

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## COMMITTEE ON TARIFF CONCESSIONS

### Draft Minutes of the Meeting held in the Centre William Rappard on 28 February 1980

Chairman: Mr. J. Dugimont  
(Commission of the European Communities)

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1. <u>Nomination of officers</u>	

Mr. Lindén (secretariat) opened the meeting and informed the member of the Committee that, as authorized by the Council when establishing the Committee on 29 January 1980, the Chairman of the Council, in consultation with delegations, had decided to nominate Mr. J. Dugimont (Commission of the European Communities) as Chairman, and Mr. A. Hussain (India) as Vice-Chairman of the Committee.

The representative of Brazil expressed his satisfaction at these nominations for a committee which he considered to be one of the most important post-MTN activities.

The representative of the European Communities underlined the importance he attached to the work of the Committee which was aiming to secure transparency of the rights and obligations of contracting parties in the tariff field.

2. Establishment of a loose-leaf system for the schedules of tariff concessions (L/4821/Add.1-2, C/107, C/M/138)

2.1 Background

The Chairman reminded the Committee of its terms of reference and invited members to examine the first item on the agenda, namely the Director-General's proposal for establishment of a loose-leaf system for the schedules of tariff concessions.

The idea of introducing a loose-leaf system had developed because of difficulty experienced in finding a particular concession in the various schedules, sometimes spread over many legal instruments. The secretariat had proposed the introduction of a system that would allow rapid consultation of schedules of concessions. The financial implications of the proposal had been accepted by the Budget Committee and by the CONTRACTING PARTIES at the end of 1979, and the time seemed appropriate, now that the multilateral trade negotiations had been completed, to introduce such a system. At the last meeting of the Council, however, approval of the proposal had not been secured because certain countries had expressed reservations regarding its application. The problems of concern to those countries seemed to be, on the one hand, harmonization of the nomenclature of their national tariff with that of their schedule of concessions and, on the other hand, the recording in schedules of previous initial negotiating rights (INR's) established at a higher rate. The countries concerned might wish to comment on the situation.

2.2 Position of governments regarding harmonization and INR's

The representative of New Zealand recalled his statement at the Council meeting of 29 January 1980. He said paragraph 5 of document C/107 needed redrafting and as a start he proposed the following recording:

"Furthermore, it is in my view important that the information contained in the schedule is brought into line as far as possible with corresponding data in the national customs tariffs, and to this end:

- (a) the complete tariff number be inserted in column 1 of the schedule rather than an "ex" number;

- (b) if only part of a sub-heading were bound, a split be made of the sub-heading in question in the national tariff and each part be given separate numbers in the customs tariff as well as the GATT schedules; and
- (c) the complete description be inserted in column 2 in order to make cross-reference to national customs tariffs unnecessary."

The representative of Japan recalled that his country had all along given full support for the proposal put forward by the Director-General and he regretted that the proposal had not yet been adopted by the Council. He had two comments concerning the dates mentioned in the document. With regard to the submission of consolidated schedules, he recognized the merit of fixing a deadline but, in view of the delay in adopting the proposal, his authorities suggested that some element of flexibility should be introduced. If the date for the submission of schedules were to be modified, it followed that the date for the submission of lists of previous INR's should also be changed. Also, an adjustment might be made in the text of paragraph 8 of document C/107 to make it clear that these lists were to be submitted one year after the date by which consolidated schedules should be submitted. He said that Japan could go along with New Zealand's proposal for the redrafting of paragraph 5.

The representative of Sweden generally agreed with the proposal in C/107. He felt that the suggestion made by New Zealand about paragraph 5 needed to be studied further. He understood from paragraph 8 that references to earlier schedules and negotiating records would not be necessary as soon as previous INR's were indicated in the loose-leaf system. He also said that some reflexion concerning the dates, as suggested by Japan, was needed.

The representative of the European Communities underlined the importance of the system proposed while recognizing that it might involve difficulties for some contracting parties. Lengthy discussion on dates would not be useful, but it was essential to begin the work very soon. With respect to INR's there was time to settle the matter and the real problem would arise only much later.

The representative of Australia pointed out that his authorities supported, in principle, the system and, although they had reservations about the proposal as set out in C/107 and L/4821, they would not oppose a consensus. Their main difficulty resulted from the requirement that there should be precise compatibility between the national tariff and the schedule, the purpose of the two being quite different: the schedule of concessions was setting out legal obligations whereas the national tariff was an economic instrument subject to frequent changes. Australia would participate on a "best of endeavours" basis on the following conditions: (1) the tariff item numbers and descriptions in the new schedule

would be based on the CCCN and "ex" items would be reported in many cases; (2) no new obligations would be accepted in respect of changes to customs tariffs that would not affect GATT concessions; (3) on the question of recording previous INR's a definitive position would need to be taken by the CONTRACTING PARTIES. Pending such decision, any inclusion of previous or superseded INR's would be without prejudice to their legal status.

The representative of Austria reiterated his full support for the idea to establish a loose-leaf system and pointed out that the Director-General's proposal was acceptable for his authorities. This acceptance was, however, conditional on the interpretation to be given to paragraph 1 of the Annex to document C/107; for his authorities, the three months' delay for the notification of changes started from the date the action had been approved by the competent domestic body, i.e. only once all the internal legal procedures were terminated. He furthermore agreed with previous speakers that it was now essential to start putting the system into operation and to address the problems which will arise in the implemented action process.

The representative of the United States informed the Committee that he could accept the proposal as presented by the secretariat and that it was important to get it into operation as soon as possible. He could accept paragraph 5 as amended by New Zealand and he agreed that there should be some flexibility in the initial dates proposed. He hoped that a consensus could be reached at the meeting so that the next Council could adopt the proposal.

The representative of Switzerland informed the Committee that document C/107 seemed to him acceptable in principle. In general it might be over-ambitious to try to settle all questions forthwith when the system was introduced. At the current stage, it was important to embark on the exercise. With respect to the New Zealand proposal, he reserved the right to revert to the matter in due course.

The representative of Norway said that it was the concern of his authorities not to make their national tariff more complicated with the introduction of the loose-leaf system. Therefore, they would seek some flexibility in the correspondence between the national tariff and the schedule of concessions. They might have to use "ex items" to a certain extent. As far as the INR's were concerned, the representative of Norway stated that there would be no problem concerning the Kennedy Round and the Tokyo Round but his authorities might encounter some problems regarding earlier INR's. He would need more time to consider New Zealand's proposal.

The representative of Canada hoped that the loose-leaf system could be implemented as soon as possible, although, like other delegations, his authorities were faced with some problems. He would appreciate some flexibility introduced in the dates mentioned in paragraph 3. As regards paragraph 5, he found the redrafting of New Zealand interesting but would need to study it more closely. For Canada, paragraph 5(b) caused a major

practical problem. He could support the introduction of INR's on previous higher bindings but, if the nomenclature had changed he did not find it advisable to reintroduce old nomenclature in a schedule but suggested that it could be dealt with in the form of a footnote to the current nomenclature indicating the country or countries that might have INR's in terms of the former nomenclature.

The representative of Sweden noted that the proposal simply set out the view of the Director-General and that the flexibility in the language was met in the Annex. He shared the view that there was a legal obligation in a GATT schedule. He agreed that the introduction of the loose-leaf system should not complicate national tariffs which had another purpose. GATT schedules should refrain from using old nomenclatures. Referring to the footnote on page 4 of the Annex he suggested to use ninety days all over.

The Chairman suggested postponing to 30 September 1980 the date mentioned in paragraph 3, in which case corresponding amendments would be made in paragraph 8 - 30 September 1981 and on page 3 - 30 June 1986. Some additional flexibility could be envisaged in case problems arose for certain delegations.

The representative of Japan expressed his appreciation and agreement to the Chairman's suggestion to postpone the date in paragraph 3. He suggested, however, that the date in question in paragraph 8 could be dispensed with, leaving it to read one year after the date by which the submission of consolidated schedules were to be made.

The representative of the United States said that paragraph 8 might be clarified but felt it essential to keep the date from which the system would be the sole legal source for tariff concessions.

The representative of Switzerland said that he could agree to postponement of the date for initial submission of schedules. He could likewise accept the date of 30 September 1980 in paragraph 8, it being important to have a specified date. The deadline in respect of interpreting concessions might be postponed to 1 January 1987 so as to coincide with implementation of the Tokyo Round concessions.

The Chairman recalled that the five-year period would be used for researching and checking INR's by the countries that had granted concessions and by those that had received them.

The representative of the European Communities said that he could accept the date of 30 September 1980 in paragraph 3 and the date of 30 September 1981 in paragraph 8. A specified date was necessary, and he could concur with the Swiss proposal to postpone to 1 January 1987 the date in respect of interpreting concessions.

The Chairman noted that the date of 1 January 1987 would indeed coincide with implementation of the Tokyo Round concessions. Regarding alignment of national tariffs with schedules of concessions, the movement would clearly have to be from national tariffs toward schedules of concessions and not the contrary, and it was important not to complicate the nomenclature of customs tariffs. It would be useful if bindings could be found easily in national customs tariffs so as to facilitate any renegotiations under Article XXVIII.

The representative of Finland requested some clarification concerning the background for the New Zealand proposal.

The representative of New Zealand said that it was his intention to ensure as far as possible some flexibility in order to satisfy his instructions.

The representative of Switzerland said that the essential thing in that connexion was to give the clearest possible description of any products covered by "ex" headings.

The representative of Sweden pointed out that his delegation had some difficulty with the part of the sentence in paragraph 5 reading "if only a part of a sub-heading is bound" in view of the different purpose of GATT schedules and national tariffs. He explained that the main reason for the split up in nomenclature was a need to align GATT schedules and national tariffs. However, a better solution would seem to be to widen a binding in order to cover the whole sub-heading.

The Chairman pointed out that some governments were not prepared to offer a binding of complete tariff headings and tended to offer bindings of parts of headings. For the loose-leaf system it was important that the product description for the binding be as accurate as possible. The problem was in fact to ensure the closest possible consistency between the nomenclature of national tariffs and the schedules of concessions. The Director-General's proposal mentioned the possibility of splitting headings in national tariffs too, so as to indicate the exact portion of the heading that was bound, in order to facilitate research for any renegotiations under Article XXVIII. No doubt that proposal might involve problems for certain delegations that were not sure of being able to attain that objective, despite their efforts to make the necessary identification. It would always be possible for delegations encountering such problems to consult the secretariat in order to seek a satisfactory solution. That objective could not be attained in the short term; a pragmatic approach would have to be adopted and only experience could show the extent of the problem.

Referring to paragraphs 7 and 8 concerning INR's, the Chairman underlined two problems: first, identification of INR's and their incorporation in the loose-leaf system and second, the legal status that the system would have once those rights had been incorporated. For previous INR's at levels higher than the present bound rates, some delegations would have problems because of a change of nomenclature; in that connexion the Canadian delegation had made a practical proposal, namely not to give a full description in the loose-leaf system but merely to include a footnote mentioning the necessary details, perhaps with a reference to a specific legal text. The members of the Committee had accepted that proposal. As to the legal status of the new system once the INR's had been recorded, that did not seem to be an urgent problem and in any case the existing legal instruments would remain the authentic source until 1 January 1987. If an INR was not included in the schedule of concessions at 1 January 1987, it would lapse; on the other hand if it was recorded, then some delegations might still have problems because of the absence of any reference to its historical background.

The representative of Australia reiterated his position and did not believe that the present status of INR's concerned had been definitely decided upon by the CONTRACTING PARTIES. He added that it would be better if the CONTRACTING PARTIES could take a decision on this point before these INR's were given full legal status in the schedules. Pending such a decision by the CONTRACTING PARTIES he would like to see some indication that clearly specified that any inclusion of INR's in the schedules would be without prejudice to their legal status.

The representative of the United States pointed out that for his delegation it was not so important to include previous INR's but that if they were included they needed to have a legal standing. To this extent, he noted legal problems that omission of previous INR's could have for the United States. Omission of all reference to previous INR's may place the United States in a position of having to snap-back to the TSUS column 2 rates whenever the United States terminated an existing trade agreement rate. This would mean that when the United States withdrew a binding, it would have to impose the 1930 tariff rate.

Summing up the discussion on this agenda item the Chairman referred to the Australian representative's remarks and pointed out that the problem of recording previous INR's did not necessarily call for immediate solution. It was his understanding, nevertheless, that Australia would have no objection to those rights being recorded in the loose-leaf system as early as 1981, without prejudice to their legal status. From the practical aspect, it would be necessary to revert to the legal problem of INR's on a future occasion, after delegations had consulted their legal experts.

The representative of Switzerland said that there were in fact two problems: a substantive problem concerning the insertion of INRs and their legal status, and a practical problem of historical research in respect of those rights. Because of certain complicated situations that could not be explained in a few words, it might be useful to have additional pages which could be supplemented to take account of the research and checking operations undertaken by the partners concerned.

The Chairman took note of the Swiss suggestion regarding additional pages and recalled that a period of sixty or ninety days was being allowed for checking.

The representative of Australia pointed out that the suggestion consisting of a bilateral approach to problems encountered by his delegation would not be satisfactory to his authorities.

### 2.3 Format and content of the loose leaves

Before starting again the discussion on the question of the format raised by the representative of Sweden, Mr. Lindén (secretariat) gave some precisions related to the submission of the schedules. He said that it would be appreciated if the schedules could be submitted in the form of "diskets" or magnetic cards done on a text processing machine which would be prepared for direct processing by the printer. Delegations were invited to get in touch with the secretariat for further details.

The representative of Sweden commented on the format outlined in document L/4821/Add.1. He suggested that the headings of each column appeared only on the first page and be replaced by numbers on the subsequent pages. He suggested that the second column be much wider and that column 4 be reduced in size. He asked whether column 6 was necessary. In his view, column 7 should indicate the previous INR and the best way of doing it would be to indicate the country and the time of concessions by a set of symbols. He proposed that the secretariat prepare a list of symbols which were used in this context at earlier occasions. To his view, it was important to get the information required in that column without overloading the content of the column. He furthermore questioned the usefulness of column 8 "Annotations". In addition, he put the question as to whether when a four-digit CCCN heading was bound it would be necessary to divide it into all seven-digit numbers or whether it would be sufficient to have only the full number presented in the schedule.

The representative of Austria had similar questions put by his authorities. Regarding columns 4, 5, 6 and 7, he suggested using a set of abbreviations - the ISO international standard for instance. This would equally apply for legal instruments. He asked for clarification concerning

the content of column 4 as to which legal instrument should be indicated, the latest one or that which first embodied a binding. He shared some of the doubts expressed by the representative of Sweden in respect of column 6 which could mean in some cases a repetition of column 4. He questions whether, if column 6 were kept, it would be enough to specify the year or whether the legal basis should also be indicated.

The representative of the United States said that column 6 referred to charges, but since it had been decided that it would be impractical to include all other charges, he thought that it would contain only the date when a concession was first incorporated in the schedule. Commenting on the suggestion of Sweden concerning INR's on earlier concessions, he pointed out that for his delegation it would be important that the rate of a previous INR also be shown.

The representative of South Africa understood that what would be indicated in column 6 would be the reference to a legal instrument. He could, however, see some value in indicating the date of concessions since EEC could claim substantial interest and principal supplying rights as a Group of Six from 1961, as a Group of Nine from 1973 and soon as a Group of Ten. According to him column 8 could be used to reduce the load on column 7.

The representative of Switzerland suggested that in an initial phase columns 5 to 8 might be disregarded, and the information intended for those columns might be included in interpolated sheets in order to leave more room for the first four columns.

Mr. Lindén replied to the questions put by the delegate of Sweden and said that in order to save space and avoid repetition on the titles of the columns, it would be quite acceptable to replace the titles by numbers on the subsequent pages. The question of the width of the columns would have to be judged in light of experience; each individual country could adjust the size of the columns according to its needs. Concerning column 6, he confirmed that the idea of having this column was related to the question of other charges which were bound at the same time as the tariff rate was bound; however, after consultations it appeared that it would not be very practical to specify those charges. The secretariat's idea was that there should be an indication in column 6 of the legal instrument in which a particular concession first appeared. It would then be easy to find the date of the instrument. Mr. Lindén agreed that there should be a list of all instruments indicating their exact titles, the dates and abbreviations, in the introduction of the loose-leaf system. The intention was to have in column 7 the country which was the initial negotiator, the rate at which the item was bound and a symbol referring to the legal instrument where it was bound. He thought it essential to have an indication of the rate. About the possibility of indicating concessions granted in a different

nomenclature, he agreed that this could be dealt with by the Canadian proposal to use a footnote indicating that the concession was made in a different nomenclature with a reference to the particular instrument showing where the concession had been granted. This could also be incorporated in the "Annotations" column as someone had suggested. This column could also be used either for reference to footnotes or to give information which would otherwise be contained in a footnote. Moreover, it might be useful for governments that intended to use the loose-leaf system as reference material, to indicate in that column, for example, when a particular item was being renegotiated under Article XXVIII and to give at the same time the SECRET document number. This would, however, not be done by the secretariat, but by individual governments.

Replying to the question put by the delegate of Sweden concerning the binding of a whole 4-digit CCCN item, he said that if the whole item was bound at the same rate, even if the item was split up in sub-items in the national tariff, it was not necessary to split it up in the GATT schedule, but if there were sub-items bound at different levels, they should obviously have to be indicated separately. There could also be one rate for the whole item, but various contracting parties might have initial negotiating rights to parts of the item, and in that case it was necessary to indicate the sub-items, even if the rate was the same. Referring to the question put by Austria, Mr. Lindén recalled that it had already been the practice in the past to use abbreviations and codes for countries, negotiations and instruments; he agreed that it would save considerable space if abbreviations were used. He added that the secretariat would circulate again a list of those abbreviations for easy reference.

Concerning column 4, he felt that if an item appeared in several instruments, it would be useful to indicate all instruments where the binding appeared at the present rate; if it had been given at an earlier negotiation at a higher level it would not appear in column 4 but in column 7.

Concerning the remark made by the representative of the United States about column 6 he agreed that it was essential to have the rate indicated. He also said that the Swiss proposal to replace columns 5 to 8 by additional pages could be acceptable but might cause some technical problems regarding later modifications when using text processing machines.

The representative of the European Communities asked the secretariat to put those explanations in writing and at the same time to give a list of abbreviations that could be used. In addition, the secretariat could perhaps give an example for each column, using a model case.

The Chairman said that he would also ask the secretariat to prepare a guide to assist officials who would be carrying out the work in national capitals. The guide should indicate what should be shown in each column, and the list of abbreviations and codes to be used, in particular for inserting previous bindings. Some model case examples might also be presented. In addition, it would be useful if the secretariat prepared a new version of document L/4821/Add.1 to include a number of technical explanations. In that context, the aim should be the most uniform presentation possible, while allowing for special cases that could be discussed between the delegations concerned and the secretariat. No decision was possible at the present meeting on the suggestion regarding additional pages, but on the basis of the technical facilities used by the secretariat, the Committee could revert to that suggestion at another meeting.

The representative of Sweden took up the question of concessions granted in the framework of the Aircraft Agreement and wanted to make sure that those who had granted aircraft concessions would incorporate those concessions on a line-by-line basis in their consolidated schedules and that they would not appear as an annex to the schedules nor in any other form.

The representative of Japan recalled that the way in which his country's concessions under the Aircraft Agreement was to be effected was somewhat unique in that it took the form of a note in Japan's Schedule annexed to the Geneva (1979) Protocol but which of course constituted an integral part of the Schedule. Therefore, with respect to the point made by the representative of Sweden, he wanted to reserve the position of his delegation as to how this would be handled by the Japanese authorities.

The representative of Austria again referred to the Annex to document C/107 and said that, although he did not want to suggest any amendment, he wanted to make it clear that the deadline of three months for the notification of changes would not start before all necessary internal legal procedures were terminated. This interpretation was accepted by the Committee.

The Chairman explained that while that interpretation was accepted by the Committee, it should not prevent some delegations from notifying changes before internal procedures had been completed, particularly if those procedures were only of a formal character.

The representative of Switzerland pointed out that the time-limit concerned applied only to notification in respect of a certification, and in no way affected the procedures laid down in Article XXVIII.

The Chairman summed up the discussion on the first agenda item which had been detailed and had clarified many points. There seemed to be general agreement in the Committee on the desirability of establishing a loose-leaf system without delay, once the Council had approved the proposal. Many delegations had expressed their views, their concerns and their problems. A pragmatic solution could no doubt be found to many of the problems that had been raised when countries embarked on the practical work. Establishment of a loose-leaf system comprised two successive stages - one in respect of existing bindings, and the other the INR's. In the course of the discussion, he had noted that some of the points mentioned in the document C/107 could be reformulated. There was broad agreement, nevertheless, on the desirability of postponing by three months the date mentioned in paragraph 3 and the subsequent dates, so that 30 June 1980 would be replaced by 30 September 1980, and the date for completing the exercise could be set at 1 January 1987, coinciding with completion of the staged tariff reductions agreed upon in the multilateral trade negotiations. There had been detailed discussion of paragraph 5 of document C/107 which members of the Committee had considered as a medium and long-term objective rather than as an obligation, for which some flexibility would be necessary. The New Zealand delegation had proposed a rewording of paragraph 5, and some delegations had been reluctant to accept that proposal. Regarding the format in the Annex and the recording of INR's at a higher level, several delegations had made suggestions and the secretariat had been asked to prepare a new format. The Committee had accepted a Canadian proposal for INR's to be recorded in the form of footnotes. No solution had been found to the problem of the legal status of the loose-leaf system once all INR's had been recorded, nor to the problem raised by Australia in that connexion.

From the practical aspect, he proposed that the secretariat prepare a revised version of document C/107 taking account of the suggestions that had been made. When the matter was examined by the Council at its next meeting, he would make a brief oral report on the discussion that had taken place in the Committee, indicating its desire to move forward in this field and take action toward establishing the loose-leaf system. The Committee approved those suggestions.

3. Status of acceptances of the Geneva (1979) Protocol and the Supplementary Protocol (TAR/W/2)

The representative of Finland informed the members of the Committee that the Finnish Parliament had accepted the tariff concessions made during the Tokyo Round the week before and it was expected that the President of the Republic would ratify the Protocol within one or two weeks.

The representative of Czechoslovakia informed the Committee that the procedures for the acceptance of the Geneva Protocol had been completed recently and that the Protocol would be signed by Czechoslovakia not later than in the beginning of April.

The representative of Spain informed the Committee that the necessary procedures for the ratification of the relevant instruments had already started under the constitutional procedures and that, although no specific date could be given as to when the final result would be obtained, he hoped that it would be in a short time.

The representative of Yugoslavia informed the Committee that parliamentary procedures were under way and Yugoslavia would certainly be able to sign the Protocol in March.

The representative of Japan said that his Government signed the Protocol on 27 July 1979 subject to acceptance. He added that the necessary internal steps for proceeding to the acceptance were being undertaken and further said that above all the Government of Japan was doing everything possible to obtain necessary parliamentary approval as soon as possible and that it was expected that the approval would be given in due time.

The representative of Brazil stated that certain constitutional procedures at the level of the legislature would have to be completed before Brazil could sign the Protocol. The session of Congress would begin in March and Brazil would do its utmost to sign the Protocol within the prescribed period.

The representative of India pointed out that his country signed the Supplementary Protocol subject to ratification, which meant in fact the completion of domestic procedures; according to information he had at the moment, those procedures were nearly completed. He was optimistic that within a few weeks, he would be able to inform the secretariat of India's final acceptance.

The representative of Korea informed the Committee that the Korean Government was doing its best to facilitate all necessary procedures but that it would take some time since it was unlikely that the National Assembly would resume in a near future.

The representative of the European Communities stated that procedures for ratification of the Protocol were still unfinished in only two member States and they would probably be completed in the near future.

The Chairman noted that some delegations which had not yet signed the Geneva Protocol or the Supplementary Protocol were not in the meeting room, and asked the secretariat to contact them in order to ascertain the situation and update document TAR/W/2. It had not yet been possible to print the Supplementary Protocol since the final version of Australia's schedule had not yet been received.

The representative of Australia said that the latest position was that there had been matters which took time to resolve and which meant that certain details could not be finalized. He expected, however, that those details could be finalized very soon and that Australia would then be in a position to sign the Supplementary Protocol.

#### 4. Implementation of the reduced rates

The Chairman drew attention to the fact that in the preliminary notes to the schedules annexed to the Protocols, there was no clear indication of the precise timetable for implementing concessions and the secretariat had noted that some countries had apparently given advance implementation to concessions. There was also the possibility of delays in implementing concessions. Delegations were requested to give fuller details on their programme for staging the reductions established in their schedules.

The representative of Sweden said that his authorities had intended to implement two steps already on 1 January 1980 but the decision to that effect had only been taken on 19 December 1979; they had consequently applied two steps of reduction on 1 February this year. He added that the matter would be brought to the Parliament in 1981 and it was possible that again two steps would be taken. The decision would, however, be taken in the light of what other delegations would do and also would depend on the situation prevailing at that time.

The representative of South Africa informed the Committee that his Government had implemented their tariff concessions in full on 1 February 1980.

The representative of the United States suggested that another document or a column be added to document TAR/W/2 which would indicate the date of the commencement of the implementation of the tariff reductions for each schedule. Regarding advanced implementation, he said that in general the United States sought to provide a maximum amount of advanced staging and that they undertook to consider favourably requests for accelerated implementation in their bilateral negotiations with developing countries. Where these bilateral agreements were successful they had practically always been able to satisfy the requests for accelerated staging. As a result, more than 140 items would be implemented at the most rapid rate provided for under the Trade Act of 1974. In addition, the Trade Agreements Acts of 1979 contained a

section 503 A IIa which authorized the President to exceed the maximum staging authority of the Trade Act of 1974 to the extent necessary to implement those rates vis-à-vis imports originating in least developed countries. This authority would be exercised for all items in Schedule XX with a few exceptions. The 1980 tariff schedule would provide a separate column with the rates applied to the least developed countries as a result of the President's decision on this matter.

The representative of Finland supported the suggestion that an extra column be inserted in document TAR/W/2 showing the dates of implementation. Finland had implemented the first stage of tariff concessions on 1 January 1980. A number of concessions were implemented in advance and part of the concessions had been implemented completely already at the beginning of 1980.

The Chairman noted the suggestion for inserting an additional column in document TAR/W/2 to show the date of implementation of concessions; the matter might be included in the agenda for the Committee's next meeting and the secretariat could obtain the necessary information on signatures and ratifications as well as on the dates of implementation of concessions granted in the Tokyo Round.

#### 5. Other questions related to tariffs

The Chairman recalled that the third part of the Committee's terms of reference was to provide a forum for discussion of questions relating to tariffs; it would be useful to hear any suggestions or proposals by the various delegations concerning the Committee's future work.

The representative of the United States recalled that some time ago discussions had taken place concerning the possibility of renovating the procedures for negotiations under Article XXVIII. There had been some preliminary discussions and the secretariat prepared a document L/4651 and Rev.1. The subject had been discussed in the Council but, because of the MTN, had been put aside. He suggested that the Committee could take up again this subject at another meeting.

The representative of Sweden said that the Committee could have some surveillance function over Article XXVIII negotiations and supported the United States' proposal. He added that experience showed that negotiations under Article XXVIII tended to be too long in certain cases and there might be need sometimes to speed up the procedures. Such discussions could usefully be held in this Committee.

The representative of India did not think that the loose-leaf system on the implementation of tariff concessions would cause unduly complicated problems. He was hoping that the Committee would also prove to be an effective forum for finding solutions to residual problems in the field of tariffs but he did not want to go into details at this stage. He mentioned that his country had always attached high priority to the implementation of results of the MTN, but it also attached equal importance to future efforts in areas where the results of the MTN had been inadequate, especially in regard of developing countries. He thought it advisable, however, to wait until the problems at present before the Committee had been cleared up before discussing this particular aspect of its mandate and preferred therefore to revert to this question at a later stage.

The representative of Sweden thought that the delegate of India had a very valuable point which the Committee had to reflect upon but perhaps not in the immediate future. He took up a further technical point concerning specific duties. He referred to the report of the Working Party on this subject where it was mentioned that the Balance-of-Payments Committee could play a certain rôle when a question of changing to specific duties under Article II:6(a) would take place. These discussions had taken place before the Tariff Committee had been established and it was his impression that it should be the appropriate body to discuss questions pertaining to Article II:6(a).

The representative of the European Communities agreed with the Swedish delegation that the Committee would be the appropriate body to consider revision and adjustment of specific duties in terms of Article II:6(a). It also seemed very positive to envisage examining at the level of the Committee the procedures for notification, modification and rectification under Article XXVIII, it being understood that the Committee would respect the bilateral character of negotiations. Regarding the Committee's activities in the longer term, he would welcome further details from the Indian delegation before examining the matter, for there seemed to be a definite opening there.

Summing up the discussion, the Chairman noted that several delegations had made suggestions regarding the third part of the Committee's terms of reference - to provide a forum for discussion of questions relating to tariffs. For the time being, those suggestions had concerned three aspects of tariff questions:

- (1) Renegotiations under Article XXVIII; reference had been made to the Director-General's proposal of 1978 (L/4651/Rev.1) and a suggestion had been made for examination of the matter at a future meeting. More generally, in respect of Article XXVIII negotiations, some delegations had expressed the view that the Committee, while not intervening in bilateral negotiations, could exercise some surveillance or supervision with a view to speeding up the renegotiation process.

(2) Reference had been made to the procedures laid down by the Working Party on adjustment of specific duties under Article II:6(a) and it had been suggested that the Committee should be the principal forum for any discussions that might be necessary in connexion with the new guidelines proposed in that regard.

(3) It had also been suggested that the Committee might play an active rôle in seeking solutions to residual problems in the tariff field, in particular those concerning developing countries.

It would be useful to take up those suggestions once more at a future meeting, for which the secretariat could prepare a checklist of documents.

#### 6. Date of the next meeting

The representative of the United States pointed out that given the importance of the Committee it would be useful if it could meet again before the summer break, particularly in view of its mandate to keep an eye on the implementation of the MTN results and the fact that the information available was incomplete.

The Chairman noted the suggestion that the Committee meet before the summer break. The date could be fixed in consultation with the various delegations; the agenda for the current meeting could be taken up again, but the first item would of course depend on acceptance by the Council. In addition, it would be useful to have further details on the suggestions made by delegations regarding the Committee's future activities.

The representative of India, referring to his earlier intervention, stressed that he had not made any specific suggestion but had wanted only to flag certain points that had been discussed at the level of the Contracting Parties and the Council prior to the establishment of the Committee. He said that at a later stage should these points be considered for discussion.

#### 7. Reports on meetings of the Committee

The Chairman recalled the distinction to be made between minutes of the meeting, to be prepared by the secretariat in some detail, and the type of report that he would present to the Council on his own responsibility, whether on a specific subject such as the loose-leaf system, which would be an oral report to the Council on the discussions in the Committee, or an annual report to be submitted to the GATT Council prior to the session of the CONTRACTING PARTIES and which would cover activities in the year as a whole. It had been suggested that the secretariat prepare detailed minutes of the discussions at the current meeting to assist members of the Committee in their work. At a future meeting the Committee would have to decide on what form its annual report to the GATT Council should take.