

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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COUNCIL

10 January 1967

MINUTES OF MEETING

Held at the Palais des Nations, Geneva
on 10 January 1967

Chairman: Mr. E. Wyndham White (Director-General)¹

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1. Brazilian tariff reform (L/2723, C/W/110 and Add.1, C/W/111)

The Chairman recalled that, as announced at the last meeting of the Council on 16 December 1966, the Government of Brazil was requesting a waiver under paragraph 5 of Article XXV to permit the application of a new customs tariff on 1 March 1967 without prior completion of the negotiations with interested contracting parties on changes in rates of duty bound in the Brazilian Schedule. The communication received from the Government of Brazil was distributed on 22 December (document L/2723), and further data received from the Brazilian delegation concerning new legislation and changes in the import control régime had been made available in C/W/110 and Add.1, and C/W/111.

The representative of Brazil made a statement (reproduced in document C/W/112), in which he explained that the tariff reform was a necessary measure adopted by his Government in pursuance of the policy of internal stabilization and sustained growth of the economy. The new tariff was one of the measures intended to simplify and liberalize the existing import régime; excessive rates of duty and supplementary administrative measures, including those deriving from the two-category import system, were eliminated; the level of duties on a considerable number of products was reduced, and a more rational protection of national economic production had been introduced. He hoped that the members of the Council could give sympathetic attention to this request for a waiver of Brazil's obligations under Article II of the GATT, and would understand the urgency of

¹The Director-General presided in the absence of the Chairman, Mr. R. Rothschild (Belgium).

coming to a decision in order to allow the new tariff to come into force on 1 March 1967. He assured the members of the Council that renegotiation of Schedule III - Brazil would be completed within one year.

Many members expressed their government's support of the Brazilian request. Several representatives assured the representative of Brazil of their government's sympathetic consideration; they welcomed the tariff reform as a significant effort towards liberalization of trade and proposed that a working party be established to examine the request.

The Chairman proposed that a working party be appointed with the following terms of reference:

"To examine the request of the Government of Brazil for a waiver from its obligations under Article II, and to make recommendation to the Council"

and the following membership:

Australia	Japan
Brazil	Nigeria
Canada	Norway
Chile	Switzerland
European Economic Community	United Kingdom
India	United States

under the Chairmanship of Mr. Homewood (New Zealand).

This was agreed. The working party was requested to hold a first meeting on 12 January and to submit its recommendations to the Council as soon as possible.

2. Accession of Poland (L/2724)

The Chairman recalled that the representative of Poland had informed the Council at its last meeting of his Government's intention to submit a formal application for accession to the General Agreement. The statement made by the representative of Poland on that occasion had been distributed in document L/2724. At the last meeting several members of the Council had expressed their government's support for Poland's application. The formal application of Poland to accede to the General Agreement under Article XXXIII was now before the Council for consideration. The Council was authorized by the CONTRACTING PARTIES to deal with applications for accession received during intersessional periods. The procedures to be followed had been established by the CONTRACTING PARTIES at their twenty-third session - they included, in particular, the establishment of a working party to examine the application for accession and to prepare a draft protocol.

The representative of the European Economic Community welcomed Poland's desire to find a new basis for its relations with the contracting parties. The Community would be pleased to study more closely, in a working party, the problems of accession of a country with a special economic structure and would co-operate in a positive and constructive spirit. Pending the outcome of the deliberations in the Working Party the Community would not consider the negotiations under way with Poland within the framework of the Kennedy Round as negotiations for accession under Article XXXIII, but as negotiations sui generis.

Many representatives supported Poland's application and expressed the hope that Poland's accession would lead to an expansion of trade. Several representatives indicated that they could accept the Polish proposal that the negotiations entered into in the context of the Kennedy Round should constitute negotiations for accession, while some agreed with the Community's view on this point. It was suggested that the secretariat's draft of an agreement between Poland and contracting parties should be used as a working document.

The Chairman proposed the establishment of a working party, with the following terms of reference:

- "(a) To examine the application of the Government of Poland to accede to the General Agreement under Article XXXIII, taking account of all relevant documents already established in consultations and discussions with the representatives of the Government of Poland and any others that may be put forward;
- "(b) to submit to the Council recommendations which may include a draft protocol of accession."

Contracting parties wishing to participate in the Working Party should inform the secretariat before the end of January so that the first meeting could be held not later than the first week of February.

It was so agreed, and Mr. Langeland (Norway) was appointed Chairman of the Working Party.

In reply to a question the Chairman said it was his understanding that the draft for the terms of an agreement between Poland and the contracting parties, which had been prepared by the secretariat though not yet generally distributed, would be among the relevant documents referred to in the terms of reference.

Referring to the statements that had been made about the relationship between the negotiations which had already been initiated between Poland and some contracting parties within the framework of the Kennedy Round, and the negotiations for accession under Article XXXIII, the Chairman said it had been normal practice, in negotiations for accession to have, on the one hand, negotiations between the acceding government and individual contracting parties for tariff concessions, and, on the other hand, multilateral discussions to establish the terms of accession. In the Kennedy Round the scope of negotiations had not been limited to tariff concessions, but had included discussions on specific trade problems. Individual contracting parties would no doubt wish to conduct such trade negotiations with Poland as part of the process of accession under Article XXXIII. On the assumption that agreement is otherwise reached on the terms of accession, as regards the broader multilateral discussions, those contracting parties which were actually conducting Kennedy Round negotiations with Poland would doubtless consider that these negotiations satisfy the requirements for negotiations under Article XXXIII.

In reply to the representative of the European Economic Community, who repeated his earlier statement on the Community's position, the Chairman said that he saw no inconsistency between that position and the indication he had given of the relationship between Poland's Kennedy Round negotiations and its accession negotiations.

3. Accession of Korea

The Chairman recalled that at its last meeting the Council had approved the text of a draft decision and draft protocol for the accession of Korea, and had instructed the secretariat to attach to the protocol the consolidated schedule of concessions to be accorded by Korea when this schedule had been seen and approved by the countries which had participated in the negotiations. The schedule had now been approved and ballot papers had been sent to all contracting parties, together with the complete draft protocol and draft decision. Contracting parties had sixty days to cast their votes.

The representative of Korea drew the Council's attention to the fact that the Korean parliament would be in session only until mid-February, and that if affirmative votes from two thirds of the contracting parties were not received by early February, the opportunity to secure ratification of the protocol by the parliament would be missed, and that accession would be delayed until late in the year. He urged the members of the Council to extend the spirit of co-operation that had prevailed during the negotiations by taking steps to see that votes were cast by their governments within the next three or four weeks.

The Chairman invited the members of the Council to take those circumstances into account so as to finalize the accession of Korea quickly.