

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/W/47

30 May 1962

Limited Distribution

COUNCIL

24 May - 1 June 1962

CONCLUSIONS REACHED BY COUNCIL.

Draft

The following draft of conclusions reached by the Council on items of its agenda are submitted for approval. (In the minutes of the Council's meeting, each of the following paragraphs will be preceded by a short statement of the problem under consideration and a note on the trend of the discussion.)

2. Programme for expansion of trade

(a) Customs tariffs

/Still under discussion/

(b) Trade in agricultural products

The Council noted the report by the Executive Secretary in his capacity as Chairman of the Cereals and Meat Groups on action taken since the last meeting of the Council. The Council also took note of the statements made during discussion of this item.

(c) Trade of less-developed countries

The Council took note of the report of Committee III contained in document L/1768 and Corr.1 and agreed to recommend its adoption by the CONTRACTING PARTIES.

3. Balance-of-payments import restrictions

(a) Reports on consultations

The Council took note of the reports submitted by the Committee on Balance-of-Payments Import Restrictions on consultations with Brazil (L/1777), Ghana (L/1778), Greece (L/1776) and Israel (L/1775), and agreed to recommend their adoption by the CONTRACTING PARTIES.

(b) Chilean restrictions

/Still under discussion/

4. Residual import restrictions

/Still under discussion/

5. German import restrictions

The Council noted that the Federal Republic of Germany would submit a report under the Decision of 30 May 1959 and would consult with the CONTRACTING PARTIES at the twentieth session.

6. European Economic Community

(a) Association of Greece

/Still under discussion/

(b) Common agricultural policy

In summing up the discussion the Chairman said that the European Economic Community had now furnished information on the establishment of the common agricultural policy thus supplementing the information previously submitted concerning the implementation of the Rome Treaty and the developments leading toward the formation of the customs union. The provision of this information by the Community was also in accord with that part of the Decision taken by the CONTRACTING PARTIES in implementing the Ministerial Conclusions under which contracting parties were invited to notify any substantial changes in their agricultural policies.

The discussion had shown that members of Council recognized that the most immediate issue before them was how the common agricultural policy might be expected to affect trade in agricultural products. Several representatives had indeed referred to the Decision of the CONTRACTING PARTIES at the nineteenth session when in implementing the Conclusions of the Ministers the CONTRACTING PARTIES decided as follows:

"that contracting parties be invited to notify any substantial changes in their agricultural policies so that the information assembled from past Committee II consultations can be kept up to date and, further, that Committee II be authorized to consider, when so requested, the carrying out of consultations with particular contracting parties".

It would be recalled that in reaching this Decision the CONTRACTING PARTIES had had very much in mind the formulation and adoption of procedures designed to facilitate discussion of access to markets and expansion of trade in agricultural products.

It seemed most appropriate therefore to follow this decision of the CONTRACTING PARTIES and to accept the suggestion that had been made that Committee II should be requested to carry out a consultation with the European Economic Community, examining during such consultation the changes in the agricultural policies of the member countries of the Community. As had been clearly brought out in the discussion, the adoption of this procedure would in no way prejudice the rights or possibilities of any contracting party to revert to the application of Article XXIV or of any other relevant Article of the General Agreement to the Treaty of Rome. These rights had been and remained clearly reserved under the standstill Decision reached at the thirteenth session of the CONTRACTING PARTIES.

The procedures proposed by the Chairman were agreed and it was decided that Committee II should meet for the two weeks preceding the twentieth session, to continue, if necessary, after the opening of the session to enable it to report to the CONTRACTING PARTIES before the close of the session. Meanwhile, any additional information obtained by the secretariat will be made available to contracting parties.

7. Central American Free Trade Area

The Council agreed that the question should be deferred for the time being, to be taken up by the Council or by the CONTRACTING PARTIES when sufficient information, particularly regarding the schedules of products to be subject to the terms of the Treaty, was available.

8. Relations with Poland

Mr. J. Kaufmann (Netherlands) was appointed chairman of the Working Party.
/The item is still under discussion./

9. Relations with Yugoslavia

The Council agreed that the Working Party of the nineteenth session should be re-appointed with the following terms of reference:

"To conduct the third annual review under Section C of the Declaration of 25 May 1959, on Relations between contracting parties and Yugoslavia including consideration, pursuant to paragraph 3 of Section D of the Declaration, as to whether the arrangement should be terminated, modified or continued, and to report with recommendations to the CONTRACTING PARTIES at the twentieth session."

10. Television programmes

The Council took note of the Working Party's report contained in document L/1741 and agreed that the Working Party should hold a second meeting in the autumn.

11. Consular formalities

Having noted the reservations made by some delegations, the Council agreed to recommend to the CONTRACTING PARTIES the adoption of the report prepared by the Panel of Experts including the Recommendations set out in paragraphs 21 and 22. With reference to the reports requested from certain governments in paragraph 22, it was agreed to bring to the attention of the CONTRACTING PARTIES the desirability of providing some machinery whereby these governments could have the benefit of discussions with the Experts concerning the difficulties encountered in eliminating the remaining consular formalities.

12. United Kingdom waivers

The Council took note of the Panel report (L/1749).

13. Australian special treatment for products of Papua/New Guinea

The Council took note of the report by the Government of Australia (L/1750).

14. Participation of Spain in the work of the CONTRACTING PARTIES

The Council agreed to recommend an extension of the Decision of 4 June 1960 inviting Spain to participate in the work of the CONTRACTING PARTIES. /The item is still under discussion./

15. Accession of the United Arab Republic

It was agreed to establish a Working Party, under the chairmanship of Mr. E. Treu (Austria), with the following terms of reference:

"To examine the request of the Government of the United Arab Republic to accede to the General Agreement pursuant to Article XXXIII and to make recommendations to the CONTRACTING PARTIES at the twentieth session."

Contracting parties wishing to serve as members of the Working Party were requested to inform the Executive Secretary not later than 31 July. The Working Party will meet prior to the twentieth session and meanwhile the United Arab Republic will submit a memorandum on all important aspects of its commercial policy. This memorandum will be distributed and contracting parties will then have an opportunity to ask questions and make requests for supplementary information through the secretariat.

16. Application of Article XXXV to Japan

It was noted that fourteen contracting parties were still applying Article XXXV to Japan and that the question of the review was retained on the agenda of the CONTRACTING PARTIES.

17. Administrative and financial questions

(a) Final 1961 budget position

The Council approved the proposal in paragraph 5 of document L/1756 regarding the transfer of savings between sections of the budget.

(b) Salaries of ungraded posts

The Council approved the proposals regarding the increase of salaries of ungraded posts.

(c) Appointment of Committee on Budget, Finance and Administration

The Council agreed that a Committee on Budget, Finance and Administration should be established with the following composition and terms of reference:

Chairman: Dr. L.D. THOMSON (Australia)

Membership

Brazil	Federal Republic of	Peru
Canada	Germany	Switzerland
Czechoslovakia	Ghana	United Kingdom
France	Japan	United States
	Pakistan	

Terms of reference

- (a) to examine any questions arising in connexion with the audited accounts for 1961, the financing of the 1962 budget and the proposals for the budget for 1963;
- (b) 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.
- (d) Contribution to the Working Capital Fund

The Council approved the amounts of the advances assessed on Sierra Leone and Tanganyika in document L/1779.

(e) General Service scales

The Council noted that, in accordance with the practice approved by the CONTRACTING PARTIES, the Executive Secretary intends to apply to GATT General Service Staff the salary scales the United Nations might decide to adopt for the European Office.

18, 19 and 20.

/Still under discussion/

21. United States tariff simplification

The Council found that there were "special circumstances" in the sense of paragraph 4 of Article XXVIII, and agreed to grant the authority requested.

The Council took note of the statement by the United States representative that if it appears that the negotiations will not have been concluded by the end of the year, his Government may request the CONTRACTING PARTIES at the twentieth session to grant a waiver to allow the implementation on 1 January 1963 of the changes made in the tariff as they affect bound items.

