

GENERAL AGREEMENT ON TARIFFS AND TRADE

GATT

DIVISION RESTRICTED STATISTIQUE

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1960-61 Tariff Conference

Tariff Negotiations Committee

PROCEEDINGS OF THE SECOND MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 6 September 1960 at 3 p.m.

Chairman: Mr. E. Wyndham White

Subjects discussed: 1. Article XXIV:6 - Practical procedures
2. Article XXIV:6 - Documentation

1. Article XXIV:6 - Practical Procedures

The Committee examined the procedures outlined in the report of Committee I (BISD, 8th Supplement, page 112, paragraph 19). Bearing in mind that one of the aims of Committee I in establishing these procedures was the elimination from the negotiating process of those items on which there is agreement between the parties that the internal compensation is adequate, the Committee decided the following:

- (i) contracting parties concerned will make a product-by-product examination of the Community's views on "internal" compensation; and
- (ii) contracting parties considering they have a principal supplying or substantial interest in any of the items involved will address their claims to the Community;
- (iii) with respect to each item for which the EEC considers that the "internal" compensation is adequate, or that it exceeds the amount required,
 - (a) "initial negotiators" and governments claiming a principal supplying interest will indicate whether they consider the "internal" compensation to be adequate;
 - (b) governments claiming a substantial interest will indicate where they wish to be consulted;

¹Such indications will relate only to the adequacy of "internal compensation"; an indication of adequacy in cases where the Commission claims a credit will not be taken to imply acceptance of the Commission's claim.

- (iv) the notifications under (ii) and (iii) above should be sent to the Delegation of the Commission and fifty copies should be sent to the secretariat for distribution as a secret document to other participating contracting parties;
- (v) recognition by the Community of a principal supplying or substantial interest will be deemed to be a determination by the CONTRACTING PARTIES in the sense of paragraph 1 of Article XXVIII. If no agreement can be reached on such claims, the matter can be referred to the Tariff Negotiations Committee;
- (vi) a contracting party's indications under (iii) above will have a provisional character and, if necessary, would be subject to review at a later stage in the negotiations;
- (vii) the Committee agreed that delegations should endeavour to submit the above lists as soon as possible and to meet again on 23 September 1960 to take stock of the situation;
- (viii) it was understood that the delegations would take advantage of this period to approach the Delegation of the Commission in order to obtain clarification where necessary so that when the time came negotiations could rapidly get under way.

In accordance with the provisions of Article XXIV:6 the procedures to be followed are those of Article XXVIII. The negotiations will accordingly be conducted product-by-product on a bilateral basis. If however as negotiations proceed the need is felt for arrangements of a practical character which would simplify and accelerate the process of negotiation, the Tariff Negotiations Committee would examine the matter and, with the agreement of the parties concerned, take any steps which might be required.

A representative raised the question of transitional rates of duty applied by Member States of the Community on items for which the common tariff was bound in GATT. He assumed that bindings in the common tariff would be reflected in the transitional rates of duty, but there should be a commitment to this effect. The representative of the Commission recalled that the matter had already been discussed by Committee I (8th Supplement, page 113, paragraph 20); and that at that time the representative of the Commission had indicated that the binding of a duty in the common tariff would not take effect until the end of the transitional period. He confirmed that the alignment of constituent duties would take place in conformity with Article 23 of the Rome Treaty.

2. Article XXIV:6 - Documentation¹

The point was made that the statistics submitted by the Commission only contained global figures of imports into the constituent territories of the Community, and did not provide a breakdown of these figures by supplying countries. It was suggested that this would impose a heavy burden on delegations and involve delays unless the Commission could promptly provide these data. The representative of the Commission explained that the submission of this information covering the imports of six countries would have required a much larger staff and more time than had been available to the Commission up to now. Their statistics were however based on the national import statistics for 1958 which were easily available to all delegations. His own delegation had one copy of consolidated statistics of the six countries which could be consulted in the delegation offices if this were found helpful.

¹Since the meeting of the Tariff Negotiations Committee the Delegation of the Commission has announced that it is preparing a list of principal suppliers to the Community for each item of the Common Tariff (see Spec(60)218).