

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/M/38

30 December 1966

Limited Distribution

COUNCIL

16 December 1966

MINUTES OF MEETING

Held at the Palais des Nations, Geneva,
on 16 December 1966

Chairman: Mr. E. WYNDHAM WHITE, Director General¹

	<u>Page</u>
<u>Subjects discussed:</u> 1. Ceylon temporary duty increases	1
2. Accession of Korea	2
3. Article XXVIII renegotiations	3
4. Accession of Poland	3
5. Brazilian tariff reform	3
6. Next meeting of Council	4

1. Ceylon temporary duty increases (L/2717)

Mr. Voutilainen, Chairman of the Committee on Balance-of-Payments Import Restrictions, informed the Council that, in the course of its regular consultation with Ceylon under Article XVIII in November 1966, the Committee had examined Ceylon's requests for an extension of the waiver granted in 1961 allowing Ceylon to impose temporary increases on bound rates of duty. The validity of this waiver was to expire on 31 December 1966. Ceylon had also asked that the waiver be amended to include certain temporary duty increases which had been introduced in August 1965 and July 1966. In so far as the increases introduced in August 1965 were concerned, the CONTRACTING PARTIES had decided at their twenty-third session in April 1966 to allow Ceylon to maintain them until the end of 1966 and had decided that the Committee should examine more closely their justification.

The report of the Committee on its examination of Ceylon's requests had been circulated in document L/2717. As regards the discussion on the general balance-of-payments situation of Ceylon, the report referred to the consultation report, circulated in document BOP/R/2.

¹In the absence of the Chairman of the Council and of the officers of the CONTRACTING PARTIES, the Director-General was invited to preside.

The Committee had found, after having taken into account the assessment provided by the International Monetary Fund, that an extension of the validity of the waiver for a further two-year period - as requested by the Government of Ceylon - would be reasonable in the present balance-of-payments situation of Ceylon. The Committee had also found it reasonable to amend the waiver so that it would cover the duty increases of August 1965 and July 1966.

The Committee had prepared the text of a decision to amend and extend the waiver. This draft decision was annexed to the report, and to the decision was attached an up-to-date list of the bound rates affected by the temporary duty increases as they appear in the Schedule of Ceylon and as they now apply, including the various increases covered by the waiver.

The Committee recommended to the Council that it adopt the report and approve the text of the decision for submission to a vote by the CONTRACTING PARTIES.

The Council adopted the report and approved the text of the draft decision annexed to the report. Representatives who had authority to vote on behalf of their governments were invited to do so at the close of the meeting, while ballot papers would be sent by post to contracting parties not present.

2. Accession of Korea (L/2720)

Mr. de Liedekerke, the Chairman of the Working Party which had been appointed to examine Korea's application for accession, presented the Working Party's report. Having carried out an examination of the foreign trade régime of Korea, the Working Party recommended that, subject to the satisfactory conclusion of the relevant tariff negotiations, Korea be invited to accede to the General Agreement under the provisions of Article XXXIII. For this purpose, the Working Party had prepared a draft decision and a draft protocol and it was proposed that these texts be approved by the Council when adopting the report.

The representative of Korea expressed his Government's appreciation of the co-operation of the contracting parties with which they had negotiated and of the members of the Working Party.

The Council adopted the report, approved the texts of the draft decision and draft protocol annexed to the report and instructed the secretariat to attach to the protocol the consolidated schedule of concessions to be accorded by Korea, when this schedule will have been seen and approved by the countries which participated in the negotiations, and then to send to each contracting party a copy of the protocol together with the draft decision and a ballot paper for the vote to be taken under Article XXXIII.

The Council agreed to this procedure.

3. Article XXVIII renegotiations

The Chairman drew the Council's attention to document C/W/109. A number of contracting parties which had announced their intention to enter into negotiations for the modification or withdrawal of concessions under paragraph 1 of Article XXVIII would not have completed their negotiations in time to give effect to the results on 1 January 1967, as foreseen in that Article. It was therefore proposed to extend the time-limit until 30 June 1967.

The representative of the Federal Republic of Germany and of the United States said they had no formal instructions on this matter but would inform the secretariat as soon as possible.

The Council approved the extension, subject to the clarification of the positions of the Governments of the Federal Republic of Germany and of the United States.

The Director-General has been advised that the Federal Republic of Germany has withdrawn its reservation. The Government of the United States has indicated that it is prepared to accept the extension, it being understood that such extension does not limit the rights of contracting parties under paragraph 3(a) of Article XXVIII.

4. Accession of Poland

The representative of Poland traced the development of relations between contracting parties and Poland, which had led to his country's participation in the Kennedy Round. He informed the Council of his Government's intention to request accession to the General Agreement under Article XXXIII and asked the Chairman to propose the inclusion of this item on the agenda of the next Council meeting. He added that the Polish Government considered that the negotiations under way in the Kennedy Round constituted negotiations for accession in the sense of Article XXXIII.¹

Several delegations expressed their support of Poland's request.

The Council agreed to include this request on the agenda of its next meeting.

¹The full text of the statement has been distributed in L/2724.

5. Brazilian tariff reform

The Chairman informed the Council that the delegation of Brazil had notified the secretariat of its Government's intention to introduce, on 1 March 1967, a revised customs tariff. This was part of a general reform and liberalization of the Brazilian trade and payments system. The introduction of the reformed tariff would involve modifications of certain existing bound duties in the Brazilian Schedule. Therefore, in order to implement the new tariff on 1 March 1967, the Brazilian Government would request a waiver from the provisions of Article II of the General Agreement. The Brazilian delegation would enter into consultation and negotiations with other contracting parties affected, as necessary.¹

It was agreed that this matter be included on the agenda of the next meeting of the Council.

6. Next meeting of Council

The Chairman proposed that the Council meet again on 10 January, continuing on 11 January if necessary, to consider the request from Poland for accession and the request from Brazil for a waiver of obligations under Article II.

It was so agreed.

¹The full text of the communication has been distributed in L/2723.