

GATT
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GENERAL AGREEMENT ON TARIFFS AND TRADE

1960-61 TARIFF CONFERENCE
Tariff Negotiations Committee

PROCEEDINGS OF THE ELEVENTH MEETING IN ORDINARY SESSION

Held at the Palais des Nations, Geneva,
on Tuesday, 12 September 1961, at 10 a.m.

Chairman: Mr. E. Wyndham White

- Subjects discussed:
1. Collaboration with UNESCO concerning tariff reductions on educational, scientific and cultural materials (TN.60/8 and TN.60/SR.10)
 2. Progress of the negotiations
 3. Tariff Negotiations Committee
 4. Closing date of the Conference
 5. Appointment of legal drafting group

1. Collaboration with UNESCO concerning tariff reductions on educational, scientific and cultural materials (TN.60/8 and TN.60/SR.10)

The Chairman, in introducing the representative of UNESCO, recalled the close co-operation between UNESCO and the GATT which had led to the creation of the Agreement on the Importation of Educational, Scientific and Cultural Materials. The Director-General of UNESCO was now inviting the contracting parties to consider negotiating reductions on some further items in these categories.

The representative of UNESCO thanked the Committee for the opportunity of presenting the UNESCO proposals which were contained in document TN.60/8. In introducing the new proposals he recalled the steps already taken towards removing restrictions on the circulation of books, films and other scientific, educational and cultural materials. Some tariff reductions were negotiated at the Annecy Tariff Conference and the provisional text of an agreement granting exemption from customs duties on these materials had also been drafted and communicated to the Director-General of UNESCO with the unanimous approval of the Conference. The Agreement was now applied by thirty-three countries and other countries were actively considering adherence to it. Among these were: Argentina, Chile, Italy, New Zealand

and the United States of America. It was hoped that contracting parties not yet adhering to the Agreement would re-examine the matter with a view to early ratification.

The new proposal went beyond the terms of the UNESCO Agreement principally in the field of mass communications. It remained to be seen whether the contracting parties considered that there was scope for the negotiation of tariff reductions on items such as radio and television receivers and newsprint, which in some countries were subject to very high duties. The problem was of special significance in the technically less-developed countries.

The representative of UNESCO concluded by commending the proposal to the benevolent attention of the Committee.*

The representative of the United States said that legislation which would enable the instrument of ratification of the UNESCO Agreement to be deposited had now been drafted and submitted to Congress. The present proposal had been examined and it was found that for a substantial number of products listed the United States had duty-free entry. On others the rates were low. In the present negotiations the United States was making offers on other listed items.

The representative of Sweden said that his country was already a party to the UNESCO Agreement and granted free entry for many of the items listed in the new proposal. Certain items, including printing paper, film projectors, radios and musical instruments, were however dutiable. Specific demands for reductions on such items would be considered positively.

The representative of the United Kingdom recalled that his Government was a party to the UNESCO Agreement. For many items in the present proposal the United Kingdom had zero duties but for items which were dutiable the United Kingdom would consider the possibility of granting concessions.

The representative of Chile said that he was favourably disposed to the proposal but while the new Chilean customs tariff was in preparation it was not possible to make a statement on the rates which would be charged on the items covered by the proposal.

The representative of Germany, speaking also on behalf of the EEC, supported the proposals of UNESCO and hoped that tariff reductions would be possible.

2. Progress of the negotiations

The Chairman recalled that already the Tariff Conference had lasted over a year, partly, it was true, because Article XXIV:6 negotiations had been long and arduous. The fact that some negotiations in the general round had not yet started gave rise to apprehension on the timetable of the negotiations,

* The full text of the statement is reproduced in TN.60/W.22.

particularly in view of the time-limits set for the United States Administration. Results were now necessary both because a ministerial review should be undertaken at the session in November and because tariff reductions should come into force as soon as possible. The Chairman suggested the end of October as a firm objective for the end of the negotiations.

The Chairman recalled that under the Conference Rules the Tariff Negotiations Committee should consist only of countries who had presented consolidated offers lists. For well-known reasons this rule had not been adhered to at the conclusion of the Article XXIV:6 negotiations and certain other criteria of membership had, provisionally, been adopted as a working arrangement. This had had some unfortunate effects. 1 September had been proposed as a deadline for countries to present consolidated offers lists but TN.60/W.20 of 11 September showed that such lists had been prepared by very few countries. Since this document was issued the United States had submitted a consolidated offers list. The EEC, who had made an offer, not in the traditional form but of a 20 per cent linear cut with certain exceptions, had also complied with the request. The business of the Committee was now to take stock of the situation. Its aim should be to obtain consolidated offers lists from as many other countries as possible and to exclude countries from the Tariff Negotiations Committee who had not tabled offers lists. If offers were on the table it would be possible to see the total scope of the negotiations which would, in turn, lead to an acceleration of their progress. The Chairman then invited individual countries to give an account of their present position.

The representative of the Commission of the EEC said that it was the sincere wish of the Community that the Conference should reach satisfactory results as soon as possible. The EEC had made its offer of tariff concessions in a form which, while different from the usual GATT procedure, was nevertheless very clear. Some countries had answered with offers which constituted a basis for negotiations; other countries had not yet made formal offers; while still other countries had given inadequate offers. The latter countries had been asked to improve upon their offers. If offers made to the EEC proved to be inadequate, the Community would feel compelled to review its own offers.

The representative of the United States said that his delegation aimed at completing negotiations early in the autumn. It was well known that the United States authority for entering into tariff negotiations ended next year. New legislation would be introduced early in 1962 and the negotiations should be finished before then. Offers lists had been exchanged with twelve countries and with the EEC, and offers had been prepared for another ten countries. The representative of the United States expressed the belief that, with hard work and good will, the end of October was a feasible date for the conclusion of negotiations. He concluded by stating that the United States was prepared to do its full share and believed that the date should be considered a firm one generally.

The representative of the United Kingdom expressed entire agreement with the suggested target date for the conclusion of the Dillon round. His delegation had in sight the broad lines of a satisfactory and balanced agreement with the United States and the EEC. Certain difficulties remained to be solved, in particular agreement on a satisfactory method of reflecting cuts in the Common Tariff promptly in the tariffs of the Six. But with good-will and hard work he saw no reason why those negotiations should not be concluded by 31 October. And he emphasized that recent developments elsewhere had not in any way affected their desire for the greatest possible reduction of tariffs on a fully multilateral basis.

The Chairman welcomed the significant statement of the representative of the United Kingdom at the close of his remarks and invited the representatives of other members to state whether they would be able to table consolidated offers lists.

The representative of Australia said that his delegation had the firm intention of submitting a consolidated offers list in the near future. It would have been possible to submit an offers list on the assumption that all countries would be able to grant the requests of the Australian delegation, but a realistic offers list was now being prepared mainly with the EEC in mind, but it was hoped to negotiate with other countries.

The representative of Austria said that his country had been delayed by their negotiations under Article XXIV:6 which had come to an end at the beginning of August. His delegation had now entered into negotiations with the EEC, the trade with which was of paramount importance for Austria, and with the United States. They were prepared to negotiate with Israel and hoped to negotiate with other acceding countries. The preparation of a consolidated offers list was in an advanced stage. He requested that consolidated lists should be distributed to all countries taking part in the negotiations and said that this would be especially useful for small countries. He agreed that 31 October was a good target date for the end of the negotiations.

In reply the Chairman pointed out that the substance of the rule he had recalled was that each country which had submitted a consolidated offers list should receive a copy of every other consolidated list which had been submitted.

The representative of Brazil said that his delegation had met with certain difficulties in the preparation of a consolidated offers list. A request list had been sent to the EEC. The EEC's offer of a linear reduction of 20 per cent had been made "with a few exceptions" which caused concern to his country. In preparing an offers list it was difficult to decide how the principle of reciprocity should be judged for countries in the course of development. He questioned the date of 31 October which had been suggested for the end of the negotiations. If negotiations were finished by this date it would not be possible for Ministers to make suggestions and provide guidance when they met in November.

The representative of Cambodia regretted that his delegation had not been able to attend the May meetings of the Tariff Negotiations Committee but re-affirmed his delegation's willingness to take part in the negotiations. Request lists had been received from Sweden, Norway, Japan, Czechoslovakia and Spain and he asked other countries to present their request lists to his delegation if possible within a week so that his Government could prepare a list of offers. His Government had not decided its position on Article XXXV vis-à-vis Japan but an informal exchange of views would, no doubt, be useful. The Cambodian delegation did not intend, for the time being, to submit offers until they had received request lists.

The representative of Canada expressed the hope that the date suggested could be met. He said that it had become apparent that previous offers made by Canada would have to be improved. This would be done soon. He said that some problems still remained from the negotiations under Article XXIV:6 and that the general round of negotiations could not be finished until those problems were settled. It appeared that the GATT secretariat had received two consolidated offers lists containing offers to Canada which had not at the same time been sent to the Canadian delegation. He would be pleased to receive a copy of these.

The representative of Chile said that his country's new customs tariff had not yet been approved by Congress and that it was therefore not possible to enter into negotiations. The Chilean delegation was awaiting instructions from its Government.

The representative of Czechoslovakia said that his delegation would be making offers to countries other than Nigeria and expressed his agreement on the date for the end of the negotiations.

The representative of Denmark said that negotiations had been initiated with the United States and that his delegation was prepared to negotiate with certain acceding countries. As for the negotiations with EEC, the Danish view was the same as he had stated in the Committee on 29 May 1961. He was ready to submit a consolidated offers list on that afternoon and agreed on the date for the end of the negotiations.

The representative of Finland was fully prepared to continue negotiations already started and said that he would make his best efforts to comply with the date suggested.

The representative of India said that offers lists had been exchanged with the United States and that substantial progress had been made. A request list had been sent to the EEC and preliminary discussions held. Some clarification of the position of the EEC had been obtained but a large area of uncertainty remained on some items, which it was hoped to clear up in the second and third weeks of September. Request lists had been exchanged with Australia, Norway, Sweden and Finland and contact would be made with these delegations in the next few days. It was hoped therefore to present a consolidated offers list in the near future.

The representative of Indonesia said that a request list had been submitted for the reduction of the EEC external tariff. The Indonesian delegation had, however, not yet arrived in Geneva. As soon as the delegation arrived they would communicate with the EEC and perhaps with other countries. They had not yet received any request lists. His delegation would, in any case, have to wait for the end of their Article XXVIII renegotiations before it could conduct negotiations in the general round.

The representative of Japan said that his delegation was faced with some serious technical difficulties and had not yet entered into the general round of negotiations although some informal discussions had taken place. He hoped that other delegations would show understanding for Japan's problems and said that he hoped to contact other delegations soon. He expressed some doubts about the possibility of ending the negotiations on 31 October but confirmed that Japan would do its best to comply with this date.

The representative of New Zealand said that her delegation had prepared a consolidated offers list. After the United States and the EEC had cleared up some points on items of interest to New Zealand they would be able to proceed further.

The representative of Nigeria recalled that it had been recommended that less-developed countries should enter negotiations at a later stage. As negotiations between the industrialized countries were not by now well under way it might be difficult for less-developed countries to meet the target date suggested. Nigeria had drawn up a formidable list with the findings of Committee III in mind and would proceed with negotiations. His delegation had received a request list from one country; he hoped to provide a full picture in a few days.

The representative of Norway said that his delegation had started negotiations with the United States and had had exploratory talks with Israel. They would probably start discussions with New Zealand shortly. He said that on Norway's negotiations with the EEC he had nothing to add to the statement made to the Tariff Negotiations Committee at its meeting on 29 May 1961. A consolidated offers list would be submitted immediately.

The representative of Pakistan said that he hoped to submit a consolidated offers list in the near future.

The representative of Portugal said that he was actively continuing negotiations for Portugal's accession to the GATT. Contact had been made with the EEC and he expected to conclude negotiations before the end of October.

The representative of Spain said that exploratory talks had been held with Pakistan, Turkey, Uruguay, Peru, Chile, India, Indonesia, Brazil, Greece and Australia, and that he was prepared to enter into negotiations with those countries by 1 October. Request lists had been received from and offers lists would be sent to: Canada, Denmark, Norway and Nigeria. His delegation

was considering its position with relation to Austria, the United States, Finland, the United Kingdom, Sweden and the EEC. He concluded by saying that the Spanish delegation was prepared to undertake everything necessary for the accession of Spain to the GATT.

The representative of Peru declared his intention to participate in the general round of negotiations but said that progress had been delayed for technical reasons, especially the need to re-examine their position after the conclusion of their negotiations under Article XXVIII. No consolidated offers list had yet been prepared but it was hoped to do this in the near future. His delegation expected to negotiate with the United States and the United Kingdom. He agreed with the representative of Brazil that some clarification of the position of under-developed countries vis-à-vis the EEC's offer of a 20 per cent linear reduction was necessary.

The representative of Sweden said that negotiations were in the preliminary stage between his delegation and the United States, the EEC and Israel. It was hoped to start negotiations with Australia, New Zealand, Canada, India and, possibly, Pakistan and Nigeria.

The representative of Uruguay said that the target date might seem optimistic but that he supported it. He thought the negotiations would profit if, despite traditional procedures, the industrialized countries did not insist on a simultaneous exchange of offers with less-developed countries, but presented their own offers and gave less-developed countries an incentive to match these offers. Such a procedure was more in consonance with the facts which were that less-developed countries have few products on which to make requests but many on which to make offers. He said that his delegation had signed negotiations with the EEC on Article XXIV:6 but said that there were still some outstanding problems. He agreed with the point made by the Brazilian and Peruvian representatives that clarification was needed on the principle of reciprocity between the EEC and less-developed countries.

The Chairman realized that the negotiations presented a problem to less-developed countries and said that it would be useful for major trading countries to take the initiative in contacting these countries. This applied especially to the EEC whose offer had been made in an unconventional form which might make it difficult for under-developed countries to see how they could get into negotiations with the Community.

The representative of the EEC, in reply to a question put by several representatives, said that they were ready to grant concessions to the less-developed countries and that full reciprocity would not be demanded. It was not however possible to give to the Committee a definition of the necessary balance between concessions as this was a question for negotiation. The Chairman recommended that the under-developed countries should contact the EEC delegation on this matter.

3. Tariff negotiations Committee

It was agreed that the Committee should meet about 25 September 1961. Members of the Committee would be those contracting parties which had by then submitted consolidated lists of offers and the acceding countries.

4. Closing date of the Conference

Referring to the point made by the representative of Brazil on this subject, the Chairman said that it was not the intention for Ministers to intervene in the negotiations but that they should be able to review the situation when the session met in November. Some questions might be outstanding on 31 October but this should not hold up the whole operation. The Committee agreed to 31 October as a firm target for the end of the Conference. No formal announcement of this decision would be made to the public.

5. Appointment of legal drafting group

The Chairman said that, in view of the firm date fixed for the conclusion of the negotiations, thought would have to be given to drawing up the instruments in which the results of the Tariff Conference should be embodied. At the next meeting he would propose the establishment of a legal drafting group to discuss this and to examine any drafts prepared by the secretariat. He invited delegations which were in a position to designate lawyers for this task to notify the secretariat. He suggested that work should be started by this group at the beginning of October.