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GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Intersessional Committee

SUMMARY RECORD

of the Meetings held at the Palais des Nations, Geneva,
commencing at 10 a.m. on 26 March 1956

Chairman: Dr. W.C. NAUDE (South Africa)

- Subjects discussed:
1. Request by the United Kingdom for authority to renegotiate certain items in Schedule XIX
 2. Request by Chile for authority to renegotiate certain items in Schedule VII
 3. Informal discussion of a question raised by the United States representative
 4. Next meeting of the Committee

In the absence of the Chairman and the Vice-Chairmen of the CONTRACTING PARTIES, Dr. W.C. Naudé was invited to preside.

The CHAIRMAN drew attention to the agenda (IC/W/47), indicating that the meeting had been convened to discuss a request submitted by the Government of the United Kingdom and that more recently the Government of Chile had submitted a similar request. In view of the fact that the request of Chile had not been received in time for its inclusion in the agenda, it would not be possible to deal with the question at this meeting, but the Committee might wish to take this opportunity for an informal discussion.

Mr. CISNEROS (Cuba) said that airgrams could not reach Havana in less than four or five days and therefore, when meetings were convened with only the minimum of ten days' notice, distant countries were not able to send representatives or to send instructions to delegates in Geneva; he enquired whether longer notice of future meetings could be given or if the convening notice could be sent by telegram.

The DEPUTY EXECUTIVE SECRETARY, in reply, said that this meeting had been convened with only ten days' notice as a matter of urgency but that the views of the representative of Cuba would be kept in mind and, whenever possible, earlier notice would be given.

1. Request by the United Kingdom for authority to renegotiate certain items in Schedule XIX

The CHAIRMAN said that, as reported in L/477, the United Kingdom had concluded negotiations with the Government of Denmark for the replacement of the preferential quantitative arrangements in respect of bacon, referred to in Annex A to the General Agreement, by a margin of tariff preference. As a consequence the Government of the United Kingdom wished to negotiate under the procedures of paragraph 4 of Article XXVIII (Revised) in order to modify certain commitments in the United Kingdom's Schedule relating to pig products, and requested authority to do so under paragraph 2(a) of the Declaration of 10 March 1955 on the Continued Application of Schedules. The United Kingdom delegation had now distributed a secret memorandum explaining the request and providing statistics of imports of the products concerned.

Mr. SANDERS (United Kingdom) explained why it was necessary to negotiate certain changes in respect of two tariff items for pig products. The United Kingdom administration found it difficult to differentiate for customs purposes between the various forms in which pig meat could be imported. As a consequence the 10 per cent duty on bacon - which would be introduced on 1 October 1956, when trade in bacon would revert from Government to private account - could not be applied effectively without some adjustments being made in related products in the Schedule. These adjustments could not be delayed beyond the date on which the duty would enter into effect. It was therefore necessary for his Government to apply for authority to negotiate these adjustments, it being considered that the application was justified by the "special circumstances" of the case.

Mr. CORSE (United States) said that the concessions on the two items under consideration had been negotiated with the United States and were considered of value to his country. The market for pork products in the United States was depressed at the present time, average prices for the farmer being only 37 per cent of those prevailing in 1953-1954. Owing to the application of import restrictions, recent trade figures were unreliable as an indication of the natural trends of trade and it was not possible to foresee the consequences of the replacement of quantitative arrangements by a duty. His Government would therefore prefer to see the present commitments on related pig items maintained for the time being; and he had no doubt that, in case of unsatisfactory developments, the CONTRACTING PARTIES would consider favourably a request for renegotiation. However, his delegation would have no objection to granting the United Kingdom the authority requested.

Baron BENTINCK (Netherlands) said that he had serious doubts whether the United Kingdom had adequately justified the need of providing for pork and ham a régime akin to that for bacon. His delegation would not wish to deny that "special circumstances" existed and would not oppose the request. He wanted, however, to reserve his right to claim a principal supplying interest but, in this connexion, would need to discuss with the United Kingdom delegation the

trade statistics contained in their memorandum which did not agree with statistics of exports from the Netherlands. In any case the Netherlands could claim a substantial interest.

The introduction of a duty on bacon was an important illustration of the tendency to impose customs duties when quantitative arrangements are removed. The Netherlands Government regretted that it had been deemed advisable to follow this course in connexion with trade in such an important item. Further, in the arrangements concluded between the United Kingdom and Denmark, the possibility that quantitative restrictions might be introduced had been envisaged. He did not think that such action would prove to be necessary, but in any case he reserved all his Government's rights to treatment not less favourable than that granted to others.

Mr. SANDERS (United Kingdom) thanked the members of the Committee for supporting his Government's request. Replying to Baron Bentinck, he said that the precise form of the changes envisaged had not yet been decided. That was a matter for discussion between the interested parties in the light of the technical problems involved. His delegation would be willing to discuss any discrepancies in the statistics with the Netherlands delegation. He reserved his position as to whether the Netherlands Government could claim a substantial interest.

The Committee, in accordance with its terms of reference, agreed to grant the United Kingdom authority to renegotiate the concessions on pig products.

The CHAIRMAN said that under the procedures of Article XXVIII:4 (Revised) no action would be required in the event of agreement being reached in the negotiations. On the other hand, if no agreement were reached the matter could be referred to the Intersessional Committee or to the CONTRACTING PARTIES.

2. Request by Chile for authority to renegotiate certain items in Schedule VII

Mr. BOWEN (Chile) said that his Government's request had been distributed in SECRET/60, but that he was content to leave this for consideration at a future meeting; relevant statistics would be made available within two or three days. He suggested that, if possible, the next meeting should be held not later than 15 April.

3. Informal discussion of a question raised by the United States representative

Mr. CORSE (United States) said that he wished to report to the Committee certain problems encountered by his Government which might lead to the submission of a request for renegotiation. He thought that a preliminary discussion would be helpful to his delegation in determining the best method of dealing with these intricate and technical problems.

An informal discussion was held and the United States representative said that he would inform the CONTRACTING PARTIES in the near future whether his Government would submit a request for consideration.

4. Next meeting of the Committee

It was agreed that the Executive Secretary should fix the date for the next meeting after receiving the statistical information relating to Chile's request or upon receiving a formal request from the United States.

The meeting adjourned at 5.30 p.m.