

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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COUNCIL
21 May 1969

MINUTES OF MEETING

Held at the Palais des Nations, Geneva
on 21 May 1969

Chairman: Mr. Erik THRANE (Denmark)

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1. Turkish stamp duty (L/196 and Add.1)

The Chairman recalled that at the last meeting, on 15 April 1969, the representative of Turkey had informed the Council that the stamp duty levied on imports had been increased to 25 per cent ad valorem (C/M/53). The Turkish Government, therefore, had requested the CONTRACTING PARTIES to amend the waiver, granted on 11 November 1967 (BISD, 15S/90), which had authorized the increase in the rate of the stamp duty from 5 to 15 per cent on products included in the Turkish Schedule.

The representative of Turkey recalled that the increase in the rate of the stamp duty was one of a complex of measures to alleviate the pressure on the balance of payments and to meet the financing requirements of the Turkish Development Plan. This measure had to be considered against the background of the balance-of-payments situation. Monetary reserves were at their lowest level in recent years. Exports which had fallen in 1968 had failed to recover, while the rise in imports continued unabated.

He stressed that the implementation of the development objectives was closely linked to a relatively high volume of imports. The increase in the stamp duty was not meant to reduce imports, but only to maintain the increase at a manageable level. It was a non-discriminatory measure affecting all imports irrespective of the source of supply. He felt that the measure was the most liberal one possible in the prevailing circumstances and that alternative measures would have disruptive effects on the volume and traditional patterns of Turkish foreign trade. To be

properly understood the measure had to be examined in the context of the overall balance-of-payments situation of Turkey.

A number of representatives considered the decision to increase the stamp duty to a level of 25 per cent sufficiently important to warrant consideration of it in a special working party.

The Council agreed to establish a working party, which should meet immediately after the consultation under Article XVIII:B with Turkey in July in the Balance-of-Payments Committee, and should give appropriate attention to the deliberations in that Committee.

The Council agreed on the following terms of reference and membership:

Terms of Reference:

"To examine the request of the Government of Turkey for an amendment of the Decision of 11 November 1967 to authorize an increase of the stamp duty to 25 per cent ad valorem on items bound in Schedule XXXVII, and in this connexion to consult with the International Monetary Fund and to report to the Council."

Membership:

Australia	Ghana	Sweden
Brazil	Greece	Turkey
Czechoslovakia	Israel	United Kingdom
European Communities and member States	Japan	United States
	Pakistan	Yugoslavia

Mr. F. PETRIE (Canada), the Chairman of the Balance-of-Payments Committee, was nominated Chairman of the Working Party.

2. Poland Accession Protocol

The Chairman recalled that paragraph 5 of the Protocol for the Accession of Poland provided for an annual consultation with a view to reaching agreement on Polish targets for imports from the territories of the contracting parties as a whole in the following year. In these consultations the CONTRACTING PARTIES were also required to review measures taken by contracting parties pursuant to the provisions of paragraph 3 of the Protocol. The first review had been conducted in 1968 and the second review should be held early in the autumn.

The Council agreed to establish a working party, having the same composition as that of the Working Party which had carried out the first consultation, to conduct the second annual review.

Terms of Reference:

"To conduct, on behalf of the CONTRACTING PARTIES, the second annual consultation with the Government of Poland provided for in paragraph 5 of the Protocol of Accession, and to report to the Council."

Membership:

Argentina	European Communities	Poland
Australia	and member States	Sweden
Austria	Finland	Switzerland
Brazil	India	United Kingdom
Canada	Japan	United States
Czechoslovakia	Nigeria	

Mr. A. LANGELAND (Norway), who was Chairman of the Working Party in 1968, was again nominated Chairman of the Working Party.

3. Chile Schedule - Renegotiation

The representative of Chile recalled that the waiver granted on 30 December 1966 (BISD, 15S/83), which enabled his Government to put into force its new tariff pending completion of negotiations for the modification or withdrawal of concessions in the Chilean Schedule, was due to expire on 30 June 1969. Although great efforts had been made, he felt that it would probably not be possible to terminate the negotiations before that time. In order to avoid the creation of a serious legal problem his Government requested a further extension of the time-limit.

The Council agreed to recommend a further extension of the time-limit provided for in the Decision of 30 December 1966 until the end of the twenty-sixth session and approved the text of a draft decision in document C/W/140. The secretariat distributed ballot papers and representatives who had authority to vote on behalf of their governments were invited to do so at the close of the meeting or as soon thereafter as possible. Contracting parties not represented would receive ballot papers by post. The voting would be closed on 21 June 1969.

4. Agriculture Committee and Committee on Trade in Industrial Products - Report by the Director-General

The Director-General made an interim report on the Status of Work in the Agriculture Committee and the Committee on Trade in Industrial Products. This report will be distributed in document L/3207.

The representative of the European Communities suggested in connexion with the tariff study that a meeting of experts should again be convened to advise the secretariat on certain technical difficulties. It was agreed to convene this meeting of experts on 18 June 1969.

The representative of Jamaica asked for a distribution of the documentation simultaneously to the Agriculture Committee and the Committee on Trade in Industrial Products.

The Assistant Director-General explained that the basic documentation on the tariff study, consisting of item-by-item tariff and trade data for each country covered by the study, would be too detailed and voluminous for general distribution, but it would be available for reference purposes in the secretariat, and would of course be available for both the Agriculture Committee and the Committee on Trade in Industrial Products. The summaries, analyses, and further studies prepared from the basic documentation would be generally distributed.

5. Financial and administrative questions

(a) Committee on Budget, Finance and Administration

The Council appointed the Committee on Budget, Finance and Administration with the following terms of reference and membership:

Terms of Reference:

- "(i) To examine any questions arising in connexion with the audited accounts for 1968, the financing of the 1969 Budget, and proposals for the Budget for 1970.
- "(ii) To examine the proposals for the 1970 Budget for the International Trade Centre UNCTAD/GATT.
- "(iii) To study any financial and administrative questions which may be referred to it by the Council or submitted to it by the Director-General, and undertake such other duties as may be assigned to it by the Council."

Membership:

Argentina	Germany, Fed. Rep.	Nigeria
Australia	India	Poland
Canada	Israel	Sweden
Ceylon	Japan	United Kingdom
France	The Netherlands	United States

Chairman: Mr. A. SCHNEBLI (Switzerland).

The representative of India drew attention to the necessity for avoiding the submission of the Budget of the International Trade Centre for examination by numerous GATT and United Nations bodies.

The Director-General explained that as far as GATT was concerned the procedure was limited to a strict minimum. It was essential that the Budget Committee should examine the Trade Centre Budget on behalf of the CONTRACTING PARTIES and make a report to the Council. The report from the Council to the CONTRACTING PARTIES would normally terminate procedures as far as GATT was concerned. He would try to co-ordinate the procedure as much as possible with the UNCTAD so as to avoid inconvenience.

(b) Rates of subsistence allowance (L/3201)

The Chairman drew attention to the proposal by the Director-General, contained in document L/3201, to apply with effect from 1 January 1969, the rates of subsistence allowance for senior officers as set out in the annex to the document.

The representative of the United Kingdom said that it was the opinion of his authorities that deviations from existing practices which had financial implications should in the first instance be referred to the Committee on Budget, Finance and Administration.

In response to various questions and comments the Director-General explained that the United Nations had made some changes in the rates of subsistence allowance for senior officers with effect from 1 January 1969. The objective of the proposal was simply to adjust the GATT practice to the new United Nations rates. Moreover, he had made use of his administrative power to determine certain maximum rates. Under standing procedures he was only required to inform CONTRACTING PARTIES of such adjustments. However, since he himself was also involved he had preferred to ask for the Council's approval. Financial implications would be in the order of \$500 for the year 1969, which would be provided from the current Budget.

The Council approved the proposal.

6. Programme of meetings

(a) Meetings of committees and working parties, May to July (C/W/138)

The Chairman drew attention to a tentative programme of meetings for the period May to July 1969, which had been circulated for the information of delegations in document C/W/138; although it did not appear in the list a meeting of the Council would probably be convened in the last week of June or early in July.

(b) Date for the twenty-sixth session

The Director-General recalled that at the twenty-fifth session the CONTRACTING PARTIES had agreed to hold the twenty-sixth session within the period 27 October to 28 November 1969 (SR.25/11). In preparation for the twenty-sixth session much work had already been done in the various sectors of activities, such as agriculture non-tariff barriers, the tariff study, trade and development, etc. However, while this work would continue to be the subject of concentrated effort, he had come to the conclusion that a session in November would probably be too early for the

CONTRACTING PARTIES to have a really fruitful examination of the work achieved in the various fields. He, therefore, asked the Council to consider whether it would not be more appropriate to postpone the twenty-sixth session to the second half of February 1970.

The Council agreed to revert to this matter again at its next meeting.