

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/M/12

26 October 1962

Limited Distribution

COUNCIL

MINUTES OF MEETING

Held at the Palais des Nations, Geneva,
on 22 October 1962

Chairman: Mr. G.P. Phillips (Australia)¹

Subjects discussed:

1. Budget, Finance and Administration
2. Residual Import Restrictions
3. Australian Schedule

1. Budget, Finance and Administration (L/1842)

The Chairman of the Committee in presenting the report (L/1842) said that the Committee had considered the Executive Secretary's Financial Report on the 1961 accounts, the Report of the External Auditor thereon (L/1765) and the Budget Estimates for the Financial Year 1963 (L/1804). The Committee had also considered certain other matters put to it by the Executive Secretary including the question of the further introduction of Spanish.

The Council approved the report of the Committee on Budget, Finance and Administration, including the recommendations contained therein, for submission to the CONTRACTING PARTIES for adoption at the twentieth session.

In connexion with the proposal in paragraph 8 of the Committee's report (L/1842) regarding the appointment of an ad hoc working group to examine, inter alia, the replies to the queries contained in document L/1806, the CHAIRMAN said that the question of the terms of reference and membership of the group would be referred to the Council at its next meeting.

2. Residual Import Restrictions (L/1871)

The Council was required to review, in the light of experience, the procedures for dealing with residual import restrictions which had been adopted at the seventeenth session and to report its views to the CONTRACTING PARTIES. A note by the Executive Secretary setting out the nature of the question and reporting on the operation of the procedures was distributed in document L/1871.

¹In the absence of the Chairman, Mr. J. Lacarte (Uruguay), Mr. Phillips was invited to take the Chair for this meeting.

The representative of the United States recalled that, at the meeting of the Council in May, his delegation had spoken in favour of establishing a working party to examine the adequacy of the procedures and to make recommendations thereon. His delegation would not ask for such action at this time, but this would not preclude the possibility that proposals for new procedures might be made by the United States Government in the future. Meanwhile his delegation was content with the present procedures. However, during the twentieth session proposals concerning the permanent adoption of the existing temporary procedures for the notification of lists of restrictions would be put forward.

Some members expressed similar views, but stated their concern regarding the inadequacy of the notifications submitted under paragraph 7 of the procedures and hoped that in future contracting parties would be more forthcoming in furnishing lists of restrictions.

Having noted the report by the Executive Secretary on the operation of the procedures since their adoption at the seventeenth session and the report by the Panel of Experts (L/1774) which had examined the notifications received from contracting parties, the Council concluded that it could report to the CONTRACTING PARTIES that it had reviewed the procedures in the light of experience, as instructed, and at this stage had no alternative proposals to put forward. The Council noted, however, that certain proposals concerning notifications of lists of restrictions, provided for in paragraph 7 of the procedures, might be made by the United States delegation during the twentieth session.

3. Australian Schedule (L/1497)

Contracting parties were informed in GATT/Lik/303 of a request submitted by the Australian Government for authority under paragraph 4 of Article XXVIII to enter into renegotiations for the modification or withdrawal of two concessions in Schedule I. The airmail gave details of the items affected and statistics of imports in recent years.

The representative of Australia said that the Australian Government was seeking to modify concessions on two tariff items. These changes were required in order to implement a report by the Australian Tariff Board and certain classification changes in moving towards the Brussels Nomenclature. It would be recalled that the Australian Government had found it necessary to apply temporary duties following recommendations by the Deputy Chairman of the Tariff Board. A notification concerning action on this matter under Article XIX had been submitted to the CONTRACTING PARTIES and was circulated in document L/1497. This emergency action was taken pending a detailed enquiry into the protective needs of the industry by the full Tariff Board. Australian tariff legislation, as it related to temporary tariff protection, provided that temporary duties lapse three months after receipt by the Government of the report of the full Tariff Board, if amended tariff action had not been taken in the interim. The Tariff Board's report was received on 17 July 1962. The action to implement the Board's recommendations had to be taken by 17 October. In order to comply with domestic legislative

requirements, the tariff changes were introduced on 4 October under the aegis of the existing Article XIX notifications. The representative of Australia stressed that the action taken to date was not restricted to that part of the Board's recommendation which concerned items on which temporary duties had been applied. Full implementation of the recommendations must therefore await the conclusions of Article XXVIII renegotiations. As was indicated in GATT/IR/303 it was proposed to reinstate the bindings on certain items and to withdraw the notification under Article XIX as soon as possible. The Australian Government asked for urgent consideration of the matter in order to implement these tariff changes at an early date and stood ready to enter into renegotiations with the contracting parties primarily concerned with the existing concessions, with a view to reaching early agreement on compensation.

The Council agreed that the Australian request be placed on the agenda for early examination during the twentieth session which was to open on the following day.