

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SUMMARY RECORD OF THE SECOND MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 25 February 1964 at 2.30 p.m.

Chairman: Mr. J.H. WARREN (Canada)

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1. Balance-of-payments import restrictions - report on consultations

The CHAIRMAN noted that in June 1963 the Committee on Balance-of-Payments Import Restrictions had carried out consultations under Article XII or Article XVIII with four contracting parties: Chile, Finland, Indonesia and

Turkey, and had presented the reports on these consultations, contained in documents L/2018, L/2017, L/2019 and L/2020 respectively, to the Council at its meeting in June 1963. The Council recommended the adoption of these reports by the CONTRACTING PARTIES.

Mr. EMRE (Turkey) expressed appreciation for the understanding and co-operation shown by contracting parties during the consultation on the restrictions and import controls applied by his Government. As was explained in detail during the discussion in the Committee, the Government of Turkey had launched a comprehensive five-year development plan in 1962 to achieve an accelerated rate of economic growth to raise the living standards of its people and to attain the highest possible level of employment. It was also indicated that one of the main objectives of the five-year plan in the context of a fifteen-year perspective would be to arrive at an equilibrium in the balance of payments. However, over the first five-year period imports were expected to increase more rapidly than exports; in fact, implementation of the plan required an adequate flow of imports consisting mainly of capital goods and raw materials. In order to carry out the development programme successfully and ensure the flow of imports without harmful effect on its monetary reserves, the Turkish Government had necessarily been compelled to be cautious in its approaches to liberalization and elimination of restrictions.

Turning to the export sector, Mr. Emre said that no substantial change in the development of Turkey's exports was expected in the coming years. In increasing her exports Turkey was faced with certain difficulties confronting developing countries, such as over-reliance on a limited number of traditional products, absence of new and efficient marketing techniques and deterioration in the terms of trade. His Government had taken appropriate steps to encourage exports by initiating effective and positive inducements. Concluding, Mr. Emre emphasized that in the opinion of his delegation the level of restrictions on imports did not go beyond the extent necessary at the present time to prevent heavy pressures on Turkey's meagre monetary reserves, and he believed that the maintenance of these restrictions was not inconsistent with the provisions of the General Agreement.

The CHAIRMAN enquired whether the CONTRACTING PARTIES were prepared to adopt the four reports in accordance with the Council's recommendation.

The reports were adopted.

The CHAIRMAN, on behalf of the CONTRACTING PARTIES, expressed appreciation for the work of Mr. NAEGELI, who had served for several years as Chairman of the Committee on Balance-of-Payments Restrictions. He requested the Danish delegation to convey his message of appreciation to Mr. Naegeli. The Chairman also congratulated Mr. Conron (Australia) on his election as successor to Mr. Naegeli.

The CHAIRMAN recalled that in December 1963 the Committee had held a second meeting to carry out consultations with six countries: Burma, Israel, New Zealand, South Africa, United Arab Republic and Yugoslavia. The reports on these consultations were distributed in documents L/2104, L/2099, L/2096 and Add.1, L/2094, L/2105 and L/2101 respectively.

Mr. CONRON (Australia), Chairman of the Committee on Balance-of-Payments Import Restrictions, in presenting the reports, drew attention to the fact that Japan had been one of the countries with which the Committee was instructed to consult. Japan had, however, disinvoked Article XII before the consultation was to take place. Further, because of a pending consultation with the International Monetary Fund, the Committee's consultation with Denmark had been postponed. On the other hand, the consultation with Chile which had been postponed in 1962 was held in 1963.

Mr. EVANS (United States of America) referred to paragraph 24 of the Committee's report on its consultations with South Africa (L/2094). It stated that action was pending by the Executive Board of the International Monetary Fund on South Africa's import restrictions; and that when a decision was reached by them, it should be determined whether the consultation need be reopened.

The six reports were adopted. It was understood that when a decision was reached by the Executive Board of the International Monetary Fund the consultation on South Africa's import restrictions could be reopened.

The CHAIRMAN thanked the Committee and Mr. Conron for the reports and the representatives of the International Monetary Fund for their usual invaluable assistance during the consultations.

2. Residual import restrictions (L/2149)

The CHAIRMAN recalled that a few years ago the CONTRACTING PARTIES had adopted procedures for dealing with import restrictions which were applied contrary to the provisions of the General Agreement and without having obtained the authorization of the CONTRACTING PARTIES. Under these procedures contracting parties were invited to communicate details of any such restrictions they still maintained and to notify subsequent changes. A note reviewing the latest information made available by contracting parties had been distributed in document L/2149.

Mr. VALLADAO (Brazil) said that this item had been a recurring one on the agenda of the CONTRACTING PARTIES for several years. He pointed out that, if a comparison were made between the treatment received by countries which persistently maintained residual import restrictions and those less-developed countries which had obtained waivers, or releases under Article XVIII, it would be seen that the former had benefited from exceptional treatment. In fact it could be said that the less-developed countries would be better off if they were allowed to employ residual import restrictions rather than apply for waivers. His delegation regretted that the large number of countries which were applying residual import restrictions had maintained them for so many years. Once again his delegation would address an appeal to those countries in the hope that this item would disappear once and for all from the agenda of the CONTRACTING PARTIES. Such a development would enable the less-developed countries to have confidence and hope in the work of the organization.

Mr. NARASIMHAN (India) associated his delegation with the concern expressed by the delegate of Brazil. He recalled that when this matter was discussed in the Action Committee the Indian delegation had pointed out that the list of residual import restrictions, which continued to be a lengthy one, involved many items of interest to less-developed countries, and that some of these restrictions were also of a discriminatory nature. At the last ministerial meeting the Ministers had suggested that these restrictions should be removed within a period of one year from May 1963. The Indian delegation had also stated to the Action Committee that the longer the restrictions remained the greater would be the volume of damage to the economies of the less-developed countries. Mr. Narasimhan then quoted a statement made by his delegation to the Action Committee, which he felt, underlined the importance of this question to the less-developed countries: "It is sometimes forgotten that the damage done to the economies of poor countries, which are least able to bear it, is enormously greater than the minor adjustments needed to correct the situation in order to conform to the obligations of the GATT".

Continuing, Mr. Narasimhan hoped that these quantitative restrictions would be removed very soon in accordance with the Ministerial Declaration and that, at an appropriate stage, some thought would be given to the question of assessing the damage that was being caused to the economies of less-developed countries. Turning to the statement by Austria in document L/2149 that a negative list was being prepared, he hoped that this list would be available very soon. Mention was also made in one of the papers quoted in document L/2149 that quotas were not being fully utilized. As his delegation had stated to the Action Committee, this was not a reason for maintaining these quotas, on the contrary, this was a reason for removing them. Further, from the point of view of the less-developed exporting countries, the fact that a quota existed acted as a hindrance to export promotion.

Mr. RISTIC (Yugoslavia), in associating his delegation with the remarks made by the representatives of India and Brazil, said that Yugoslavia was one of those countries which suffered from the maintenance of residual import restrictions. It was disturbing that restrictions contrary to the General Agreement existed at a time when a revision of the GATT for the benefit of the less-developed countries was being undertaken. Recently some progress had been made by some industrial countries to remove or mitigate these restrictions, but there were still others which persistently applied quantitative restrictions to Yugoslav exports. He hoped that these restrictions would be removed at an early date.

Mr. DONOVAN (Australia), in agreeing with the statements made by previous speakers, reiterated his concern at the inadequacy of the notifications received. In his view, notification was fundamental because unless notifications were obtained there would be no chance to initiate confrontation procedures. Further, as he had pointed out at the Council meeting last June, the notifications served as a means of maintaining pressure for the removal of the restrictions and as a source of useful advice for traders. He hoped that the secretariat would continue to urge contracting parties to submit notifications, and also try to obtain similar information from those countries which had acceded to the GATT since November 1962.

Mr. EVANS (United States of America) said that several speakers had mentioned the adverse effects which residual import restrictions were having on exports of less-developed countries; it seemed an anomaly that, at a time when the CONTRACTING PARTIES were earnestly directing their attention to ways of improving opportunities for the exports of less-developed countries, quantitative restrictions sometimes in a discriminatory way and contrary to the provisions of the GATT were still maintained. He felt that it was particularly appropriate during the present year to devote attention to this aspect of the matter. The maintenance of residual restrictions was also relevant in 1964 in relation to the Kennedy round. The maintenance of many residual import restrictions when the negotiations of the Kennedy round commenced could cause not only a complication but could actually stand in the way of as successful a result as would otherwise be obtained. While he hoped that residual import restrictions would be removed very rapidly, his delegation would continue to resort to the consultation and complaint procedures where the export trade of the United States was adversely affected by import restrictions contrary to the Agreement. With regard to the situation of Austria, his delegation was pleased that the Austrian Government had made important progress recently in dismantling quantitative restrictions, but would urge the completion as soon as possible of a negative list of restrictions which were still being maintained by Austria. Mr. Evans said that the CONTRACTING PARTIES now had a real opportunity to demonstrate to the less-developed countries that it was possible to give real assistance to their development efforts through means other than deviation from the rules of the GATT, by carrying out the rules which already exist.

Mr. STONER (Canada) noted that some progress had been made by some contracting parties in removing quantitative restrictions which were no longer justified under Article XII. He shared, however, the views of previous speakers, particularly those who had drawn attention to the timeliness of steps to remove these restrictions in the very near future. His delegation was also concerned with the tendency of some contracting parties, on removing their quantitative restrictions, to resort to other measures, for example internal measures sometimes known as "administrative guidance", which could have the effect of nullifying liberalizations. Such developments by and large threw open the whole question of the reporting procedures. Canada had put forward its views on residual import restrictions generally to the Subcommittee on Non-Tariff Barriers, but wished to emphasize on the present occasion that it very much hoped that, accompanying the steps that might be agreed on in the context of the Kennedy round, and in the examination of the problems of the less-developed countries in the GATT, there would be definite progress in dealing with restrictions which were either inconsistent with the General Agreement or which served to impede expansion of trade. Finally, his delegation believed that residual import restrictions should be reported in conformity with the procedures laid down by the GATT. Those contracting parties which had so far failed to provide negative lists would, by doing so, very much facilitate the tasks to which he had referred.

Mr. TREU (Austria) recalled that the Austrian Minister of Trade, when speaking on the problem of residual import restrictions before the CONTRACTING PARTIES in November 1961, had left no illusion as to the time required by the Austrian economy to do completely without the restrictions. Mr. Treu further recalled that in November 1962 he had indicated that Austria envisaged the removal of all remaining restrictions, with the exception of a few hardship cases, by the end of 1964. The first stage of this task was to remove all restrictions which were discriminatory. Moreover, in the course of the periodic removal of restrictions on 1 January and 1 July each year, Austria had taken account of the interests of less-developed countries in certain items. A list of the restrictions most recently removed was made available on 1 January 1964. Another list would be provided on 1 July shortly before the commencement of the final operation that would remove all but the few hardship cases by the end of 1964, and as the whole operation would be concluded in 1964 Austria would soon be in a position to provide a negative list.

Mr. MARTIN (New Zealand) said it appeared from document L/2149 that a better return of notifications on residual import restrictions had been received this year. However, there was still a large number of unsatisfactory features in the substance of the notifications. He thought that, in part, the better return could be attributed to the fact that certain countries formerly covered by waivers now fell within the category of countries required to report restrictions maintained contrary to the General Agreement. This was in itself not a development which his delegation found reassuring.

New Zealand was however, appreciative of the action taken by the contracting parties which had submitted notifications, and believed that these procedures should be continued. On the substance of the problem, the New Zealand delegation wished to record its continued concern that so little progress had been made in the removal of restrictions. The Ministerial Resolution of May 1963 had made special reference to the need to deal with the problem of non-tariff barriers in the coming negotiations. New Zealand was hopeful that in the course of these negotiations a large step forward would be made.

Mr. HARAN (Israel), commenting on the discriminatory aspects of some of the residual import restrictions which were being maintained, said that the fact that such restrictions were applied contrary to the General Agreement was a situation which added insult to injury; efforts for improving the situation should first be directed towards this feature. At the twentieth session, the Israel delegation had suggested that a catalogue of residual import restrictions should be submitted to the Trade Negotiations Committee, as there was no doubt that maintenance of these restrictions would influence the outcome of the negotiations. On this occasion he would again repeat the suggestion that such a catalogue be submitted formally to the Trade Negotiations Committee. Turning to the lack of progress in eliminating the restrictions, he felt that the reason for this lay in the inadequacy of the procedures. It was with reluctance that contracting parties had recourse to Articles XXII and XXIII in order to engage in bilateral consultations. On the other hand, it was reasonable to expect from those which maintained restrictions contrary to the Agreement that they submit to a process that was no less severe or vigorous than the one applied to those which maintain restrictions permitted by the Agreement. He believed there was an urgent need for a continuous process of consultation and confrontation by some committee of the CONTRACTING PARTIES with the countries concerned. Finally, it was only appropriate to ask those countries which maintain restrictions to provide negative lists, and the reporting procedures should be amended accordingly.

Mr. BOSCH (Uruguay) said that residual import restrictions was one of the oldest items on the agenda of the CONTRACTING PARTIES. While some progress had been made in removing restrictions, progress had been slow and the damage caused to countries affected was not compensated by the illusion that recourse to certain rules of the GATT would have enabled them to find satisfaction. Uruguay was one of the few countries which had had recourse to these rules.

Summing up, the CHAIRMAN said that several delegations had noted that progress had been made by certain contracting parties in the dismantling of residual import restrictions, but that progress had been slow and they had urged those countries still maintaining restrictions to act more quickly in removing them. Others had thought that some countries should be more forthcoming in

submitting notifications under the procedures adopted in 1960. No doubt the contracting parties which were still maintaining these restrictions had listened with care to the pleas made by these contracting parties affected by the restrictions and had taken note of the various reasons why these should be removed. The intention of the Austrian Government to remove its restrictions except for a few hardship cases by the end of 1964 would have been noted with satisfaction. Certain contracting parties had drawn particular attention to the adverse effects of discrimination in the application of residual restrictions. As regards further work in this area he was advised that the Sub-Committee on Non-Tariff Barriers would be provided with the available documentation on the restrictions still maintained.

The Chairman suggested that the Executive Secretary be asked to invite contracting parties to comply, and where necessary more fully, with the existing procedures; further, that the CONTRACTING PARTIES renew their instructions to the Council to review the notifications from time to time as appropriate.

This was agreed.

3. Equatorial Customs Union/Cameroon (L/2061 and Add.1)

The CHAIRMAN referred to the statement by the delegate of Gabon at the previous meeting in which he informed contracting parties that the Governments of the Central African Republic, Congo (Brazzaville), Gabon and Chad had entered into a customs union arrangement. The text of the Convention had been distributed in document L/2061, which also contained the text of an agreement regulating the economic and commercial relations between the member States and Cameroon. The external customs tariff had been distributed in document L/2061/Add.1. These texts had been submitted for examination under paragraph 7 of Article XXIV. This matter was considered by the Council, in December 1963 and contracting parties had been asked to submit to the secretariat any questions concerning the provisions of the Convention or its implementation. The replies to these questions were distributed in document L/2061/Add.3.

Mr. DAMAS (Gabon) said that his statement had mentioned the origin and orientation of Gabon's commercial policy and had pointed out the entirely new situation which had resulted from the Equatorial Customs Union. Detailed information on the developments had been submitted to the secretariat.

Mr. EVANS (United States) said that his delegation felt it desirable that the Customs Union arrangements should be examined in detail in a smaller group. His delegation would wish to participate and would look at the arrangements of the Customs Union from the point of view of its benefit to the economic development of the member countries. His delegation had some questions concerning the desirability of some of the arrangements in the Customs Union with respect to the future economic development of the area. In this connexion he wished to mention the discriminatory preferential aspects of the Common External Customs Tariff of the Union and Cameroon. However, as all the documentation had not been studied his delegation would join the working party with an open mind.

Mr. HAMZA (United Arab Republic) welcomed the arrangements between the members of the Equatorial Customs Union and Cameroon. He said that the United Arab Republic encouraged such arrangements, and his delegation would wish to take part if a working party were established to consider these arrangements.

Mr. ONYIA (Nigeria) said that the countries concerned in these arrangements were neighbours of Nigeria with which his country had had pleasant relations. He thought that such economic arrangements would be beneficial to less-developed countries with similar economic structures. His delegation would wish to participate if a working party were set up.

Mr. DE SMABLE (Belgium), speaking on behalf of the EEC, expressed the wish of the Community to take part in any discussions of a working party.

Mr. BRESSON (Upper Volta) expressed his doubt as to the need for a working party to examine this question. However, if it were felt necessary that a working party should be established, he hoped that consideration would be given to the fact that these countries had recently acquired independence and had adopted principles which reflected their present needs. References should not be made therefore to old texts, provisions or decisions taken at a time when these countries were not yet independent.

Mr. SUMINWA (Congo (Leopoldville)) said that his country was interested in the question because his country, like the countries involved, was small and had similar social and economic difficulties in its desire to develop. If it were considered necessary to set up a working party his delegation would wish to attend.

Miss LOVAT-WILLIAMS (United Kingdom) felt that a working party should be established. The matter would require study in a small group in order that the arrangements be fully understood.

The CHAIRMAN said that when it was proposed to form a customs union among contracting parties it was provided that the proposed arrangements should be examined by the CONTRACTING PARTIES. Some delegations had suggested that on this occasion it would be useful to have a working party to examine the present question. As this was a customary procedure of the CONTRACTING PARTIES on these matters, he would suggest that a working party be established with the following terms of reference:

To examine, in the light of the relevant provisions of the General Agreement:

- (i) the provisions of the Convention establishing the Equatorial Customs Union and of the Protocol regulating the economic and customs relations between the member States and the Cameroon; and
- (ii) the status of the Schedule of Gabon;

and to report to the CONTRACTING PARTIES.

The Chairman suggested that the membership be composed of those contracting parties which had expressed a desire to take part. Other contracting parties wishing to participate should notify the secretariat at the close of the meeting.

He further proposed Mr. P. Donovan (Australia) as Chairman of the working party.

This was agreed.

4. Relations with Poland (L/2058)

The CHAIRMAN said that the Declaration of 9 November 1959, on relations between contracting parties and the Government of Poland, provided for an annual review of the implementation of the provisions of the Declaration. The second review had been conducted by a working party in July 1963 and its report had been distributed in document L/2058. This report was submitted to the Council which had noted that the review had provided an opportunity for a frank exchange of views and that it had proved useful and informative. The Council had also noted that the principal issues involved were at present under consideration in the Trade Negotiations Committee, and had recommended the adoption of the report by the CONTRACTING PARTIES.

The Working Party's report was adopted.

5. Reports under waivers

(a) France/Germany - Saar (L/2063)

The CHAIRMAN said that the Governments of France and Germany had submitted the annual reports required by the Decision of 22 November 1957 concerning the application of special measures in their trade relations with the Saar. These reports had been distributed in document L/2063.

Mr. PHILIP (France) and Dr. EITEL (Federal Republic of Germany) drew attention to the fact that the duty-free quotas for trade with the Saar had been utilized only in part.

The reports were noted.

(b) United Kingdom/Article I (L/2121)

(c) United Kingdom/Overseas Territories (L/2122)

The CHAIRMAN said that in the annual reports submitted by the Government of the United Kingdom in documents L/2121 and L/2122, the CONTRACTING PARTIES were informed that no action had been taken since the twentieth session under the two waivers granted to the United Kingdom.

The two reports were noted.

(d) United States import restrictions (I/2081)

The CHAIRMAN said that, in accordance with the Decision of 5 March 1955, the Government of the United States had submitted an annual report in connexion with the Agricultural Adjustment Act, which was distributed in document L/2081.

Mr. EVANS (United States) introduced his Government's report which covered the period August 1962 to August 1963. He said that no significant change had taken place since the last report. The import regulations currently in effect concerned wheat and wheat products, cotton and cotton waste, peanuts and certain dairy products. More recently there had been certain developments. On 2 December 1963 Presidential Proclamation No. 3562 amended the appendix of the United States tariff schedule to reflect the revised quota of 5,016,999 lbs. annually for blue-mold cheese. This was done to correct a situation in which the new tariff schedule had inadvertently shown the old quota of 4,167,000 lbs. In addition, the same Proclamation reinstated the procedures for allocating these quotas. The importation of dairy products under licensing for the first half of 1963/64 quota year were running ahead of imports during the same period of the 1962/63 quota year. It was therefore expected that the quota utilization in 1963/64 would be considerably higher for all dairy products. Farm legislation was now before Congress but had not advanced to the point where it would be possible to predict or make any useful comments.

Mr. MARTIN (New Zealand) said that his delegation would continue to take a close interest in developments under the United States waiver. At a time when trading relationships, particularly in agriculture, were undergoing a thorough reappraisal, policy in such a major contracting party took on an even greater significance. His delegation was grateful for the usual clear report submitted by the United States. Commenting on the situation in dairy products Mr. Martin noted that a better balance had developed in the dairy sector over the last eighteen months, and that a lower level of stocks had been held by the Commodity Credit Co-operation. It was hoped that these trends would be maintained and that in the not too distant future the United States authorities would be persuaded that some relaxation of import restrictions would not bring disaster to their dairy industry. The New Zealand delegation had said often in the past that an increase in the present quota of 0.05 per cent of United States consumption of butter was in their view more than overdue. Similarly with the very limited access available to exporters of hard cheese; it was most disappointing that not even a token move had been made in the right direction. His delegation had long expressed the view that the reflection of the high support price in the price to the consumer had contributed to the falling away in per capita consumption of butter in the United States. In the past the dietary habits of the United States was given as the most important reason for this tendency, and his delegation therefore took some wry satisfaction from having their own views confirmed by the United States Department of Agriculture in its November 1963 report on the dairy situation: the report described "the wider price differential between butter and margarine as an important reason" for the shift away from butter.

Mr. VAN WIJK (Kingdom of the Netherlands) thanked the United States delegation for the full information it had provided once again. He recalled that the Netherlands was one of the contracting parties which had had difficulties with the granting of the waiver to the United States nearly nine years ago. Nevertheless, expectations at that time had been that the waiver would be a temporary one. Although it was common experience that temporary provisions tend to become a fixture, it was still disappointing that the United States was not yet in a position to disinvoke the waiver. It was with satisfaction that his delegation noted that the President of the United States had taken no new action under the provisions of Article 22 of the Agricultural Adjustment Act. On the other hand, it was noted that very little progress had been made in the relaxation of the existing import restrictions, in particular regarding those which were applied in the dairy field. The report contained a description of the operation of Public Law 480 and his delegation intended to refer to that topic when the agenda item "Surplus disposals" came before the CONTRACTING PARTIES later in the session. The Netherlands delegation looked forward to the day when the United States would be able to abolish the waiver thus contributing to the expansion of international trade by providing greater access to their market for agricultural products.

Mr. STONER (Canada) said that the agricultural sector was a very important part of Canada's trade with the United States and both countries were among each other's best customers for farm products. Canadian imports of agricultural products from the United States were, however, about double the value of their exports to that country. Several of the products in which Canada had a substantial export interest continued to be under import restriction. While it had been possible for the United States to increase quotas on certain cheeses, it had been of continuing regret to Canada that no relaxation had been made with respect to Cheddar cheese. The restrictions maintained under the various cheeses had operated to the particular disadvantage of Canada. The only cheese in which Canada had an export interest was a fine quality Cheddar, but at the same time Canada imported a wide variety of cheeses. As a result, Canadian cheese imports from the United States were two to three times as great as the quantity it was able to sell to the United States under the quota.

Mr. Stoner recalled that when the United States had asked for the waiver the Canadian delegation had felt compelled to express opposition to it. Canada had always been concerned over the broad scope permitted under the waiver and had therefore been appreciative of the restraint which the United States had exercised over the years in implementing it. Nevertheless, the Canadian delegation continued to look forward to the day when the United States would no longer consider it necessary to maintain this waiver. It was hoped that as an accompanying measure to the agricultural negotiations in the Kennedy round, serious consideration would be given, in the interest of expanding trade, to the question of relaxing the restrictions which continue to be maintained and which affect the trade of exporters with a traditional trade interest and to the possibility of relinquishing the waiver altogether.

Mr. DONOVAN (Australia) said that, despite some relaxation, restrictions still remained on major commodities and no basic changes were observed in the period covered by this report. One of the main items of concern to Australia was dairy products, and Australia therefore shared the attitude of the New Zealand delegation. While appreciating the difficulties faced by the United States, his delegation was obliged to continue to register its desire that more positive steps be taken to liberalize the remaining quotas. During the Kennedy round of trade negotiations it was hoped that provision would be made for agricultural exporting countries to have a greater share than at present in the expansion of world trade which is expected to result from those negotiations.

Mr. SKAK-NIELSON (Denmark) associated his delegation with those speakers who hoped that it would be possible for the United States to open its markets for the importation of their products during the coming year.

Mr. EVANS (United States) said that the comments made had been duly noted and would be reported to his Government.

The CHAIRMAN in summing up said that interested contracting parties had expressed appreciation for another comprehensive report by the United States, but had noted that there had been no substantial change during the period under review. The desire had also been expressed that there should be further relaxation and some contracting parties hoped that the United States might feel able to do without the waiver while others looked for better access to the United States market as a result of the coming Kennedy Round of negotiations.

6. Modification of schedules under Article XXVIII:1

The CHAIRMAN said that under the procedures established in paragraph 3 of the notes and the supplementary provisions relating to paragraph 1 of Article XXVIII, contracting parties wishing to enter into negotiations for the modification or withdrawal of concessions in their schedules were required to notify the CONTRACTING PARTIES not later than 30 September 1963. The Trade Negotiations Committee decided to extend this closing date until 31 October 1963 and to submit this decision for the formal approval of the CONTRACTING PARTIES at the present session. The Chairman enquired whether the CONTRACTING PARTIES approved the action taken by the Trade Negotiations Committee.

This action was approved.

The Chairman said that the notifications were to be concluded by the end of December, but at the request of some of the contracting parties concerned this time-limit was extended by the Council until 31 January 1964 and further extended until the end of the twenty-first session on a proposal put forward by the Executive Secretary.

The CONTRACTING PARTIES approved these extensions.

The Chairman said that it was his understanding that a number of contracting parties which were engaged in negotiations did not expect that they would be able to conclude them by the end of the present session and therefore would welcome a further extension.

The CONTRACTING PARTIES agreed that the contracting parties concerned might pursue their negotiations under Article XXVIII:1 up to 30 June 1964.

7. Status of protocols (L/2090/Rev.1)

The CHAIRMAN drew attention to a note circulated by the Executive Secretary in document L/2090/Rev.1 on the status of protocols and other instruments which had been drawn up by the CONTRACTING PARTIES for acceptance by governments. This note showed that a number of instruments opened for acceptance as long ago as 1955 had not yet entered into force since they still lacked certain signatures. The most important of these was the Protocol amending Part 1 and Articles XXIX and XXX, which had not yet been accepted by the Government of Uruguay.

Mr. ONYIA (Nigeria) said that his Government had now given authority to the Ambassador in Brussels to sign the Protocol Embodying the Results of the 1960-61 Tariff Conference.

As the representative of Uruguay was not present the CHAIRMAN proposed that the CONTRACTING PARTIES revert to this item at a subsequent meeting and that meanwhile the Executive Secretary be requested to prepare a draft decision extending the closing date for the acceptance of the protocols of amendment.

This was agreed.

8. Chairmanship of Committee III

The CHAIRMAN said that Mr. Phillips (Australia), who had served for several years as Chairman of Committee III, had informed him that he would no longer be available owing to his recent transfer to Australia. He therefore wished to propose that Mr. Donovan, also of Australia, be considered for the Chairmanship of Committee III.

Mr. Donovan was unanimously elected.

The CHAIRMAN endorsed the many tributes paid to Mr. Phillips by delegations and requested the Executive Secretary to prepare for his signature a letter thanking Mr. Phillips for his excellent work as Chairman of Committee III.

The meeting adjourned at 5 p.m.