

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/M/43

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COUNCIL

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## MINUTES OF MEETING

Held at the Palais des Nations, Geneva  
on 5 December 1967

Chairman: Mr. C. Besa Lyon (Chile)

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### 1. Announcement concerning the new Director-General

The Director-General, referring to the appointment of his successor, said that since the end of the twenty-fourth session he had had a communication from the Swiss authorities to the effect that the Federal Government consented to make Mr. Olivier Long available and also confirming Mr. Long's acceptance of his appointment. However, in view of Mr. Long's recent appointment as Ambassador to the United Kingdom, he would need some time before he could take up his new functions. So far, indications were that this would not be before the early spring. In the meantime Mr. Wyndham White would continue to direct the secretariat, on an interim basis, after 31 December 1967.

2. Action to implement the Work Programme adopted at the twenty-fourth Session (L/2943)

(a) Appointment of Committees and Working Parties

The Chairman recalled that it had been stipulated in the future work programme adopted by the CONTRACTING PARTIES (L/2943), that the Council was to supervise all aspects of the programme. Therefore the principal purpose of this meeting, convened so soon after the close of the session, was to take certain decisions which were essential to the implementation of the programme.

Basing itself on the conclusions of the CONTRACTING PARTIES, as set out in document L/2943, the Council set up two Committees and one Working Party as follows:

Committee on Trade in Industrial Products

Terms of Reference:

"To explore the opportunities for making progress toward further liberalization of trade taking into account the discussion on the subject at the twenty-fourth session."

It was decided that the membership of the Committee would be established at the next Council meeting on 13 December and in the meantime governments wishing to participate in the Committee should notify the secretariat.

The Chairman suggested that the first meeting of the Committee should be held in the first half of February.

Agriculture Committee

Terms of Reference:

"To examine the problems in the agricultural sector, and to explore the opportunities for making progress in the attainment of the objectives of the General Agreement in the agricultural field. The examination would cover all agricultural products important in international trade. This examination should prepare the way for subsequent consideration of positive solutions which could be mutually accepted by all contracting parties concerned. It would bear on all relevant elements of agricultural trade and production policies."

It was decided that the membership of the Committee would be established at the next Council meeting, on 13 December. In the meantime governments wishing to participate in the Committee should notify the secretariat.

It was noted that the Committee was required to meet early in 1968 "to decide on the programme for the implementation of its terms of reference". It was agreed that the Committee should be convened on 18 January.

Working Party on Dairy Products

Terms of Reference:

"To conduct on behalf of the CONTRACTING PARTIES, consultations under Article XXII:2 on urgent problems in international trade in dairy products with a view to arriving at mutually acceptable solutions to these problems and to report to the Council."

Membership:

Argentina	Japan
Australia	New Zealand
Austria	Norway
Canada	Poland
Denmark	Switzerland
European Economic Community	Sweden
Finland	United Kingdom
Ireland	United States

Chairman: Mr. Wyndham White

It was decided that the Working Party should meet on Thursday, 14 December, continuing on 15 December if necessary, to initiate the consultation.

The Chairman proposed that before 14 December members of the Working Party submit to the secretariat suggestions as to the topics to be covered by the Working Party and, as necessary, supporting statistical material.

The representative for the United States said he had instructions to inform the Council that the United States had other important problems in the agricultural field which it would raise under the same procedure, i.e. Article XXII, at a later date.

(b) Review of matters falling under Section C of the Work Programme

The Director-General, with a view to informing the Council of certain work the secretariat was putting in hand with regard to the various points included in Section C of the Conclusions and the Work Programme, commented on the following points:

Advance implementation of the Kennedy Round reductions:

A number of notifications by developed countries of the action they had taken or intended to take had been received and circulated. If necessary, the matter could be reviewed from time to time by the Committee on Trade and Development. No action was required by the Council.

Tropical products:

The decision had been to reactivate the Special Group on Tropical Products. The secretariat had begun its work on up-dating existing documentation and as soon as this was sufficiently advanced, the Group would be convened. The Group had been instructed to submit its report to the CONTRACTING PARTIES, but if this should be available before the twenty-fifth session it could be examined first by the Council. The composition of the Group had been set out in the footnote on page 4 of L/2912.

Import restrictions:

The CONTRACTING PARTIES had agreed on the establishment of panels of governmental experts to examine problems relating to quantitative restrictions maintained by developed countries on industrial products of particular interest to developing countries. The secretariat would shortly be submitting proposals as to the products or product groups with regard to which such panels should be set up, when they should meet, and the experts to be nominated. In formulating these proposals, the secretariat would be guided by what was set out in Annex II to the report of the Committee on Trade and Development (L/2912, page 18) and would be in consultation with the contracting parties concerned. When these proposals were ready they would be submitted to the Council for action.

Tariff classification:

Developed countries had been urged to give early and sympathetic consideration to requests made by developing countries in this regard. No Council action was required.

Expansion of trade among developing countries:

Since the twenty-fourth session the Trade Negotiations Committee of Developing Countries had held two meetings and significant progress had been made. A date had been set for the submission by interested developing countries, of indicative requests lists to serve as a basis for the exchange of information and for further discussion. Steps are being taken to inform developing countries, not contracting parties to GATT, of the work being done in this field and to invite them to indicate whether they wish to take part in it.

Consultations with developing countries:

In the normal course of its work the Council would be establishing time-tables for the work of the various bodies of GATT, including the Committee conducting these consultations. The Committee on Balance-of-Payments Restrictions would draw up its own time schedule. In accordance with the decision of the twenty-fourth session, the secretariat background document for the consultations with developing countries would be prepared, in future, in such a way as to place particular emphasis on "the possibilities for alleviating and correcting the payments and development problems through measures contracting parties might take to facilitate an expansion of export earnings of the developing countries concerned".

The existing "Plan for Consultations" used by the Committee on Balance-of-Payments Restrictions could be suitably adjusted for the purpose the CONTRACTING PARTIES had in mind. The Council's attention would be engaged only in case any alteration in the established procedures was called for.

Cotton textiles:

The secretariat would shortly be issuing a notice to the importing countries concerned to remind them of the CONTRACTING PARTIES' invitation for them to report the steps taken to facilitate adjustments in their domestic industry. This action was in preparation for the next meeting of the Cotton Textiles Committee.

3. Consultation on the British Steel Corporation sheet steel loyalty rebate

The Chairman recalled that the CONTRACTING PARTIES had agreed at their twenty-fourth session that consultations under paragraph 2 of Article XXII should be held concerning the British Steel Corporation loyalty rebate on sheet steel and that the Council should establish a working party to conduct the consultation.

The following terms of reference and membership were agreed:

"To conduct on behalf of the CONTRACTING PARTIES a consultation under paragraph 2 of Article XXII concerning the British Steel Corporation sheet steel loyalty rebate and to report to the Council."

Membership:

Australia	Japan
Brazil	Sweden
Canada	United Kingdom
India	United States

Chairman: Mr. Akhtar Mahmood (Pakistan)

The spokesman for the European Communities indicated that either the Communities or some of the member States might be prepared to join the Working Party; the secretariat would be informed in due course.

The Council agreed that the first meeting of the Working Party should be held on 20 December 1967.

#### 4. Countervailing duties

The Chairman recalled that the CONTRACTING PARTIES had decided at their twenty-fourth session that a working party should be established to study questions related to countervailing duties, subsidies and other export incentives and that the Council should decide on its terms of reference, membership and work programme.

The representative of the United States said that his Government was eager to see the work on these problems started as soon as possible. After having discussed the drafting of terms of reference for the working party with certain other delegations concerned, his delegation had found, however, that it would not be possible to agree on mutually acceptable terms of reference at the present meeting of the Council. He was prepared to have the matter deferred until the next meeting of the Council, but he would hope that this would be held before the end of the year.

The representative of the European Economic Community said that the Community had not been able to conclude the preparatory examination of the question. He doubted that it would be useful to discuss the matter again in the Council within the next few weeks.

The Chairman suggested that the delegations concerned should continue their informal discussions and that the item should be inscribed on the agenda for an early meeting of the Council.

It was so agreed.