

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Trade Negotiations Committee  
Sub-Committee on Non-Tariff Barriers

NOTE BY THE SECRETARIAT ON THE FIRST MEETING OF THE COMMITTEE  
OF 12-15 NOVEMBER 1963

1. The terms of reference of the Sub-Committee are to "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 XXVII, 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."

Mr. Montan of Sweden was elected Chairman of the Sub-Committee.

2. Participating governments had been asked in GATT/AIR/343 to indicate which particular measures they wished to be brought within the scope of the negotiations and to submit specific suggestions on how they should be dealt with. Replies had been received from the United Kingdom (reproduced in TN.64/NTB/2), Japan (TN.64/NTB/3), the Federation of Rhodesia and Nyasaland (TN.64/NTB/4), the United States (TN.64/NTB/5) and Sweden (TN.64/NTB/6). These referred to a number of matters which might be the subject of negotiation, and a summary list of these in consolidated form was circulated in a note by the secretariat, TN.64/NTB/8. In some cases, the replies also suggested procedures which the Sub-Committee might adopt to deal with this part of its work.

3. Some members of the Sub-Committee felt that, before any decision could be taken about the procedure for dealing with the various barriers which delegations had identified, it was necessary as a first step to ensure that the information about such barriers was as complete as possible; and to that end they suggested that countries maintaining such barriers should be invited to notify them. The general feeling, however, was that this procedure, which would take a considerable amount of time, would not be of great value since, where non-tariff measures constituted a barrier to exports which was sufficiently serious to justify their being made the subject of negotiation, the exporting countries would, in the

nature of things, be aware of what they were; and it was for the exporting countries therefore to say what were the barriers they wished to negotiate on. It was, however, agreed that the secretariat should prepare a paper giving references to documents already containing information on non-tariff measures supplied to the CONTRACTING PARTIES under existing procedures. This has been circulated as TN.64/NTB/7.

4. The Sub-Committee also discussed whether it should concern itself with all non-tariff barriers on which participating countries wished to negotiate or whether some of these should be dealt with by other subsidiary bodies of the Trade Negotiations Committee. Some members felt that the Sub-Committee should deal with all non-tariff barriers including agricultural products. Other members felt that variable import levies and minimum price systems fell more properly within the scope of the Agriculture Committee, but that other agricultural questions should be dealt with by the Sub-Committee. Other members again felt that all barriers relating to agricultural products should be dealt with in the Agriculture Committee.

5. The Sub-Committee noted the various barriers which had been mentioned in papers submitted to it. It was agreed that governments should be asked to notify the secretariat of any further subjects on which they wished to negotiate and should also provide clarification on subjects proposed for negotiation, including the nature of the problem and the country with which they wished to negotiate, if possible before the next meeting of the Sub-Committee.

6. As regards future procedure, it was agreed that the Sub-Committee should note the barriers which governments indicated they wished to negotiate but that no attempt should be made to draw up a list of subjects for negotiation which would in any way be exclusive and final.

7. The Sub-Committee would then need to consider the right negotiating procedure for the various barriers notified. In this connexion there were certain principles which should be borne in mind. First, subjects which were essentially of a bilateral nature, such as discriminatory import restrictions, could be left for bilateral negotiation without being discussed in the Sub-Committee, though it would of course be open to delegations to raise them later in the Sub-Committee if they failed to secure what they regarded as a reasonable result from these bilateral negotiations. Other subjects, such as government purchasing policies, while of interest to several countries and requiring multilateral negotiations, might best be remitted to special groups without prior discussion by the Sub-Committee, since the issues involved were primarily ones of negotiations on the practices of individual countries rather than of drawing up new rules or codes of conduct. Questions which might involve such rules or codes, such as anti-dumping policies, would need to be handled by the Sub-Committee itself, though at some stage the Sub-Committee might wish to remit them to special groups. A similar procedure should be adopted to deal with problems referred to in the second part of the terms of reference of the Sub-Committee, namely the possible need to review the application of certain provisions of the General Agreement, in particular Articles XIX and XXVIII.

8. The Sub-Committee also considered the only special problem so far remitted to it under point (iii) of its terms of reference, namely the request of the Polish Government to participate in the trade negotiations. The representative of Poland, in a statement which is reproduced in full in TN.64/NTB/9, suggested that it might be appropriate to consider the possibility of negotiations with the objective of Poland's provisional accession, and outlined the contribution which Poland envisaged making to the trade negotiations. Members of the Sub-Committee agreed that the statement of the representative of Poland raised many important questions which deserved sympathetic study. It was agreed that delegations should address questions on the proposals which had been made to the secretariat which would transmit these to the Polish Government, and that at its next meeting the Sub-Committee should create a special working party to study the matter in detail.

9. It was agreed to suggest to the Trade Negotiations Committee that the next meeting of the Sub-Committee should be held in the week of 9 December; the Trade Negotiations Committee would then set a firm date for the meeting.