

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Seventeenth Session

IRELAND - ACCESSION

Information on Ireland's Commercial Policy and Regulations

Addendum

In addition to the Irish Government's replies to written questions submitted by contracting parties (distributed in L/1285/Add.4) there are annexed hereto the further questions put to the Irish delegation by members of the Working Party and the Irish delegation's replies (Annex II). The opening statement of the Irish representative is also attached (Annex I).

ANNEX I

Statement by the Representative of Ireland
at the Meeting of the Working Party on Accession
of Ireland held on 14 November 1960

By letter of 29 August 1960 (document L/1285) my Government indicated their desire to discuss the terms on which they might accede to the GATT under Article XXXIII thereof and to this end requested the consent of the CONTRACTING PARTIES to Ireland's participation in the tariff negotiations at the Tariff Conference 1960-61. My Government indicated further that in such negotiations it would be their desire to obtain the agreement of the CONTRACTING PARTIES to terms of accession which would permit the maintenance of the special trade relations between Ireland and the United Kingdom reflected in the various Trade Agreements between the two countries, copies of which have been circulated to the contracting parties (document L/1285/Add.1).

In my statement at the meeting of the Council on 22 September 1960, (document L/1285/Add.2) I gave an outline of Ireland's trade policy and of the special trade relationship existing between Ireland and the United Kingdom.

If I may repeat part of what I said on that occasion, I would like to emphasise again the extent to which the United Kingdom as a buyer and seller figures in Ireland's external trade: three-fourths of our exports go to that country and one-half of our imports come from there. The high level of trade between the two countries has been sustained by the preferential trading arrangements to which I referred. Any diminution in Ireland's export trade to the United Kingdom - of which about two-thirds consists of agricultural products - would have serious economic consequences in view of the difficulty of finding alternative markets for such products. Indeed, our main hopes of expanding agricultural exports must continue to be centred on the United Kingdom.

The supplementary information which we have supplied in reply to questions put down by contracting parties (document L/1285/Add.4) gives a fuller picture of our trading policy and of the special trade relations with the United Kingdom, including the preferential treatment which we have contracted under Trade Agreements to accord to that country. I hope that the information presented will be of assistance to the Working Party in the carrying out of their task. We shall be happy to supply, insofar as we can, any further information that may be required.

ANNEX II

I. Tariffs

Ad question 1

How much of Ireland's imports are free of duty?

Reply

Ireland's imports in 1959 could be classified broadly as follows:

	£m.
Not liable to any duty	142
Charged with protective duties	18
Liable to protective duties and admitted duty-free under licence	22
Liable to revenue duties	<u>30</u>
	<u>£212m.</u>

Ad question 3

How is value on the basis of sale in the open market determined?

Reply

The definition of value is that in force in most countries of Europe. Generally it is equivalent to the c.i.f. value of the goods at the place of importation.

Additional question

Is canned fish liable to duty?

Reply

Canned fish is liable to the duty shown at T.Ref. No.86 of the Customs and Excise Tariff and, in addition, to that at Ref. No.620 of the Tariff Supplement.

III. Preferential Arrangements and Bilateral Agreements

Ad question 15

Has the Government of Ireland considered its position in the event of the CONTRACTING PARTIES being unable to concur in the continued operation of Article 11(3) of the Trade Agreement, 1938, in full?

Reply

For the purpose of considering such a situation it would be of assistance to the Government of Ireland, to have an indication of the maximum derogations which the CONTRACTING PARTIES would be prepared to grant in this respect.

Ad question 15

Has consideration been given to the question of reconciling the provisions of Article 11(3) of the Trade Agreement of 1938 with Article I of the GATT?

Reply

Considerable thought has been given to this question which has been the subject of consultation with individual contracting parties and the secretariat. The difficulties involved are appreciated by the Government of Ireland; hence the request made for an opportunity to explore the matter in discussion with contracting parties.

Ad question 15

Is the adjustment of duties provided for in Article 11(3) of the Trade Agreement of 1938 with the United Kingdom intended to cover increases in duties?

Reply

Yes.

Ad question 15(3)

Is there any discrimination in the issue of duty-free licences?

Reply

No.

Ad question 15(3)

With reference to Article 11(3) of the Anglo-Irish Trade Agreement 1938, may it be taken that if the m.f.n. rate were 10 per cent ad valorem or less, the preferential rate applicable to imports from the United Kingdom and Canada would be nil?

Reply

Yes.

IV. Quantitative Restrictions

Ad question 24

Can the quantitative import restrictions maintained by Ireland be justified by reference to balance-of-payments considerations or on the basis of Article XXIV of the General Agreement?

Reply

For information, it may be mentioned that in the years following the second world war a succession of balance-of-payments deficits had the effect of reducing substantially the external assets. By 1955 the situation had deteriorated to such an extent that it was necessary to introduce special import duties in an effort to correct the imbalance. The external payments position improved in subsequent years and over the past three years has been roughly in balance.

Attention is drawn to the statements contained in the Government's Programme for Economic Expansion that the economy is subject to acute fluctuations in external trade, the impact of which falls primarily on the liquid external reserves of the commercial banks, affecting their ability to extend domestic credit and that the external reserves of the commercial banks have been greatly reduced since the war and now afford little margin over minimum liquidity requirements.

As regards the question of the retention of quantitative restrictions, it would be the desire of the Government of Ireland to utilize such procedures within the General Agreement as would enable account to be taken of conditions obtaining in Ireland, e.g. the stage of industrial development, the smallness of the domestic market available to home industry and the consequential risk of damage to industries and employment from competition from major industrial countries. In this connexion the Government of Ireland would advert to the objectives of the General Agreement as set out in the Preamble thereto, namely the general raising of standards of living, the ensuring of full employment and a large and steadily growing volume of real income and effective demand.

Additional question

Is canned fish subject to import restrictions?

Reply

It is not subject to import restrictions.

V. Subsidies

Ad question 30

What proportions of the support for butter are met by the State and the milk producers respectively?

Reply

The position is that the State meets two-thirds of the cost of the price support arrangements, the balance of one third being met by the milk producers.

VI. Agricultural Policy

Ad Question 31

Are the supports in respect of the agricultural products mentioned costly?

Reply

In the case of products which are consumed at home the burden of the price support falls on the domestic consumers and, as in the case of wheat, the actual burden may vary greatly from year to year depending on weather and harvesting conditions. In the case of products which are exported after processing the burden of the price support measures is affected by the prices obtainable on the export markets and also in the case of milk products by weather conditions which greatly affect milk production and so the volumes of exports of such products.

Ad Question 31

Are imports of meat from all sources prohibited and, if so, do the import restrictions result in an unsatisfied demand for meat in Ireland?

Reply

There is no discrimination in the administration of the import prohibition on meat, imports from all countries being prohibited. As regards the second part of the question, Ireland exports substantial quantities of livestock, meat and meat products annually. Exports of live cattle amount to from one half to three-quarters of a million head per annum and there are, in addition, large exports of live sheep and lambs and of beef (both in carcase and in processed form), mutton, lamb and pigmeat.

Ad Question 31

Would Ireland seek to justify the import prohibition on meat on animal health grounds as provided for in Article XX of the GATT and, if so, would this consideration be applied to imports from disease-free countries?

Reply

Should Ireland accede to the GATT, it would have to look at its import restrictions on agricultural products to see how far they were in accordance with the GATT and whether any of them could be relaxed without danger to the country's agricultural industry and, in the case of meat, to the country's position in regard to freedom from serious animal disease. The export of livestock and meat is vital to the Irish economy and because of Ireland's freedom from foot-and-mouth disease and other major epizootic diseases Irish livestock and meat are acceptable from the veterinary aspect in most countries. It is essential that this position should not be jeopardized. So far as the second part of the question is concerned, Ireland is not a meat importing country and accordingly discrimination between countries in the matter of meat imports does not arise. It is appreciated that the degree of risk of introducing serious animal disease through the medium of meat imports would be less in the case of meat originating in some countries than in the case of meat from other countries. It should be remembered, however, that even if imports could safely be permitted from certain countries also enjoying a high degree of freedom from animal disease, it would be most unlikely, in view of the small quantities that would be involved, that such imports could be shipped direct to Ireland. Transshipment at a port in a third country would involve risks which Ireland could not incur.

Ad Question 31

Are the controls on imports of meat referred to on page 4 of the Irish Customs and Excise Tariff and on imports of carcasses referred to on page 6 of the Tariff operated for different reasons?

Reply

The control on imports of carcasses and parts of carcasses referred to on page 6 of the Tariff does not apply to imports from the United Kingdom or countries outside Europe. The control referred to on page 4 is of more recent origin and extends to imports from the United Kingdom or countries outside Europe.

Ad Question 31

How are the import requirements of wheat estimated and are the imports made without discrimination? What are the trends in regard to production and imports of wheat and feed grains?

Reply

The broad aim is to produce at home about 300,000 tons (dried weight) of wheat or about 75 per cent of the country's total annual requirements. This aim is not always realized in practice as adverse weather conditions during the harvest period can greatly affect the amount of millable wheat produced, as occurred this year and also in 1958. The need so far to include a proportion of hard imported wheat in the millers' grists in order to produce consistently satisfactory bread has made it necessary to import a substantial quantity of wheat each year. In order to ensure that an excessively large amount of wheat is not produced, a levy related to the estimated total home production of millable wheat is imposed on wheat producers, the funds so accumulated being used to finance the disposal, for such purposes as animal feeding, of wheat surplus to the quantity which can satisfactorily be used for the production of flour for the domestic market. This means that the wheat support arrangements involve a production-limiting factor.

So far as imports of wheat are concerned, Ireland is a contracting party to the International Wheat Agreement and imports of wheat are made without discrimination as to the country of origin.

With regard to trends in cereal production and imports, the position in regard to wheat is as outlined above. The bulk of the country's requirements of feed grains is now being produced at home in the form of feeding barley, the outlets for which are the pig and poultry industries. Because of the lack of remunerative export markets, the poultry industry is now largely based on the limited home market and the production of feeding barley must, therefore, be related mainly to pig production, the volume of which is affected by the prices obtainable on export markets.

VIII. General Questions

Ad Question 35

How does the 90 per cent liberalization of imports for the purpose of the OEEC Code of Liberalization, which presumably relates to the import position in 1948, compare with the current actual position?

Reply

It is estimated that the current actual level of liberalization is at least 90 per cent.