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GENERAL AGREEMENT ON TARIFFS AND TRADE

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IC/SR.47
29 April 1960

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Intersessional Committee

SUMMARY RECORD OF THE MEETING

held at the Palais des Nations, Geneva
on 20 April 1960

Chairman: Mr. E. WYNDHAM WHITE (Executive Secretary)

Subject discussed: Article XXVIII:4 - Requests by Australia
(GATT/AIR/190(SECRET) and GATT/AIR/191(SECRET))

In the absence of the Officers of the CONTRACTING PARTIES; the Committee requested Mr. Wyndham White to take the Chair for this meeting.

The representative of Australia, referring to the requests by his Government for authority under Article XXVIII:4 to enter into renegotiations for the modification or withdrawal of certain concessions in Schedule I, explained that some of the proposed renegotiations would concern concessions in the most-favoured-nation tariff and others concessions in the preferential tariff. All the requests arose because of certain tariff changes recommended to the Government by the Australian Tariff Board.

The representative of Australia pointed out that if the situation had permitted his Government to wait for a few months until the end of the present period of firm validity of concessions, it would have been able to renegotiate the concessions concerned in the normal way without the need for any special authority. However, there were urgent internal reasons which precluded delay. Perhaps the most important of these arose from the action taken by his Government in February 1960, as a result of which some 90 per cent of Australia's total imports were now exempt from import licensing. In some quarters in Australia there had been considerable criticism of this action. The Government wished to maintain the removal of controls while being able to afford a reasonable level of protection to domestic industry and it felt it important that it should be able to demonstrate to interested circles in Australia that the facilities provided in the GATT were meaningful and that countries could have recourse to Article XXVIII when circumstances justified it.

The urgency was also due to the fact that the Australian Parliament would rise in May. If the proposed tariff changes were not made before the parliamentary recess they could not be made before September. There was, therefore, not much time for the completion of the renegotiations and the necessary administrative work in Government departments in Australia.

The representative of Australia then described the items which his Government had notified, as set out in GATT/AIR/190(SECRET) and GATT/AIR/191 (SECRET). These documents and also SECRET/113 contained information about the findings of the Australian Tariff Board, indications of the countries with whom the concessions were originally negotiated and those which were principal suppliers, and statistics of imports.

The Chairman said it was apparent that to delay renegotiations until the end of the present period of firm validity of concessions would have a serious effect on the Australian Government's plans. This question of timing might be given special weight by the Committee in considering whether there were "special circumstances" in the sense of Article XXVIII:4.

The Committee found the existence of "special circumstances" and agreed that Australia should be granted authority to renegotiate under the provisions of Article XXVIII:4 the items notified in GATT/AIR/190(SECRET) and GATT/AIR/191(SECRET).

The Chairman pointed out that the renegotiation of concessions in the preferential tariff would be between Australia and the United Kingdom only. As regards the renegotiation of concessions in the most-favoured-nation tariff, he enquired whether representatives wished to claim, on behalf of their Governments, a "principal supplying interest" or a "substantial interest" in the items notified by Australia; renegotiation of the concessions concerned would in any case take place between Australia and the contracting parties with whom the concessions were originally negotiated. Certain representatives said that they were unable to say at that stage whether their governments would wish to claim an interest. The Chairman went on to say that such claims could in any event be made subsequent to the meeting. Any contracting party which considered that it had a "principal supplying interest" or a "substantial interest", as provided in paragraph 1 of Article XXVIII, should communicate such claim in writing and without delay to the Australian Government and at the same time inform the Executive Secretary. Any such claim recognized by the Australian Government would be deemed to be a determination by the CONTRACTING PARTIES within the terms of Article XXVIII:1. If agreement could not be reached between the Australian Government and a contracting party the matter could be referred to the CONTRACTING PARTIES.

The Committee decided to meet again on 26 April to consider a further Australian request which is contained in GATT/AIR/193(SECRET).