

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

TN.64/SR.1

2 July 1963

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Trade Negotiations Committee

PROCEEDINGS OF THE FIRST MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 27 June 1963, at 2.30 p.m.

	Chairman: Mr. E. WYNDHAM WHITE	Page
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1. Election of Chairman

The Executive Secretary, Mr. E. Wyndham White, was elected Chairman of the Trade Negotiations Committee.

2. Participation in the Trade Negotiations (TN.64/W/3)

The Chairman referred to document TN.64/W/3 which set out those contracting parties which had expressed a wish to participate in the work of the Trade Negotiations Committee. It would be his understanding that the countries concerned intended to take an active part in the trade negotiations in the sense of being prepared to make a contribution.

Reference was also made by the Chairman to the desirability of consideration being given in due course to whether the negotiations of those countries concerned with accession under Article XXXIII should not appropriately be carried out during the Trade Negotiations Conference.

The Chairman informed the Committee that the Government of Poland had indicated its desire to take an active part in the trade negotiations. Several representatives welcomed this and expressed the view that Poland should participate in the Trade Negotiations Committee. On the other hand it was also felt that, before any decision could be made, it would be desirable to have discussions about Poland's participation in the trade negotiations with representatives of Poland.

It was agreed that representatives of Poland should be invited to attend a later meeting of the Committee so as to enable them to discuss with the Committee the extent to which, and the manner in which, they considered that Poland would be able to participate in the trade negotiations. The Committee would then be able to consider the position.

3. Modification of schedules under Article XXVIII:1 (GATT/ATR/327)

The Chairman recalled that contracting parties might, under the provisions of paragraph 1 of Article XXVIII, modify or withdraw tariff concessions on 1 January 1964. Notifications to this effect were to be made between 1 July and 1 October 1963. In view of the fact that a major trade negotiations conference was to start on 4 May 1964, it seemed to him that there might be considerable practical advantage in leaving any negotiations under paragraph 1 of Article XXVIII to be dealt with in the framework of the coming negotiations. This would require a decision by the CONTRACTING PARTIES that the next period on the first day of which contracting parties might modify or withdraw concessions under Article XXVIII:1 should begin on, say, 1 January 1965. The Council of Representatives had, at its meeting on 19-21 June 1963, authorized the Trade Negotiations Committee, if it so wished, to draw up the text of the necessary decision to be submitted to contracting parties for postal ballot.

Some representatives supported this proposal, but the representatives of Australia, Canada and South Africa were unable to support it. The representative of the United States said that, if the waiver requested by his Government in connexion with the entry into force of the Tariff Simplification Act was not granted, the United States would likewise have difficulties with the proposal.

After further discussion the Committee agreed that the Executive Secretary should prepare a draft decision postponing the beginning of the next three-year period under Article XXVIII:1 from 1 January 1964 to 1 January 1965, while at the same time affording contracting parties, which for special reasons were not in a position to delay the modification of their concessions until the date proposed, the opportunity to notify their wish to withdraw or modify concessions in accordance with paragraphs 1 to 3 of Article XXVIII between 1 July and 1 October 1963 with a view to their implementing the withdrawal or modification on 1 January 1964. If, after consultations with countries principally concerned, it appeared that the draft was likely to be acceptable, it would be submitted to the contracting parties for postal ballot. If, however, it appeared that difficulties might arise the question could be reconsidered by the Committee.

4. Appointment of subsidiary bodies of the Trade Negotiations Committee (TN.64/W/1)

The Chairman recalled that the Ministerial Resolution (MIN(63)9) adopted on 21 May 1963 had envisaged that the Trade Negotiations Committee would appoint subsidiary bodies to assist it in its work. He had proposed that three sub-committees should be set up to deal with:

- (a) the tariff negotiating plan,
- (b) agriculture, and
- (c) non-tariff barriers and other special problems.

In addition he would propose that a fourth sub-committee be appointed to deal with any special problems in connexion with the participation in the trade negotiations of less-developed countries.

A. Sub-Committee on the Tariff Negotiating Plan

(a) Terms of reference

Suggested terms of reference for the sub-committee were set out in TN.64/W/1.

The view was expressed that it was premature to decide in what way point (iii) of the suggested terms of reference should be dealt with. Point (iii) which related to the particular problems of low tariff countries and of countries with a special economic or trade structure, involved issues which were too broad to be considered as falling within the competence of the proposed sub-committee alone. It was suggested that the sub-committee's terms of reference should be restricted to points (i) and (ii) in TN.64/W/1 and that the Trade Negotiations Committee would decide at a later date how point (iii) would be dealt with. It was understood however that, while point (iii) would not be considered and reported on as a separate subject by the sub-committee at this stage, this would not preclude members of the sub-committee from raising and taking into account the matters referred to in point (iii) during the sub-committee's deliberations.

This was agreed.

The attention of the committee was drawn to the importance of establishing a base date for the calculation of the tariff reductions. This was particularly important in view of the likelihood of Article XXVIII:1 renegotiations before the beginning of the conference. The Chairman said that this question should be taken up by the sub-committee.

There was further discussion of the scope of the sub-committee's work under its terms of reference and the extent to which measures or systems which might affect the true incidence of tariffs could be considered by the sub-committee.

The Chairman stated that factors which might affect the true incidence of tariffs were relevant to the Sub-Committee's work and could be taken fully into account by the Sub-Committee.

The point was also made that it was difficult to reach a decision on the question of exceptions until it was known what escape clauses there would be; in this connexion reference was made to point (ii) of the terms of reference of the proposed Sub-Committee on Non-Tariff Barriers and other Special Problems. The Chairman again stressed that anything relevant to the mandate of the sub-committee on the Tariff Negotiating Plan could be discussed by that sub-committee. An important factor in the work of the various subsidiary bodies would be the co-ordinating rôle of the Trade Negotiations Committee and co-ordination between the Chairmen of the subsidiary bodies.

Following discussion on other aspects of the terms of reference it was agreed that:

- (i) the sub-committee would itself decide the order in which it would consider the points in its terms of reference;
- (ii) the sub-committee would, of course, take into account all the points raised by the Ministers and relevant interpretations given by the Chairman at the ministerial meeting;
- (iii) in accordance with the directions of Ministers, the sub-committee should report to the Trade Negotiations Committee by 1 August 1963.

The Committee agreed to appoint a sub-committee on the Tariff Negotiating Plan with the following terms of reference:

"The sub-committee shall consider and submit to the Trade Negotiations Committee recommendations in regard to:

- (i) the depth of the tariff reductions, and the rules for exceptions;
- (ii) the criteria for determining significant disparities in tariff levels and the special rules applicable for tariff reductions in these cases.

"The sub-committee shall submit a report on (i) and (ii) above to the Trade Negotiations Committee as soon as possible and in any case not later than 1 August 1963."

(b) Composition of Sub-Committee

(i) Chairmanship

It was agreed that at least for the time being Mr. Wyndham White, Executive Secretary, should be Chairman of the sub-committee.

(ii) Members of the Sub-Committee

As it had been decided to omit for the time being point (iii) of TN.64/W/1 from the terms of reference of the sub-committee, and as in any case it would be possible for all contracting parties to be represented by observers at the sub-committee's meeting, some countries expressed their willingness to withdraw their request for membership of the sub-committee bearing in mind the desirability of keeping the membership reasonably limited. It was recognized, however, that the question of membership would be reviewed by the Trade Negotiations Committee when the question arose of adding point (iii) in TN.64/W/1 to the sub-committee's terms of reference. The representative of Denmark said that the fact that his country had not asked for membership of the Sub-Committee at this stage should certainly not be interpreted as an indication that Denmark did not intend to participate fully in the Trade Negotiations Conference.

The Committee agreed to the following membership of the sub-committee on the Tariff Negotiating Plan.

Austria	Norway
Canada	Sweden
European Economic Community	Switzerland
Israel	United Kingdom
Japan	United States

B. Committee on Agriculture(a) Terms of reference

Suggested terms of reference for the Committee were set out in TN.64/W/1.

It was proposed that, in view of the importance of agriculture, this subsidiary body should be called a committee. This was agreed, on the understanding that the Committee, like the Sub-Committees, would be subordinate to and report to the Trade Negotiations Committee.

It was agreed that the terms of reference of the Committee should adhere to the wording used in the Ministerial Resolution (MIN(63)9) and that, consequently, point (ii) of the terms of reference proposed in TN.64/W/1 should be deleted; this deletion was, however, without prejudice to the way in which the Committee might decide to organize its work.

It was agreed that a proposal that the Committee should be called the Temperate Primary Products Committee could be taken up at a later meeting of the Trade Negotiations Committee.

The Committee agreed to appoint a Committee on Agriculture with the following terms of reference:

"The Committee shall consider and submit to the Trade Negotiations Committee recommendations in regard to the rules to govern, and the methods to be employed in, the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products."

(b) Composition of Committee

It was agreed that the Chairman of the Trade Negotiations Committee should in due course discuss the question of the chairmanship of the Committee on Agriculture with the members of that Committee.

As the Committee on Agriculture was not meeting in the immediate future, it was decided to establish its membership at the proposed meeting of the Trade Negotiations Committee in September 1963.

C. Sub-Committee on Non-Tariff Barriers and Other Special Problems

(a) Terms of reference

Suggested terms of reference for this Sub-Committee were set out in TN.64/W/1.

The Committee agreed to appoint a Sub-Committee on Non-Tariff Barriers and Other Special Problems with the terms of reference proposed in TN.64/W/1 as follows:

"The Sub-Committee shall consider, and submit to the Trade Negotiations Committee recommendations in regard to:

- (i) The rules to govern and the methods to be employed in the treatment of non-tariff barriers, including inter alia discriminatory treatment applied to products of certain countries and the means of assuring that the value of tariff reductions will not be impaired or nullified by non-tariff barriers;
- (ii) the possible need to review the application of certain provisions of the General Agreement, in particular Articles XIX and XXVIII, or the procedures thereunder, with a view to maintaining, to the largest extent possible, trade liberalization and the stability of tariff concessions;
- (iii) any other special problems."

(b) Composition of Sub-Committee

It was agreed that the Chairman of the Trade Negotiations Committee should in due course discuss the question of the chairmanship of the Sub-Committee with members of the Sub-Committee. As the Sub-Committee was not meeting in the immediate future, it was decided to establish its membership at the proposed meeting of the Trade Negotiations Committee in September 1963.

D. Sub-Committee on the Less-Developed Countries

The Committee agreed that a Sub-Committee to consider any special problems relating to the participation of less-developed countries in the trade negotiations should be appointed. The terms of reference and the composition of the Sub-Committee could be established at the proposed September meeting of the Trade Negotiations Committee.

5. Future meetings (TN.64/W/2)

It was agreed that the Committee should meet again at the end of July so as to receive the report of the Sub-Committee on the Tariff Negotiating Plan. The following meeting of the Committee would be in September; the dates would be decided on later. The Chairman said that the Committee should, if necessary, always be prepared to meet at a week's notice.

The tentative time-table of meetings set out in TN.64/W/2 was approved. The Chairman said that particularly the terminal dates proposed should be considered as being very flexible.

6. Participation in Group on Cereals and Group on Meat

The representative of Yugoslavia informed the Committee of his Government's desire to become a member of the Group on Cereals and of the Group on Meat.

The Chairman pointed out that, as a result of the ministerial meeting, the character of these two groups had changed. They were now negotiating groups with the result that participation would follow the normal practice for multi-lateral negotiations and consultations. In other words, participation was limited to those countries having a substantial interest in trade in the products under consideration. The normal procedure therefore would be for Yugoslavia to address its request to the Groups concerned justifying its claim to have a substantial interest. If, after consideration of its request by the Groups, Yugoslavia was not satisfied it could, if it so wished, bring the matter before the Committee.

The representative of Yugoslavia said that his delegation would follow the procedure proposed by the Chairman.

7. Consolidated schedules

The representative of Sweden pointed to the desirability of new consolidated schedules being prepared by all contracting parties as a necessary part of the preparations for the forthcoming trade negotiations. The Chairman said that this question would be pursued by the secretariat.

8. Security

The Chairman pointed out that the Committee was a negotiating body in whose work important questions of national policy would be involved. Therefore, it was to be hoped that all delegations would follow the accepted rules as regards security. Experience with respect to security during the Dillon round had been unsatisfactory.