

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/M/52

27 January 1969

Limited Distribution

COUNCIL

21 January 1969

MINUTES OF MEETING

Held at the Palais des Nations, Geneva,
on 21 January 1969

Chairman: Mr. H.E. THRANE (Denmark)

	<u>Page</u>
<u>Subjects discussed:</u> 1. Work of the Council	1
2. United Kingdom Import Deposits	2
3. Accession of Colombia	2
4. Programme of meetings	3
5. Tariff study	3

1. Work of the Council in 1969

The Chairman recalled the proposal put forward by the Chairman of the CONTRACTING PARTIES at the twenty-fifth session that the Council should undertake a wider range of work in order to relieve the annual sessions of the burden of a long agenda and thus enable the CONTRACTING PARTIES to concentrate their attention on trade matters of major importance. This proposal had been endorsed by the CONTRACTING PARTIES and he would like to make a few comments on the preparation of work for the coming year in order to implement this instruction. In effect, the Council had been requested to deal in a definitive way with most of the items which had hitherto appeared on the agenda for a session of the CONTRACTING PARTIES. Thus a considerable amount of the discussions which had taken place during sessions should be undertaken in the Council. Moreover, the Council was expected to take decisions on many questions. To this end it seemed desirable to envisage a considerable number of Council meetings this year. The Director-General would distribute the full agenda for these meetings some weeks in advance so that members of Council would have ample opportunity to prepare for the discussions. For the Council to carry out this expanded programme, it would be essential that all preparatory work be done in good time and that documents be distributed well in advance of meetings. This meant that governments also should provide information and reports in time to permit translation and distribution to be completed well in advance of the meetings at which the questions would be discussed. The number and length of meetings would increase later in the year especially as the time for the twenty-sixth session approached.

2. United Kingdom Import Deposits

The Chairman recalled the announcement by the representative of the United Kingdom, during the twenty-fifth session in November 1968, that his Government had decided to introduce a measure requiring importers to deposit certain funds with the Customs Department at the time of clearance of goods through ports. The CONTRACTING PARTIES had established a Working Party to examine this scheme and its implications and the Working Party had been requested to present a first report to the Council not later than 21 January.

Mr. Besa (Chile), Chairman of the Working Party, said that the Working Party had held a first meeting on 9 December, at which it had heard a full statement by the representative of the United Kingdom. Subsequently, informal discussions had taken place from which the general conclusion emerged that the CONTRACTING PARTIES should consult with the International Monetary Fund in accordance with the provisions of Article XV. The Director-General had accordingly despatched the appropriate invitation to the Fund on 8 January. The Fund had replied accepting the invitation and had made the necessary arrangements to consult with the CONTRACTING PARTIES on 31 January. The Working Party would submit a further report to the Council as soon as possible.

The Chairman noted that the Council could expect to receive a report from the Working Party within a few weeks.

3. Accession of Colombia (L/3162)

At the twenty-fifth session the representative of Colombia had informed the CONTRACTING PARTIES that his Government had decided to make an application for accession to the General Agreement under Article XXXIII. Many delegates had welcomed this advance notice of Colombia's intention. It had been agreed that when the formal application was received it would be referred to the Council for action. A formal application had now been distributed in document L/3162.

The representative of Colombia said that the promptness with which his Government had confirmed its statement at the session was proof of its earnest desire to accede to the GATT, which it considered the most efficient machinery for solving problems of international trade. Colombia was particularly careful to comply with its international commitments; thus his Government had postponed application to the GATT as long as the Colombian foreign trade system and economic policy required adjustment. For the time being his Government was making an application for provisional accession, in the wish and hope of achieving full accession at an early date.

The Chairman proposed the establishment of a working party with the following terms of reference:

"To examine the application of the Government of Colombia to accede to the General Agreement under Article XXXVIII and to submit recommendations to the Council."

The Chairman noted that these terms of reference would permit the Working Party to recommend either provisional or full accession.

The Chairman proposed Mr. Archibald (Trinidad and Tobago) as Chairman of the Working Party and suggested that contracting parties wishing to serve on the Working Party should so inform the secretariat.

The Chairman's proposals were approved.

The Chairman invited the Government of Colombia to submit a memorandum on its commercial policy including a description of the tariff régime and of other measures affecting its foreign trade. When this memorandum had been distributed, contracting parties wishing to obtain additional information or clarification would be invited to submit questions through the secretariat. After the Government of Colombia has provided answers to these questions, the Working Party would be convened.

The representative of Colombia said his Government was preparing a memorandum which would be ready shortly.

4. Programme of meetings (C/W/133)

The Council had before it a tentative list of meetings for February and March distributed by the Director-General (C/W/133).

The representative of India suggested that it would be desirable to co-ordinate GATT and UNCTAD meetings so as to avoid overlapping between the two, and added that he would make the same suggestion to the UNCTAD Board then in session. This was supported by the representative of Ghana.

The Director-General said that the secretariat did its best to avoid a clash of dates and would continue to do so, but there was an inherent difficulty in the fact that a great number of organizations held frequent meetings in Geneva.

The representative of Australia stressed the desirability of circulating documents as early as possible, at least some weeks before meetings.

5. Tariff study

The representative of the United States said that he wished to pose certain questions concerning the scope of the tariff study which was in the course of preparation by the secretariat. He had been instructed to mention his Government's

understanding regarding this aspect of the work programme, as set out in the Conclusions adopted by the CONTRACTING PARTIES at the twenty-fourth session, of which the relevant passage called for: "an objective analysis of the tariff situation as it will be when all Kennedy Round concessions have been fully implemented".

It was his Government's understanding that this study would cover all products, whether agricultural or industrial, in the Brussels Tariff Nomenclature, Chapters 1 through 99. Contracting parties had been requested to submit data for all these products, and his delegation trusted that the secretariat would be able to compile and complete the study in relation to all ninety-nine Chapters of the BTN. If this was the understanding of all members of the Council, his delegation would like to have confirmation of this. Secondly, it was his Government's understanding that the mandate given by the CONTRACTING PARTIES provided for the study to include not only tariff averages and estimates that relate to fixed specific and ad valorem duties, but also to any duties or other charges which are variable or supplemental. In other words the mandate called for a study of all duties and charges that were legally applicable under the GATT. A study which did not include all such duties and charges would not provide an objective analysis of the tariff situation. If the Council concurred in these understandings the secretariat and the Committees on Industrial Products and Agriculture would have a clear concept of what the study was to achieve and what it was to cover. If, on the other hand, it was not considered that the existing mandate should be so construed, then, in the view of the United States Government, it would be necessary to seek a new mandate which did cover these two points and which made it clear that all the products and all the charges that he had mentioned were to be included.

The United States representative further suggested that for the study to be useful it should be based on the most recent trade data available in order to reflect recent trade flows.

The representative of the Commission of the European Economic Community said his delegation had taken note of the United States representative's statement and would transmit it to their authorities. He could not take a position at this meeting but would be prepared to discuss the question later.

The Chairman proposed that delegations reflect on the questions raised by the representative of the United States and that the Council revert to them in the near future.

It was so agreed.