

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/M/20  
5 June 1964

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COUNCIL  
27 May 1964

## MINUTES OF MEETING

Held at the International Labour Office, Geneva on  
27 May 1964

Chairman: Mr. S.Jhr. SOMMERFELT (Norway)

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The Council observed a minute of silence on being informed of the death of Prime Minister Nehru of India. The Executive Secretary was requested to address a letter of condolence to the Government of India on behalf of the CONTRACTING PARTIES.

1. Membership

The Chairman welcomed the Central African Republic and Jamaica as members of the Council.

2. United States tariff classification - request for extension of waiver (L/2219 and C/W/75)

In June 1963 the Council considered a request from the Government of the United States for a waiver to permit the introduction of a revised tariff classification in advance of the completion of negotiations in accordance with GATT procedures. On the recommendation of the Council the waiver was granted by the CONTRACTING PARTIES. The waiver expires on 30 June 1964. In a memorandum distributed in document L/2219, the United States Government explained that it would not be possible to complete all of the negotiations by the expiry date of the waiver and requested an extension of one year until 30 June 1965.

The representative of the United States said that the contracting parties engaged in the negotiations were well aware of the reasons why it was necessary for the United States Government to request an extension of the waiver. These countries had been very diligent in protecting their interests and the process of dealing with the points raised by them and the fact that the negotiations had turned out to be more complicated than anticipated had made it impossible to complete the negotiations by the date originally envisaged.

Several representatives expressed the concern of their governments at the unexpected complications which arose because of uncertainties as to where items fell within the new classification headings. They stressed their government's interest in the utmost expedition in obtaining rulings now requested from the Customs Bureau. In this connexion some governments were also interested in the favourable outcome of the classification legislation now pending in the Ways and Means Committee of Congress. Other representatives added that the delay in completing the negotiations had caused difficulties for the trade of their countries and they were anxious that the extension of the waiver would not lead to further postponements of negotiations; they looked forward to an early indication from the United States of its readiness to resume negotiations and to offer adjustments in tariff rates to provide suitable and adequate compensation where necessary. The representative of the European Economic Community said that the Community had been carrying on negotiations with the United States, but had not yet reached a final settlement. However, the negotiations had enabled the Community to obtain a fairly clear picture of the general situation. In the light of that situation the Community considered it natural that the waiver should be extended and agreed that the Council should take the necessary steps for enabling the contracting parties to vote on an extension of the waiver by postal ballot. The Community would vote in favour of the waiver.

The text of a draft decision, proposed by the Executive Secretary in document C/W/75, was approved for submission to contracting parties for a vote by postal ballot.

The representative of the United States said that he would convey to his Government the concerns expressed by delegations.

3. Article XV:6 - request for waiver by Cuba (C/42, C/W/73)

Paragraph 6 of Article XV provides for the acceptance of a Special Exchange Agreement by a contracting party which ceases to be a member of the International Monetary Fund. As announced in document L/2216, the Government of Cuba had withdrawn from membership in the Fund, and the addendum to that document contained a communication from the Government of Cuba requesting a waiver from the obligation to enter into a Special Exchange Agreement. A memorandum by the Government of Cuba in support of this request was distributed in document C/42.

The representative of Cuba said that the fundamental changes which had taken place in the economic organization of his country had obliged his Government to request a waiver from the provisions of paragraph 6 of Article XV. Similar requests had been made and waivers had been granted by the CONTRACTING PARTIES in the past, and his Government hoped that a similar waiver would be extended to his Government.

Several representatives supported the Cuban request, pointing out that the essential requirement for granting the request had been satisfied since the Cuban Government was prepared to give an undertaking that it would abide by the terms on which waivers for similar requests had been granted in the past. On the other hand, it was suggested that the Council revert to this item at its next meeting, since the memorandum submitted by the Government of Cuba (C/42) had only recently been received, and more time was needed to study the matter.

The Council agreed that the draft decision proposed by the Executive Secretary in document C/W/73 should be examined by governments and that the matter should be considered at the next meeting of the Council.

4. Balance-of-payments import restrictions

This item was included on the agenda in the expectation that reports by the Committee on Balance-of-Payments Import Restrictions on its consultations would be available for consideration. The Committee had completed consultations with Ceylon and South Africa but the reports were not finalized in time for copies to be distributed to the Council.

It was agreed that this item be retained on the agenda for the next meeting of the Council.

5. Secretariat and conference accommodation (L/2223)

At the last meeting of the Council the Executive Secretary reported on the increasing difficulties of obtaining suitable conference accommodation in Geneva and the

need for increased office space for the secretariat. In document L/2223 the Executive Secretary had reported on recent developments in connexion with these matters and had proposed the construction of a second annex to the Villa Le Bocage.

The DEPUTY EXECUTIVE SECRETARY recalled that when the Council had discussed the long-term solution to the problems of conference and secretariat accommodation at its meeting in December 1963, the discussion had taken place on the basis of a project which would provide a new building to house the secretariat and to provide adequate conference facilities. The discussion was of a preliminary nature and it was agreed that alternative projects should be examined. In the meantime the Geneva authorities had put forward a proposal envisaging the construction of a new building which would contain adequate facilities both for conferences of the contracting parties and for subsidiary bodies, as well as secretariat accommodation. This proposal was at present being studied by the secretariat and when these studies had been carried further a report would be submitted to the CONTRACTING PARTIES.

As far as these projects for dealing with the long-term problems of secretariat and conference accommodation were concerned it had now become clear that even on the most optimistic assumption it would take some four years before a permanent solution could be provided. There was thus an immediate problem for the secretariat to provide suitable working facilities to cover the next three to four years. At the moment, conditions were such that it was impossible to accommodate additional personnel in the present buildings of the secretariat. As there would be a certain continuing influx of new personnel to take care of new projects which were being undertaken by the CONTRACTING PARTIES, it was foreseen that in a few months the secretariat would find itself in a position where efficiency would suffer through lack of suitable accommodation.

The Executive Secretary had therefore put forward a suggestion for temporarily overcoming the problem of accommodation for the secretariat until a long-term solution could be found. It was suggested that a new annex, similar to the one which was erected in 1961, be erected in the grounds of the Bocage. Such a building would contain about fifty offices and, although it might not be an ideal solution, would be large enough to take care of the most pressing needs of the secretariat for the next three to four years. Such a building would cost about Sw.frs.1.2 million. However, it should be pointed out that, as was the case with the first annex, if the secretariat should leave the Bocage, and in the very unlikely event that the United Nations would not wish to take over the new annex, the resale value after dismantling could be estimated at about 60 per cent of the original cost. As to the financing of the project it was the intention of the Executive Secretary that it should be borne by the CONTRACTING PARTIES; but in order that the burden on contracting parties should be as light as possible, negotiations had been initiated with the Federal Government of Switzerland concerning the possibility of obtaining a low interest loan. If this was not possible, there were the alternatives pointed out in paragraph 6 of L/2223, i.e. of constructing the building through a bank loan at the current rate of interest, or of financing through the use of the surplus account, which now stood at nearly Sw.frs.1 million. The Council might wish to refer the matter to a special meeting of the Committee on Budget, Finance and Administration for further examination.

The Executive Secretary would provide the Committee with details of the proposed new annex. It was hoped that the Committee would have completed its examination of the project before the end of June. It was also hoped that the Council would then find itself in a position to make a recommendation to the contracting parties which could be followed by a decision by postal ballot. Such a procedure would permit construction to commence in September of this year, in order that the building might be available early in 1965.

It was agreed that a special meeting of the Committee on Budget, Finance and Administration should be held and submit a report to the meeting of the Council in June.

6. Administrative and financial questions

The EXECUTIVE SECRETARY requested formal approval of the Council on certain matters of expenditure and revenue:

(a) General Service Category salary scales (L/2217)

The Executive Secretary had proposed, in paragraph 4 of document L/2217, that the cost of salary adjustments in 1964, estimated at US\$7,800, be financed from savings within the appropriate sections of the budget or by transfer from some other budgetary item.

The proposal was approved.

(b) Assessment of additional contributions and advances to the Working Capital Fund (L/2214 and L/2218)

In documents L/2214 and L/2218, the Executive Secretary had proposed the contributions to the 1964 budget and to the Working Capital Fund which should be assessed on six countries which had recently acceded to the GATT.

The proposals were approved.

7. Appointment of committees and working parties

(a) Committee on Budget, Finance and Administration

The CHAIRMAN proposed the following composition and terms of reference:

Chairman: Mr. A. Schnebli (Switzerland)

Members:

Argentina	India
Australia	Japan
Belgium	Nigeria
Canada	Switzerland
Ceylon	United Kingdom
Chile	United States of America
France	Upper Volta
Federal Republic of Germany	

Terms of reference:

- (i) To examine any questions arising in connexion with the audited accounts for 1963, the financing of the 1964 budget and proposals for the budget for 1965.
- (ii) To study any financial and administrative questions which may be referred to it by the Council or submitted to it by the Executive Secretary, and undertake such other duties as may be assigned to it by the Council.

This was agreed.

(b) Working Party on Relations with Poland

The CHAIRMAN proposed the following composition and terms of reference:

Chairman: Mr. J. Kaufman (Kingdom of the Netherlands)

Members:

Australia	India
Austria	Indonesia
Belgium	Italy
Canada	Sweden
Czechoslovakia	United Kingdom
Denmark	United States of America
France	

Terms of reference:

To conduct the third annual review under paragraphs A:4 and B:3 of the Declaration of 9 November 1959 on relations between contracting parties and Poland and to submit a report to the CONTRACTING PARTIES.

This was agreed.

The CHAIRMAN suggested that other countries which were parties to the Declaration and wishing to become members of the Working Party should inform the secretariat.

(c) Working Party on EEC/Turkey

The CHAIRMAN proposed the following terms of reference:

"To examine, in the light of the relevant provisions of the General Agreement, the provisions of the Agreement creating an Association between the European Economic Community and Turkey, and to report to the CONTRACTING PARTIES."

This was agreed.

The Chairman suggested that contracting parties wishing to be members of the Working Party notify the Executive Secretary, and that the Council at its next meeting should decide on the composition and chairmanship.

This was agreed.

(d) Working Party on EEC/Associated African and Malagasy States

The CHAIRMAN proposed the following terms of reference:

"To examine, in the light of the relevant provisions of the General Agreement, the provisions of the Convention of Association between the European Economic Community and the African and Malagasy States associated with the Community, and to report to the CONTRACTING PARTIES."

It was also agreed that contracting parties wishing to be members of this Working Party should notify the Executive Secretary, and that the Council at its next meeting should decide on the composition and chairmanship.

8. Programme of meetings (C/W/74)

A note by the Executive Secretary on the programme of meetings of various subsidiary bodies of the CONTRACTING PARTIES for the summer and autumn up to the time of the special session on 16 November was circulated in document C/W/74. The Trade Negotiations Committee and its various sub-committees and commodity groups would be holding a series of meetings for which the programme would be discussed by the Trade Negotiations Committee at its next meeting.

The Council agreed to the postponement of the consultation with the EEC by Committee II until later in the year. It was agreed that a special meeting of the Committee on Budget, Finance and Administration should be held on a date to be fixed by the Executive Secretary in consultation with the Chairman of the Committee, in time to report to the next meeting of the Council (see item 5 above). In addition, it was agreed that the Council at a later date would fix times for meetings of the Working Party on Preferences, the Working Party on Relations with Poland and for an autumn meeting of the Council; meetings of Committee III and of the Action Committee would be announced later by the Chairman after consultation with members.

The following programme was approved:

25 June	Council
7-? September	Committee on the Legal and Institutional Framework of the GATT in Relation to Less-Developed Countries
7-11 September	Working Party on EEC/Turkey
21 September-2 October	Working Party on EEC/Associated African and Malagasy States

28 September-2 October

Committee on Budget, Finance and  
Administration

2-13 November

Committee on Balance-of-Payments  
Restrictions

9. Election of Chairman

Mr. K.B. LALL (India) was elected Chairman for the period until the twenty-second session of the CONTRACTING PARTIES.

