under the waiver should be undertaken in such a way as not to cause material injury to the competitive trade of any contracting party. The Brazilian Government had agreed to the waiver of 24 October 1953 because its interests seemed then to be reasonably protected under the waiver. The statistics provided by the Government of Australia for the consideration of the Council indicated that there had been a considerable change in the situation. Coffee exports of Papua/New Guinea to Australia increased almost two and a half times within the four-year period 1958-62 establishing Papua/New Guinea as the most important supplier of the Australian market. The Brazilian interest was substantial in this market, where its coffee exports occupied the third place among all suppliers. When Brazil entered into tariff negotiations with Australia two years ago, it was under the assumption that the concessions granted would have the counterpart of the indirect benefits of the binding on the Australian tariff negotiations with Benelux. The representative of Brazil emphasized the apprehensions of his Government that the Australian Government had deemed it necessary to submit the present request to the Council and hoped that this would be taken into account by the Australian Government in implementing the action envisaged if such action was approved by the Council. The representative of Australia replied that he took full note of the apprehensions expressed by the Brazilian representative. His delegation would be prepared to discuss the matter fully with the Brazilian delegation should the Australian request be granted by the Council.

The Council found that there were "special circumstances" in the sense of paragraph 4 of Article XXVIII and agreed to grant the authority requested. The Chairman said 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 Australian Government, and at the same time inform the Executive Secretary. Any such claim recognized by that Government would be deemed to be a determination by the CONTRACTING PARTIES within the terms of paragraph 1 of Article XXVIII.

4. United States tariff simplification

The representative of the United States made a statement for the information of the Council concerning the present status of his Government's preparations for putting into effect the new United States tariff under the Tariff Classification Act. He recalled that his Government had intended to carry out consultations with contracting parties on the items in the GATT Schedule and to ask the CONTRACTING PARTIES at the twentieth session for a waiver enabling the United States to introduce the new rates on 1 January 1963. The United States had subsequently postponed this date and had decided not to ask for a waiver in order, among other reasons, to allow more time for governments to submit to the United States Government any complaints or suggestions. Failure to identify cases where correction was possible through the administrative devices provided under the Act would mean that redress would be postponed and would have to take the form of compensation under the more elaborate and time-consuming procedures of the Trade Expansion Act. The United States Government had therefore decided to postpone the effective date of the new tariff until 1 July 1963. The reason for the selection of this date was closely related to the plans for another round of tariff negotiations. Under the new Trade Expansion Act it would be necessary for the United States to issue a public list of the items on which the President proposed to negotiate for tariff reductions, and there would be extreme inconvenience if this list were issued before the proclamation of the new tariff. The representative of the United States stressed that in view of the limited time available, information was needed from the contracting parties affected at the earliest possible date. His Government had already informed contracting parties, in their capitals, of these developments and they had been urged to submit information by 1 February 1963.

5. Next meeting of Council (C/W/48)

It was agreed that the next meeting of the Council would take place from 18-23 February to consider the question of the date and agenda for the meeting of Ministers.

6. Programme of meetings, March and April (C/W/48)

It was agreed that the meeting of the Special Group on Trade in Tropical Products and the Sub-Group would take place from 14-22 March, and the next meeting of Committee III from 25 March - 5 April.

The Executive Secretary expressed his views regarding the probable dates for other meetings: the Working Party on Procedures for Tariff Reduction might meet about the beginning of March, the Group on Cereals later in March and the Group on Meat in the early part of April. The Working Party on the African Common Market would probably be convened in the latter part of April. The programme for these working parties and groups could be reviewed, if necessary, at the February meeting of the Council.

