

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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COMMITTEE ON TARIFF CONCESSIONS

Draft Minutes of the Meeting held in the Centre William Rappard on 19 July 1985

Chairman: Mr. A. Satuli (Finland)

1. The Chairman informed the Committee that he had received a request from the Customs Co-operation Council in Brussels to attend, as observer, the meetings of the Committee dealing with the Harmonized System. In view of the close collaboration between the two organizations, he recommended that the Committee receive the request positively and not only agree but welcome the attendance of Mr. Asakura in charge of the Harmonized System in the CCC. The Committee agreed to the request and Mr. Asakura joined the meeting.

2. The Chairman welcomed the participants to the 16th meeting of the Committee and drew their attention to GATT/AIR/2179 of 9 July 1985, pointing out that the meeting had been called to examine in detail the procedural and substantive questions related to the introduction of the Harmonized System and more particularly to the forthcoming Article XXVIII negotiations. To facilitate the discussion, a detailed agenda had been circulated in document TAR/W/52. The Chairman suggested following the points listed in this document. The agenda was adopted without modification.

I. Status of work on national conversions

3. The Chairman, referring to the informal note prepared by the secretariat, invited interested delegations to give a summary of the situation in their capitals regarding both the availability of documentation of their own country as well as the review of foreign conversions.

4. The representative of Australia stated that an initial draft of Australia's Harmonized System tariff had been completed with the exception of chapters 28 to 40; the draft was subject to review by the Australian Industries Assistance Commission. His delegation expected to submit shortly documentation in the format of Annexes III and IV relating to chapters 1 to 24. His country had undertaken a preliminary examination of foreign conversions relating to chapters 1-24 and was currently working towards concluding this task.

5. The representative of Canada reported that his delegation had circulated a draft transposition of the ninety-seven Harmonized System chapters; this version was, however, subject to review by the Government following a process of public hearings and consultations carried out by the Tariff Board. The Tariff Board had already reported on chapters 1 to 24; public hearings had been held on chapters 25 to 67, and hearings would take place on the remaining chapters in October. After having received a complete report from the Tariff Board, the Canadian Government would be in a position to take a final decision on the Harmonized System. Regarding foreign conversions, his authorities had been reviewing the documentation available and had already had a number of fruitful discussions with several delegations.

6. The representative of the European Communities suggested that the informal secretariat note should in future be more detailed, making a distinction between the annexes as set out in document L/5470/Rev.1. His delegation had submitted chapters 1 to 63 in the format of Annexes III and IV; the missing chapters 4, 15 and 19 to 21 would be supplied shortly. In addition, chapters 64 to 72 would also be available shortly. His delegation expected to complete the remaining chapters after the summer break.

7. The representative of Finland recalled that his delegation had submitted concordance tables on all chapters; a first draft of the national tariff based on the Harmonized System would be distributed in September. As far as review of foreign conversions was concerned, work was in hand and it was hoped that in some cases the review would be terminated by September.

8. The representative of Hungary said that her authorities had completed the national conversion of chapters 64 to 83 which would be submitted in the near future. Her delegation was hoping to finish the whole exercise by the end of September. Concerning foreign conversions, some progress had been made; technical consultations had been held with countries concerned, and the work was pursued in parallel with the completion of the national conversion.

9. The representative of Japan stated that his delegation had already distributed all the necessary documents, i.e. Annexes I to IV. Concerning the review of foreign conversions, his authorities were examining the available transpositions, taking into account Japan's export interests.

10. The representative of New Zealand indicated that his country had made some progress in the compilation of the concordance tables and was currently preparing the full format including the old and new tariff items, the duty rates and the statistics. The first twenty-four chapters had been completed and would soon be available for distribution; for the balance, work was well advanced and chapters would be made available progressively as and when completed. Preliminary examination of foreign conversions had also been undertaken.

11. The representative of South Africa informed the Committee that his authorities had now completed the conversion up to chapter 47, except chapters 29, 39, 40 and 44, which would be distributed very soon. The remaining chapters were under review by technical experts and would hopefully be available after the summer.

12. The representative of Sweden reported that his authorities had submitted Harmonized System documentation for all chapters and were reviewing the documentation of other countries as it became available.

13. The representative of Switzerland stated that his delegation had recently submitted chapters 67 to 83 and that Annexes I to IV of chapters 84 to 97 were in hand. Regarding review of foreign conversions, his country had more or less completed the analysis of chapters 1 to 49 and had addressed some questions in writing to the countries concerned.

14. The representative of the United States recalled that all the necessary US documentation had been available for some time. His authorities were

reviewing the US conversion in the light of bilateral discussions and were examining foreign conversions as the material became available. He reiterated the need to receive Annexes III and IV from all participants as early as possible.

II. Report of the Customs Co-operation Council activities

15. The observer from the CCC, Mr. Asakura, Director of the Nomenclature and Classification Directorate, made a statement which, upon the request of several delegations, was subsequently circulated in document TAR/W/53.

16. The Chairman and the representatives of Canada, the United States, Japan, the European Communities and New Zealand thanked the observer from the CCC for his interesting and detailed statement. They also welcomed the offer made by the CCC to give technical advice in the context of the Article XXVIII renegotiations. The representative of Japan added that his delegation fully supported the hope of the CCC that GATT negotiations would be concluded in due course to ensure the prompt implementation of the Harmonized System. In the light of the Harmonized System objectives, together with the extensive efforts to establish the Harmonized System made by the CCC over a long period of time and the fact that it was expected to become a world-wide nomenclature, his country strongly hoped for a rapid and satisfactory conclusion of Article XXVIII negotiations in order that the Harmonized System could be implemented without delay.

17. In reply to several questions, Mr. Asakura stated that no country which had signed the Convention subject to ratification had as yet deposited the necessary instruments of ratification with the CCC. He recalled that

Article 12 of the Harmonized System Convention stated that any eligible state or customs or economic union might become a contracting party to the Convention either (a) by signing it without reservation of ratification or (b) by depositing an instrument of ratification after having signed the Convention subject to ratification; or (c) by acceding to it after the Convention had ceased to be open for signature. At present, two countries, Jordan and Mauritius, had signed the Convention without reservation and had thus become contracting parties to the Convention. He confirmed that the CCC had already completed the Explanatory Notes of all chapters and the printed version could be expected to be published by the end of the year.

Mr. Asakura also said that the preparation of the Alphabetical Index involved a great amount of work and, to this effect, he had requested additional temporary technical staff to carry out this work. It was expected that the work would start in the autumn but it was not possible to say when it would be terminated. Regarding the Compendium of the Classification Opinions, it would be possible to compile such a document only after a sufficient number of classification opinions had been rendered.

IV. GATT Common Data Base

18. Mr. Raynal (GATT secretariat) reported that since the last meeting of the Committee, the secretariat had received from delegations several draft files which had been used to verify the correct functioning of the computer programmes before loading the data base. The secretariat had encountered minor problems regarding some of the data submitted and had held discussions with the delegations concerned in order to find satisfactory solutions. At present, it was, however, not possible to foresee any precise schedule for the effective functioning of the data base. To that effect, Mr. Raynal urged delegations to provide complete files on tapes as soon as possible. He

further pointed out that the secretariat was hesitant to advance too quickly in the specifications of the programmes necessary to update the files or to retrieve the data in summarized reports since it was still not sure that further adjustments in the format of the files would be necessary. In his view, another technical meeting would be necessary in the autumn in order to discuss the remaining technical problems and to take a final decision on the organization of the data base, especially with regard to access restrictions, definition of the reciprocity principle and analysis reports, which the secretariat would make available to participants, or to developing countries in the context of technical assistance.

19. The representative of the United States indicated that for his delegation, the preparation of the necessary computer files was progressing; he hoped to submit files in early August. He encouraged other delegations to provide their files and hoped that more countries would participate in the data base. As to the question of access to the files, he believed that there should be automatic access among participants, i.e. the countries that had submitted the key files. His delegation was willing to make its data available on as broad a basis as possible. He agreed that an expert group meeting should be held, possibly in conjunction with the next informal meeting of the Tariff Committee.

20. The representative of the European Communities supported the suggestion by the United States to hold a meeting of experts in order to examine the situation. The complete contribution by the EEC would be supplied to the secretariat after the summer break.

21. The representative of Japan confirmed that his delegation had submitted testing data and was at present studying the comments made by the secretariat.

22. The representative of Canada indicated that his delegation had also submitted data for testing and had just received comments from the secretariat which technical experts would examine very soon. On the question of access to the data his delegation felt that it should be completely open between participants in the system.

23. The representative of Switzerland informed the Committee that his delegation had also submitted some test material and the tapes should be completed by the end of July or beginning of August. He agreed to take part in an informal meeting on this matter.

24. The Chairman noted the support given by delegations for an informal meeting of technical experts which could take place some time in September in conjunction with the next informal meeting of the Committee. It was so agreed.

IV. Technical consultations

25. The representative of the United States expressed his disappointment that progress in the technical consultations had not measured up to the objectives set out last year, and that it was very important to find ways to correct this situation. He recalled the target date of implementation of the Harmonized System on 1 January 1987, as emphasized by the CCC representative. Accordingly, preparations for this meeting had focussed on finding ways to improve the efficiency of the consultation exercise. He hoped that others would take a similar approach with a view to regaining momentum while still

ensuring that work was complete and productive. Since last December there had been three sectorally-grouped rounds of consultations ranging up to chapter 63 with a few countries. His delegation had found these consultations useful, and believed they would lead to a narrowing of the number of issues for the formal negotiations. To date, chapters 1-24 had been reviewed with all of the active participants. However, chapters 25-40 had been reviewed only with Canada, Japan, the Community, and Switzerland; chapters 40-63 had been reviewed only with Japan and the Community.

26. The United States delegate regretted that progress had been slow and largely limited by the availability of documentation. He was also disappointed that the review of the United States conversion had not progressed further and believed that it was important to pick up the pace by making some adjustments in the manner in which work had proceeded to date. A starting point was the progress made in the availability of documentation. Delegations should focus on reviewing other countries' submissions with a view towards intensive bilateral consultations in the autumn. He proposed that, rather than continuing to have a sectoral focus, a series of rolling bilateral meetings over the entire US conversion and over all of the chapters available from US trading partners should be held. He felt that this would improve resource utilization and expedite assessment of Phase I which was dependent on evaluation across entire conversions. He added that it would also permit participants to reach the goal of an early conclusion of Phase I, perhaps by the end of October. To summarize he believed the process must be expedited to stay on track. This would be facilitated by shifting emphasis to bilateral meetings beginning in September, ranging over as many chapters as were available.

27. The representative of the European Communities raised the question whether the proposal made by the US representative for a considerable acceleration of the work would make it possible for the Japanese delegation to put the Harmonized System into force on 1 January 1987. He further requested the Japanese delegation to specify the date on which the negotiations would have to be concluded in order to make it possible for Japan to undertake the necessary procedures to have the Harmonized System implemented as at 1 January 1987.

28. The representative of Japan replied that, as reiterated on several occasions, the position of his authorities was that the target date for the end of the negotiations was end of September 1985, as long as the date for the implementation remained 1 January 1987. In order to achieve this deadline, Japan had unilaterally submitted all the necessary documentation for consultations, covering all ninety-seven Harmonized System chapters, already last November. His delegation had also submitted a document concerning the procedures to be followed for the finalization of Article XXVIII results (TAR/W/51). He found the preliminary consultations useful but noted with regret that the submission of documentation by others had been considerably delayed. He referred to the agreement reached at the last meeting of the Committee to supply by the summer a complete documentation including concordance tables, statistics and trade breakdown by all countries. In view of the delay occurred in the submission of the documentation by the Community, he was in turn wondering when the Community would be in a position to supply the missing chapters. In his view, the delays in the submission of the necessary documentation had caused slow progress in technical consultations; this was not the responsibility of his authorities. However, his delegation's views on the Harmonized System had

not changed and he expressed his delegation's desire for an early implementation of the Harmonized System. Independently from the precise date of implementation of the Harmonized System, efforts should be concentrated on the technical consultations and Article XXVIII negotiations.

29. The representative of the European Communities said that the US suggestion to terminate the technical consultations by end-October would not allow the Japanese delegation to meet the date of end of September for the completion of the negotiations. As to the submission by the Community of the complete documentation, he admitted that it had been delayed. However, his delegation would like to know when for instance Annexes III and IV would be available from other major parties. Although the Community agreed with the objective of speeding up negotiations with a view to making the process more rapid, the issue did not concern only the timely submission of documentation, but also the holding of substantive consultations. As regarded the negotiations themselves, the participants should adopt methods compatible and consistent with the speeding up of the consultations. So far, contacts held by the Community with a number of partners had led to the impression that matters of no vital importance had slowed down the consultations. In conclusion and in order to accelerate the process of consultations, he suggested not to move away from the guidelines set out in document L/5470/Rev.1 which were aimed at ensuring the neutrality of the transpositions into the Harmonized System.

30. The Chairman concluded that here seemed to be general agreement on the need to accelerate the work. A target date of the end-October had been mentioned in the discussion, but reference to difficulties with too ambitious a timing had also been made.

V. Article XXVII Negotiations

- Opening of negotiations

31. The representative of the United States stated that it was important to consider the best way to carry out negotiations under Article XXVIII as smoothly and as expeditiously as possible. His delegation was looking for an early initiation of the formal Article XXVIII negotiations, preferably by 1 January 1986. He believed this date could be agreed upon in a collective decision in order to establish a time-frame for the early initiation and conclusion of the negotiations. The negotiations could be launched by formally tabling proposed new GATT schedules in the format of Annex II together with the rest of the documentation called for in document L/5470/Rev.1; it would be desirable for participants to take this step together although he recognized the essentially bilateral character of the negotiations.

32. The representative of Canada felt that every effort should be made to accelerate the Phase I process, but in his view it was rather difficult to set a precise time-table for its conclusion and the initiation of Article XXVIII negotiations. It was, however, his delegation's intention to move forward as quickly as possible.

33. The representative of Switzerland said that the Committee should consider the next phase of the exercise and envisage establishing a time-frame for the negotiations. The aim should be to fix indicative dates for the initiation and closing of the negotiations, over a period of six months for instance; thus bilateral negotiations could start, depending on the progress made by individual countries.

34. The representative of the European Communities said that the questions raised by the US delegation needed to be clarified. In the Community's view Article XXVIII negotiations could be opened by the decision of any contracting party submitting a proposed modification of its schedule; he did not think a collective decision for the opening of the negotiations was necessary, the bilateral character of those negotiations being essential. Regarding the date of 1 January 1986, he wondered whether this date would apply only to certain countries or to all parties that had submitted Annex II. He fully agreed that before entering into Article XXVIII negotiations, Phase I consultations had to be concluded satisfactorily, both in terms of time limits and substance.

35. The representative of the United States replied that it would be useful to have a general agreement to establish a time frame for the early initiation of negotiations; his delegation's preference would be for participants to move together. As a target date had been put forward for the submission of documentation, a similar approach could be envisaged for the initiation of Article XXVIII negotiations. He recognized the bilateral character of the exercise but, supporting the idea expressed by the Swiss delegation, he thought it would be useful to establish a general indicative time-frame which could be used as a target for opening Article XXVIII negotiations. His delegation felt that this question could be discussed in the Committee in the autumn and then, rather than aiming at a formal decision, the Committee could try to seek some kind of consensus on a possible time-frame.

36. The Chairman noted that the Article XXVIII negotiations should be initiated as soon as possible and that some delegations seemed to be in

favour of a collective decision regarding indicative dates for the initiation and conclusion of the negotiations.

Circulation of documentation

37. The Chairman reminded delegations that, according to usual practice, delegations would be requested to provide sufficient copies of their formal offers under Article XXVIII for distribution to all GATT contracting parties.

38. The representative of the United States said that, in view of the voluminous amount of documentation involved, his delegation felt it useful to reflect on how best the burden could be shared and specifically to consider to what extent data processing techniques could be utilized.

Legal procedures

39. The representative of Japan introduced the paper submitted by his delegation in document TAR/W/51 and said that in order to reduce paper work, each contracting party introducing the Harmonized System should establish consolidated GATT schedules from the beginning by incorporating directly not only the results of Article XXVIII negotiations but also the tariff items for which the rectification procedures would apply, without drawing up such documents as required by the Council decision in 1980.¹ His delegation considered that the suggested approach would reduce the burden considerably; the Japanese paper was also aimed at reaching an understanding on the legal documents to be drawn up containing the consolidated GATT schedules and the procedures to be followed for the finalization of the schedules. As to the nature of the legal documents, his delegation considered that there were two

¹BISD 27S/25.

possible approaches: the protocol-type approach and the certification-type approach, each approach having merits and demerits as described in the paper. At this stage, his delegation would tentatively prefer the certification-type approach in light of its efficiency but would wish to discuss this matter further.

40. The representative of the United States felt that the Japanese paper provided a useful starting point for discussion of this issue; in examining the two implementation procedures set out in the document (certification or protocol) his delegation would prefer the certification option since it appeared more efficient and more appropriate to this exercise. His delegation would welcome other views particularly to the extent that they would expedite the exercise. At the conclusion of the negotiations there should be certified consolidated schedules in Harmonized System loose-leaf format which would replace prior schedules and would become the sole legal instruments recording contracting parties' tariff obligations.

41. The representative of the European Communities found the Japanese paper very useful and covered several legal questions to be dealt with. He asked that the secretariat reply to some of the questions in a document to be circulated to the members of the Committee.

42. The representative of Sweden could agree to integrate the results of Article XXVIII negotiations directly into the schedules if that approach were legally possible; his delegation would support the suggestion made by the Community to have the views of the legal services of GATT. It would also, as a preliminary reaction, prefer the certification approach. He further

reminded the Committee of the need to take up at some point the question of the presentation of consolidated Harmonized System schedules in loose-leaf form, particularly as concerned column 7.

43. The representative of Canada said that the certification approach had considerable merits. He raised the question of the implementation of the new rates and questioned whether delegates generally expected to implement the Harmonized System at the same time. In addition, the issue of how the implementation of new rates and the conclusion of Article XXVIII negotiations could be combined needed further consideration.

44. The representative of Switzerland found the suggestion made by the Japanese delegation to present schedules incorporating Articles XXVIII results in loose-leaf form useful but, as far as the legal instrument was concerned, he felt that not enough discussion had taken place on this subject to allow his authorities to take a position and, in this context, he would welcome a note from the secretariat, as suggested by the Community.

45. The representative of New Zealand felt that there was a certain discrepancy between the need to complete the Harmonized System exercise as quickly as possible and the requirement to respect the procedures of the GATT. His delegation was in support of the certification approach; regarding the legal questions which needed to be analysed, he supported the approach suggested by the Community to the effect that the situation be examined by the legal section of the GATT so that the Committee could focus on this question at the next meeting.

46. The Chairman confirmed that the secretariat was ready to prepare a note on legal matters raised in the Japanese paper, which would help delegations discuss this issue at the next meeting.

Policy issues

(a) Initial Negotiating Rights

47. The representative of Canada pointed out that a significant distinction should be made between historical INRs and INRs on current concessions. For the historical INRs, his delegation thought that it might be useful, to the extent possible, to eliminate them; current INRs, however, were somewhat different and it would be useful to discuss the modalities for handling them.

48. The representative of the United States wished to avoid that these negotiations would become INR negotiations. He agreed that a distinction should be made between historical and current INRs. With respect to historical INRs he felt that the coming exercise would provide an opportunity to eliminate them except in a limited number of cases where a particular historical INR was pursued by a contracting party that holding it. As to current INRs, they might be of greater interest and relevant to negotiations under Article XXVIII. Therefore, his delegation was open as to how best to maintain them, although he noted that similar arguments could be made about current INRs as about historical INRs.

49. The representative of Sweden stated that the Nordic countries were in agreement with both the Canadian and US delegations regarding this matter and had found it quite difficult to transfer historical INRs into loose-leaf schedules in Harmonized System; he believed, however, that the current INRs should be transferred to the corresponding positions in the Harmonized System.

50. The representative of Switzerland stated that in view of the evolution in world trade and the present structure of imports, INRs had gained considerable importance for small countries. His country was therefore very interested in safeguarding INRs reflecting the actual situation and also intended to keep historical INRs. He realized, however, that the conversion of those INRs was a very difficult exercise and felt that further discussion was needed in order to find either a solution through negotiations or by developing principles or methods that could be applied unilaterally.

51. The representative of Japan said that his delegation's basic position was to avoid the delay in the implementation of the Harmonized System due to difficulties raised by the transposition of INRs. He considered it desirable that historical INRs should be abolished in principle and existing INRs should be simplified.

52. The representative of the European Communities stated that participants should try to eliminate as far as possible historical INRs, without preventing some delegations from keeping certain historical INRs which they considered necessary.

53. The representative of Australia considered the maintenance of INRs in Harmonized System GATT schedules as an important issue, particularly in respect of current INRs but at the same time recognized that there were technical difficulties to maintain all historical INRs. Australia did not dispute that many of those had little value in actual circumstances; however, it was essential that those historical INRs which still had a real commercial value could be retained.

54. The Chairman noted that in discussing INRs, there had been general agreement for making a distinction between current INRs and historical INRs. As far as historical INRs were concerned, several delegations seemed to favour the approach whereby countries concerned should as a general rule try to eliminate them to the extent possible. However, the view in favour of the maintenance of some historical INRs had also been expressed; it was felt that those INRs still represented a commercial value which would justify their maintenance. As to the current INRs, he noted that most delegations seemed to be in favour of maintaining them. It was agreed to discuss this matter further at the next meeting of the Committee.

(b) Definition of suppliers' rights

55. The representative of Canada made a distinction between several issues related to suppliers' rights: the first category related to suppliers' rights obtained in m.f.n. trade, taking into account the definition of substantial supplier and the rule of 10 per cent which had generally been applied; the second set of circumstances related to the relationship between suppliers which benefited from contractual preferences and the implications for m.f.n. suppliers; the third group concerned trade between contracting parties and non-contracting parties.

56. The representative of the European Communities did not see any problem on this issue, especially as regards the treatment of countries enjoying contractual preferences. He believed that the determination of suppliers' rights should take into account the trade of all the Community' partners.

57. The representative of the United States agreed to the concept of different categories suggested by the Canadian delegate and indicated the

particular interest of his country on the question of suppliers' position in relation to contractual preferences and its general position in favour of basing suppliers' position on m.f.n. trade.

58. The representative of Sweden said that the Nordic countries could fully associate themselves with the intervention made by the Community representative.

59. The representative of Hungary stated that, according to the Hungarian position, the only basis for the definition of suppliers' rights was m.f.n. trade.

60. The representative of Japan considered that suppliers' rights should be based on m.f.n. trade including GSP.

61. The representative of Australia believed that the question of determination of suppliers' rights for the purposes of Article XXVIII negotiations was an important matter which was still being considered by his authorities with their trading partners.

62. The representative of Switzerland made a proposal aimed at taking better account of the interests of exporting countries. The introduction of the Harmonized System and the negotiations connected with this exercise were of a particular type and did not constitute a classical type of Article XXVIII negotiations. In addition, a number of GATT member countries were of the opinion that Article XXVIII which had been drafted in 1948 should be amended, inter alia, to take better account of the interests of exporting countries.

In his authorities' opinion, the introduction of the Harmonized System and the conclusion of the Article XXVIII negotiations offered an opportunity to carry out this task. The proposal aimed at establishing negotiating rights on the basis of the importance of the exported product for a country in per capita terms. At this stage, it was envisaged that the application of this new formula would be limited to items for which INRs existed.

63. The representative of New Zealand considered the question of suppliers' rights as a very important and inherent element within the Harmonized System negotiations. Like Australia, his country was examining this question thoroughly in light of consultations with its trading partners. He noted with some interest the comments made by the Swiss delegate and would like to follow this through as part of the examination of the whole question.

64. The representative of Argentina requested the Swiss delegation to provide additional information on the proposal. He felt, however, that with this type of system, there could be a certain form of favouritism or privileging a number of countries, either with a large population or with a fairly weak participation in international trade, as compared with domestic production.

65. The representative of the European Communities requested the GATT legal adviser to comment whether Article XXIV had any effect in detracting from the rights of contracting parties under the General Agreement; he believed that the conclusions of a number of recent panels, including the Panel on Newsprint, had been fairly clear on this matter.

66. Mr. Lindén (GATT secretariat) replied that it was not quite clear to him what the scope of the question put by the delegate of the EEC was. It was, however, his understanding that the Report of the Panel on Newsprint had stated that negotiating rights that contracting parties members of agreements concluded under Article XXIV had in respect of each other would not be eliminated at the conclusion of such an agreement; the rights continued to exist as explained in paragraph 55 of the Report.¹

67. The representative of Canada stated that he was not sure his delegation shared the views expressed by the GATT legal adviser and would wish to reflect on both his comments and the Panel Report on Newsprint. In preparation of the deliberations of the Newsprint Panel, his delegation had done some research on practices of different contracting parties over a period of time and believed that practices had not been consistent through the life of GATT, and that the situation was far from clear. His delegation would want to pursue the discussion on this important matter both in informal meetings at the next Committee meeting.

68. The representative of the United States reserved the position of his delegation on the views expressed by the legal adviser and associated himself with the comments made by the Canadian delegate.

69. The representative of Sweden, referring to the Swiss proposal, stated that the Nordic countries had found that proposal interesting and that it

¹L/5680.

deserved due consideration. He suggested that time for reflexion be given to the Committee members and to revert to the matter at a later stage.

70. The representative of Switzerland suggested to revert to the question of suppliers rights at the next meeting. He asked the delegate of Switzerland to submit a working document giving details of his proposal, which would help other delegations to reflect on the proposal and make it easier for them to evaluate it. It was so agreed.

(c) Review clause

71. The representative of Canada recalled that in the past some delegations had expressed concern about the particular problems that could arise from the largely unprecedented nature and complexity, including classification questions, of the negotiations and the ensuing uncertainties. His delegation supported the idea of a review clause or other mechanism that would provide sufficient flexibility to deal with problems that may arise. In the course of informal discussions his delegation had heard some other ideas that might possibly achieve the same objective, but using different techniques and it was ready to examine them in detail.

72. The representative of the United States understood the problems described by the Canadian delegate but his delegation felt that existing GATT articles, particularly Article II and Article XXVIII, were sufficient to meet those concerns. Therefore, for the moment, his authorities would not be in favour of a review clause.

73. The Chairman noted that two different views had been expressed on this matter and felt that it would be useful if in future discussions on this subject, more concrete ideas could be put forward.

VI. Secretariat technical assistance to developing countries

74. The Chairman indicated that the secretariat stood ready to give technical assistance to developing countries as far as Article XXVIII negotiations were concerned and invited interested developing countries to address matters related to the Harmonized System and the coming Article XXVIII negotiations to the secretariat for technical assistance.

75. The representative of Japan pointed out that his delegation was not opposed to the secretariat giving technical assistance to developing countries, but would wish to see any document prepared by the secretariat on the basis of the Japanese documentation before it was handed over to the interested developing country.

76. Responding to a question put by the representative of Israel concerning the type of documents referred to by the Japanese delegation, Mr. Kautzor-Schröder (GATT secretariat) explained that as had been the practice in the past, the secretariat would provide technical assistance to developing countries, upon specific request, in order to allow them to fully participate in the negotiations. To this effect the secretariat could start examining the material already provided by developed countries (mainly transposition and concordance tables) and, in due course, the official Article XXVIII offers. This work would be undertaken on the clear understanding that the present transposition tables had no legal status. It would, however, permit the staff of the Technical Co-operation Division to

acquaint itself with the content of the documentation so that once the negotiation offers were submitted it would be familiar with the material available.

VII. Date of the next meeting

77. The Chairman concluded the meeting, indicating that it was planned to hold the next meeting of the Committee in October, at a date to be fixed later in consultation with delegations.