

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

TN.64/30
30 June 1964

Special Distribution

Trade Negotiations Committee

SUB-COMMITTEE ON NON-TARIFF BARRIERS

Note by the Secretariat on Meeting of 15 June 1964

1. The Sub-Committee met on 15 June 1964. It had been instructed by the Trade Negotiations Committee (TN.64/SR.7, paragraph 2), "to examine the list of particular non-tariff barriers annexed to TN.64/22/Add.1 and Corr.1, which participating governments had notified as those on which they wished to negotiate with a view, first, to clarifying, where necessary, what was involved in each case and secondly, to establishing on which barriers the interested governments were prepared to start on substantive negotiation. Where governments were so ready, the Sub-Committee was instructed to set up special groups where the, at any rate, initial negotiations could take place."

2. The Sub-Committee first discussed the procedure suggested in a note by the Executive Secretary circulated as TN.64/NTB/17. This proposed that the appropriate procedure for each barrier notified by governments should be decided in the light of detailed proposals from delegations which should, among other things:

- (a) indicate which countries maintain the barriers in question; where appropriate describe the barriers in more detail; and indicate in what respects they hinder trade;
- (b) indicate what objective it was hoped to achieve (e.g. was it the removal of a particular measure or its modification, or, say, the multilateral adoption of new rules or codes of conduct?) and the procedure proposed.

The procedure to be followed could include the setting up of groups on individual barriers. The Chairman stressed that the purpose of these groups would be not to undertake general studies but, in the first instance, to carry out exploratory discussions and, at a later stage, to act as a nucleus for any negotiations to which these might lead.

3. The Sub-Committee agreed with the procedure set out in the preceding paragraph. It also agreed that it would be necessary to preserve a certain flexibility in the functioning of the groups and that, where detailed propositions were submitted by governments after the meeting of the Sub-Committee, it would be left to the chairman of the Trade Negotiations Committee, where appropriate, to set up new groups or refer the propositions to groups already established.

4. The Sub-Committee then examined each of the barriers which had been notified by participating governments, as set out in the annex to TN.64/22/Add.1 and Corr.1

Escape clauses

5. The Sub-Committee agreed that the question of the possible need to review the application of Articles XIX and XXVIII of the General Agreement fell into a special category and that the issues involved were not ones of particular trade barriers but were much more general in nature. It was agreed therefore that this question should be left on one side at this stage and that it should be raised by the Chairman in the Trade Negotiations Committee.

Anti-dumping policies

6. The Sub-Committee noted that the delegation of Japan intended to submit a proposal on this issue in the near future.

7. It was agreed in principle to establish a Group on Anti-Dumping Policies which would meet when precise proposals were submitted by delegations.

Customs valuation

8. The representative of the United Kingdom proposed the establishment of a group and said that the main issue with which his delegation would wish the group to deal was the American Selling Price system used in the United States on which they would be circulating a paper.¹

9. Representatives of certain other delegations suggested that any group set up in this field might have to deal with other valuation problems, including the implications of the use of c.i.f. as opposed to f.o.b. systems.

10. The representative of the European Economic Community suggested that it should be open to the group to examine all para-tariff measures including problems of tariff classification.

¹This paper has been distributed as TN.64/NTB/21.

11. The Sub-Committee agreed to establish a Group on Customs Valuation Methods with the following composition:

Canada	Sweden
Denmark	Switzerland
EEC	United Kingdom
Japan	United States

Government procurement policies

12. The representative of the United Kingdom proposed the establishment of a group and said that his delegation would submit a paper on the United States "Buy American Act" and other restrictions.¹ Attention might also be drawn to restrictions in other countries.

13. The representatives of Canada, Sweden and the United States, supported the establishment of a group. In the opinion of these delegations problems existed in countries other than the United States.

14. The Sub-Committee agreed to establish a Group on Government Procurement Policies with the following composition:

Canada	Sweden
Denmark	Switzerland
EEC	United Kingdom
Japan	United States

State trading

15. The representative of the United States said that his delegation expected to submit a paper in the near future and proposed that a group should be set up. In answer to a question, he said that his delegation felt that such a group might consider the drawing up of general principles to guide the negotiations in this field.

16. The representative of New Zealand said that his delegation would not press at this stage for consideration of the particular barriers which they had notified in TN.64/NTB/12. This was without prejudice to the position of his delegation on the question of the procedure for handling non-tariff barriers in the agricultural field.

¹This paper has been distributed as TN.64/NTB/20.

17. The Sub-Committee agreed in principle to establish a group on State trading which would meet following the receipt of precise propositions. It was agreed that the Chairman of the Trade Negotiations Committee should establish the composition of the group in consultation with interested participating governments.

Border tax adjustments

18. The Sub-Committee noted that the United States might wish at a later date to submit a paper on this question and to request the establishment of a group.

Restrictive import policies on coal

19. The Sub-Committee agreed that the possibility of establishing a special group on problems concerning trade in coal should be retained under consideration and re-examined when any delegation submitted proposals. The Chairman suggested that such a group could deal with certain other related problems.

Quantitative restrictions

20. Several delegations suggested that a distinction had to be drawn between restrictions which were permissible, and those which were not permissible, under the GATT. In their view the only provision which could be made for the latter type of restriction would be one requiring their removal before the conclusion of the trade negotiations.

21. There was some discussion on the possibility of establishing a group to deal generally with the question of quantitative restrictions. The general feeling was, however, that it would not be useful to set up such a group at this stage and in the absence of specific proposals from delegations. The delegation of Canada indicated that they might wish to submit such a proposal at a later date.

22. It was pointed out that many quantitative restrictions were maintained on agricultural products. It was generally felt that the most useful and practical course to follow in the case of these restrictions was to deal with them in the context of the negotiations on the agricultural sector, it being understood, however, that delegations might wish to revert in the Sub-Committee to the question of these restrictions at a later date.

23. The delegation of Japan reserved the right to revert to the question of discriminatory import restrictions at a later date.

Mixing regulations, variable levies, sluice-gate pricing systems, minimum price schemes, sanitary regulations, subsidies

24. It was pointed out that the main application of these barriers was in the field of agriculture. It was agreed that, in the first instance at any rate, negotiation on them should take place in the general context of the negotiations on the agricultural sector, it being understood that delegations might wish to revert to these questions in the Sub-Committee at a later stage.

Administrative and technical regulations which hinder trade, administrative guidance, subsidiaries

25. The representative of the United Kingdom said that his delegation would be submitting a paper on certain specific administrative and technical regulations¹ and requested that a group should be established.

26. The Sub-Committee agreed to establish a Group on Administrative and Technical Regulations with the following composition:

Canada	United Kingdom
EEC	United States
Sweden	

Internal fiscal charges

27. The Sub-Committee agreed that it would be appropriate to deal with the question of internal fiscal charges on tea in the context of the negotiations on tropical products.

United States system of assessment on imported bottled spirits

28. The representative of the United Kingdom said that his delegation would be submitting a paper on this question² and requested the establishment of a group.

29. It was agreed to establish a group. The United Kingdom, Canada and the EEC indicated their wish to participate.

¹This paper has been distributed as TN.64/NIB/18.

²This paper has been distributed as TN.64/NIB/19.

The participation of Poland in the trade negotiations

30. The Sub-Committee had been invited by the Trade Negotiations Committee (TN.64/SR.7, paragraph 4) to set up a special group to deal with the question of the participation of Poland in the negotiations.

31. The Sub-Committee agreed to establish a Special Group on the Participation of Poland in the Trade Negotiations with the following composition:

Australia	Poland
Austria	Sweden
Canada	United Arab Republic
Czechoslovakia	United Kingdom
EEC	United States
Japan	

32. The Sub-Committee agreed that the first meeting of the Special Group should be held on 29 June 1964.